

Town of



# AMHERST *Massachusetts*

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January 13, 2012

TO: Select Board  
Finance Committee

FROM: John P. Musante, Town Manager

CC: Department Heads

SUBJECT: Town Manager's Proposed FY 13 Municipal Budget

Consistent with the Amherst Town Government Act, Section 5.1, *Annual Operating Budget*, I am pleased to submit my proposed budget for the fiscal year beginning July 1, 2012 (FY 13). My recommended FY 13 Town of Amherst Municipal Budget includes the following:

• General Fund	\$19,543,195	+2.9%
• Water Fund	3,967,145	-8.5%
• Sewer Fund	3,977,933	+5.9%
• Solid Waste Fund	549,855	+0.0%
• Transportation Fund	1,082,218	+1.1%

## Revenues

I have prepared this budget assuming modest but crucial increases in revenue, the most important of which is a two percent (2%) increase in the two largest state aid accounts, Chapter 70 Education Aid and Unrestricted General Government Aid. For four years, the state and the nation have faced difficult economic conditions and the state has been constrained in its ability to provide aid to cities and towns. State aid to support Town and school services now comprises only 20% of annual operating revenues, its lowest level since the passage of Proposition 2 ½ in 1980. However, the state has reported positive revenue collection figures this year, and I think it is reasonable and prudent to forecast a slight state aid increase.

This budget proposal assumes that the Town will levy to the property tax levy limit allowed under Proposition 2 ½, or \$41.7 million. New growth added to the levy is estimated by our assessors at only \$350,000, which is less than two-thirds of the 10-year average for new growth.

Even as some parts of the economy have shown positive signs of recovery, we have not seen a significant uptick in economic development or in residential building or renovation projects. The reopening of the Lord Jeffery Inn will restore a significant local revenue source to the Town budget. In addition, I forecast growth in motor vehicle excise tax as sales figures for new cars show improvement over recent years. There is also modest growth in the estimates for fines and forfeitures, licenses, and ambulance revenue. No reserves are utilized to support the budget nor is an override proposed.

### Proposed Spending Plan

*Over the past four years, the Town has confronted the fiscal challenges facing us directly. With support and collaboration with the staff, Select Board, Finance Committee, School Superintendent and School Committees, Library Director and Jones Library Trustees, and Town Meeting members, we have successfully implemented what I would describe as a “Plan to Restore Fiscal Sustainability” comprised primarily of the following:*

- Expenditure Reductions (approximately 70% of solution)
  - Control employee benefits costs (plan redesign; increased employee contributions to costs)
  - Reduce municipal non-school workforce by 25 positions, or 11.6%
  - Closure of Marks Meadow School, one of the Town’s four elementary schools
  - Collective bargaining agreements that are equitable and affordable
  - Energy efficiency
- New Revenues (approximately 30% of solution)
  - Increased user fees (ex. LSSE) and ambulance fees (ex. UMass & 4 Towns)
  - Local Option Meals and Lodging Taxes
  - Voter-approved Property Tax Override of \$1.68 million phased in over two years to support “core services”

The FY 13 proposed budget represents a culmination of several years of lean budgets and changes to Town government, including cuts to staff and programs. After several years of cuts, this year we will have a lean budget that funds most departments at their current staffing levels and allows them to continue to produce excellent public services for the Town’s residents.

*Despite the persistent fiscal challenges facing the Town as a result of the deepest and longest economic downturn in seventy years, the Town is poised to make significant progress in a number of critical areas in the coming year. My proposed budget is consistent with the level services preliminary budget guidelines for the Town’s General Fund budget issued by the Finance Committee in November and responsive to the Select Board’s FY 13 Budget Policy Guidelines to the Town Manager dated November 10, 2011 (both documents are included in the Introduction section of the budget). Some budget highlights:*

- *By December 2011, the Town successfully concluded collective bargaining negotiations with all four municipal unions through June 30, 2013. Salaries and wages constitute almost 80% of the General Fund budget and so settling these contracts at reasonable levels was essential to keeping the Town’s finances in balance in FY 13 and beyond. I am pleased that we have good labor relations with all of our unions. These contracts are fair and the Town can afford them;*

- Employee/retiree health insurance rates will remain unchanged in FY 13, in contrast to a nearly +10% industry trend. This is the direct result of proactive multi-year efforts by the Town to stabilize employee health care costs by eliminating the costly indemnity plan, adding HMO's and the option of purchasing lower cost Canadian prescription drugs, increasing employee contributions, and increasing premiums to appropriate levels to pay claims and restore reserve levels in the Health Claims Trust Fund to required levels. Plan design changes have generated estimated savings in excess of \$3 million since 2006. While these are positive indicators, employee benefits costs as a share of salaries and wages has still increased from 19% to 34% of the total over the past ten years (see "Financial Trend Monitoring Report, October 2011" at [www.amherstma.gov/budget](http://www.amherstma.gov/budget)). We have also seen an increase in the number of employees taking health insurance benefits, resulting in an overall increase of 2.7% for FY 13. Control of health care costs remains the single biggest fiscal challenge facing the Town over the long term;*
- Due to an aggressive multi-year capital investment program to promote energy conservation, and to favorable long-term energy contracts, the municipal utilities budget will be level funded in FY 13. Investments in more energy-efficient HVAC systems, interior lighting, streetlights, traffic signals, and stable bid prices for natural gas and electricity are all responsible for a level funded energy budget. In FY 13, the Town hopes to see the installation by a private company of one of the largest solar arrays in Massachusetts at the old landfill on Belchertown Road, which will dramatically reduce electricity costs to the Town and generate new tax base growth. My twin goals quite simply are for the Town of Amherst to be a leader in renewable energy and "green" best practices;*
- Public Safety services (Police, Fire/EMS, Communications, and Animal Welfare) remain at current service levels. No reductions in personnel are recommended. I continue to monitor the workload of our public safety personnel and staffing levels, particularly as these departments report increasing call volume. For example, UMass has increased enrollment of 16% in the last 10 years (23,570 in 2000/2001 versus 28,085 in 2011/2012), while staffing of the *Police Department* has decreased by 10% since 2007 (5 sworn positions). For FY 13, I will work to develop a comprehensive long term staffing level plan to ensure the safety of our community and police officers, as well as improve the service we provide the community. As our overall call volume increases and EMS call volume in particular, we must deal with ever-increasing stresses on the *Fire Department's* ability to deliver top notch service to our community. This ties directly to our staffing challenge. Increasing instances of shifts with only minimum staffing of seven firefighters on-duty seriously hamper our ability to provide the service our customers deserve due to only being able to staff three ambulances while still providing fire/rescue service. The department reorganization is still in its infancy but is slowly taking root. The key elements remain changing our minimum staffing levels, implementing a true command structure, and establishing a structured training program. We will work to measure the ramifications of the new firefighter/EMT 24-hour shift schedule instituted on January 1. Using metrics such as quality of patient care, quality of*

documentation, use of sick leave, employee injuries, etc., we should have a useful amount of trending data. In FY 13, the Town plans to proceed with pre-construction work entirely funded by a state 911 grant to begin to create a *Regional Public Safety Dispatch Center* following the expected formal commitments from a number of area communities to this initiative later this winter. It is hoped that a regional facility could be operational in two years;

- *Public Works services will be preserved at current levels.* This functional area provides funds for *administration* and implementation of all Public Works budgets and projects. All vehicles and equipment used for road maintenance, snow plowing, tree care, park maintenance, leaf pickup as well as water and sewer (with appropriate reimbursements assessed) are maintained, repaired, and serviced by a three-person *Equipment Maintenance* crew. The *Tree and Grounds Maintenance* budget provides funds for mowing parks, commons and miscellaneous greenbelts throughout the Town, for maintaining ball fields, including those at schools; and for maintaining park buildings and the Town Center. A major objective in the coming year is to start a bold and ambitious tree planting plan to plant 2,000 trees in the next three years to reduce pollution, beautify our community, and reverse a twenty-plus year trend of net loss of hundreds of street trees. This objective is tied to a capital request to fund the hiring of two interns and the purchase of equipment and trees to begin this three year plan. The biggest challenge for the *Highway Division* is to restore funding for all the employees. Currently four employees are funded through project funding. This method has saved the Town money in the General Fund budget, but has hampered the Division in the last two years in keeping up with routine maintenance. The routine maintenance that has been affected includes pothole repairs, minor sidewalk repair, roadway shoulder repair, drainage system repairs, and equipment maintenance and preservation.
- *Conservation and Development budgets are recommended to increase by a modest \$41,698 (+4.7%) to a total of \$927,560.* Conservation, planning, and inspections services staff are in their third full year operating as a consolidated functional area on the second floor at Town Hall. The department's ability to timely and effectively support the many regulatory boards it staffs, complete MUNIS and other streamlined permitting initiatives, administer the Community Development Block Grant, and support inspectional services is compromised without adequate and basic administrative support. I am actively recruiting a new Building Commissioner and hope to make an appointment within the next thirty days. My priority, simply stated, is to renew and refocus Inspection Services' mission to protect our community related to land use and to the construction and occupancy of buildings and structures and to do so in a manner that provides maximum clarity, responsiveness, and accountability without placing an undue burden on property owners and businesses who wish to invest in Amherst. The Planning division will continue to work with citizens and Town boards to pursue rezoning of Amherst's village centers. Rezoning will address housing, economic development, transportation, and other needs. New flood prone area zoning boundaries will be based on the development of updated flood data. The Safe and Healthy Neighborhoods Initiative will pursue increased enforcement and coordination between Town regulatory agencies and landlords/tenants, and improved cooperation with campus authorities. Sustainability

efforts will increase under the department's new Sustainability Coordinator who will pursue Amherst's application for Green Community status and promotion of alternative energy and energy conservation projects;

- I am recommending that Community Services budgets increase by a 5.0%, or \$78,041, to a total of \$1.65 million. The Health Department continues its successful program of sharing a Sanitarian position with the City of Northampton and will explore other shared services initiatives. I am grateful to the Friends of the Senior Center, a non-profit organization, for ongoing financial support of to the Senior Center to supply the Center with essential supplies, equipment, and program funds above and beyond the Town's budget allocation. The Veterans' Services budget is level funded after an increase of \$50,000 in FY 12. These costs are eventually reimbursed 75% by the Commonwealth. The Town has made a successful transition to a new regional veterans' services district incorporating the City of Northampton and several smaller towns. The Leisure Services and Supplemental Education (LSSE) budget is recommended to increase by \$18,809, or +4.1%, to \$482,331. LSSE will continue to evaluate and, if necessary, realign its program offerings and expenses to achieve a sustainable mixture of available tax support and user fees. The Community Theater program continues with the support of an incredibly talented and dedicated group of community members. LSSE continues to offer a diverse array of youth sports, camps, after school, and adult education programs. I am working with School Superintendent Maria Geryk, her staff, and LSSE Director Linda Chalfant on an initiative to improve after school programming. We have contracted for the services of a nationally recognized consulting team from Wellesley College to examine our current after school program, with the goal achieving a district wide high quality after school program. I have not included funds for after school programming in my budget proposal, but plan to offer specific funding recommendations within the next sixty days following completion of the assessment. With the reopening of the War Memorial Pool, the Municipal Pools budget will increase by \$20,989 (+25.5%) over the amended FY 12 budget, which included Town Meeting's vote to increase that budget by \$65,250. The War Memorial Pool will reopen in June 2012. The increased costs of operating the pool are offset by an increase in pool fee revenue from the new fees and season permits that users of that pool will pay. The 9-hole Cherry Hill Golf Course budget increases by \$5,392 (+2.3%). In addition to offering one of the best values in Western Massachusetts it will expand its winter programming as well as introduce a disc golf program. The golf course will cover its operating and employee benefits costs entirely from user fees.*
- The Water Fund budget of \$3,967,145 is recommended to decrease by 8.5%, and water rate are recommended to increase by \$0.10 per hundred cubic feet or \$12 per average household per year. This will be the first increase in two years. No funds will be drawn from Water Fund Surplus to support this budget. The decrease in the budget is due mainly to two factors. First, the FY 12 budget had increased by \$234,000 because of action by the November 2011 Special Town Meeting to appropriate funds to purchase additional water meters and watershed land in Shutesbury and Pelham. Second, the last debt payment for the Atkins Water Treatment plant was in FY 12, improvements to the Centennial Water Treatment Plant located in Pelham will be funded with a bond*

authorization of \$4 million which will be sold in March 2012, resulting in a net reduction of \$363,688 in debt payments.

- *The Sewer Fund budget of \$3,977,933 is recommended to increase by 5.9% to support operating and capital expenses of the Town's sewer system. The sewer rate is recommended to increase by \$0.10 to \$3.45 per 100 cubic feet, which would result in a \$12 annual increase (+3%) to the sewer bill of the average four-person household in Amherst.* The Sewer Department will begin the construction of a sewer line on Harkness Road and will begin design of a sewer extension in the Wildflower Drive area. These improvements will be funded by a \$4.2 million bond authorized at the November 2011 Special Town meeting, which followed the Select Board's approval this fall of the updated Sewer Extension Master Plan recommended by Town staff. The bond will be repaid with general sewer revenue and is estimated to have a nominal effect on sewer bills as this new debt is replacing old debt that is being retired. Town water and sewer rates remain well below many of our nearby communities and the state average.
- *The Solid Waste Fund budget of \$549,855 is virtually level funded.* A major focus in the coming year will be the installation of a solar array at the old landfill and the expansion of other revenue opportunities. The Department and the Recycling and Refuse Management Committee will conduct a survey of Town residents and undertake other activities to study the future of the transfer station and options for collecting trash and recycling materials in Amherst.
- *The Transportation Fund budget of \$1,081,218 is recommended to increase by 1.1% and supports the operating and capital costs of the Town's public parking system, the Town's apportionment of costs for the PVRTA bus system and outreach routes, and a new modest contribution of \$15,000 to support a new Business Improvement District in downtown Amherst.* In FY 12, the Town replaced pay/display machines in a number of Town parking lots with more customer friendly machines that also accept credit cards. The Treasurer/Collector and Department of Public Works will monitor the effectiveness and ease of use of these new machines so they deliver a customer friendly and effective mechanism for making parking payments. In October, The Select Board unanimously approved the creation of a Business Improvement District (BID) in downtown Amherst, a geographic area in which property owners vote to initiate, manage, and finance supplemental services above and beyond the baseline of community services in their district. Over 85% of property owners in the BID have agreed to participate initially, an extraordinarily high percentage. One of the many positive features of the Amherst BID is that not-for-profit institutions Amherst College and the University of Massachusetts have agreed via MOUs to be members of the BID and contribute both financially and with in-kind services. Per my authority as town manager, I am drafting a similar MOU that details existing baseline services being provided and offers a modest financial contribution of \$15,000 to the BID beginning in FY 13, to be phased in over several years and capped at \$30,000 per year. I intend to review the draft MOU with the Parking Task Force before executing it.

As the Town and region emerge from the protracted recession, the positive momentum is palpable and reflected in any number of exciting initiatives:

- Reopening of the Lord Jeffery Inn on the edge of historic Amherst Common;
- Boltwood Place luxury apartments behind Judie's scheduled to open in March;
- Many new restaurants have opened or are about to open (Lumber Yard, Chez Albert, Johnny's Tavern, High Horse Tavern, Ginger Garden);
- Hitchcock Center's state of the art environmental learning center partnership with Hampshire College;
- A new Amherst College science center to be designed and constructed over the next six years will be a model of sustainability and interdisciplinary collaboration and provide students and faculty with state-of-the-art teaching and research capabilities in the life and physical sciences;
- A new UMass Campus Master Plan guiding future development on campus, including a transportation plan in partnership with the Town;
- Resurfacing of 10 miles of badly deteriorated Town roadways in 2011 while also incorporating pedestrian, cyclist, and public transportation improvements;
- Implementation of the Sewer Extension Master Plan that will provide sewer services to the Wildflower Drive and Harkness Road neighborhoods over the next two years;
- Safe and Healthy Neighborhoods Initiative to improve quality of life in neighborhoods closest to the UMass campus;
- Rehabilitation and reopening next June of the War Memorial Pool at Community Field following a *unanimous* vote for funding by Town Meeting;
- Solar power installation at the Old Landfill and designation as a "Green Community" in 2012;
- Continued focus on refinement and passage of Village Center rezoning proposals for North and South Amherst to grow the Town's tax base consistent with the values expressed by the community in the Master Plan;
- Launch of the downtown Business Improvement District in 2012 to enhance services, marketing, and special events planning to solidify Amherst's standing as one of the best college towns in America;

If additional funds become available, I have prepared a prioritized list of budget restorations and additions (see page xii). The top three priorities are:

- \$40,000 to implement a district-wide, high quality after school program in partnership with LSSE and the Amherst Public Schools;
- \$70,000 for an economic development position at Town Hall. Amherst desires most of all to be a vibrant community with an attractive downtown, good schools and superior quality of life. We need someone to connect all the dots, from need to opportunity to bringing together all the right people to process with targeted locations for development and redevelopment, identifying state and federal resources available to work toward those development goals, and who can mobilize those resources and others to respond to these and new economic development opportunities as they arise;
- \$30,000 to allow a Public Works crew to be partially funded by general taxation rather than project funding to allow better responsiveness to repair potholes and perform other routine maintenance work.

I am at your service as you review this budget. Please spread the word that this proposal and other budget-related information will be continuously updated and posted on the Town's award-winning website at [www.amherstma.gov/budget](http://www.amherstma.gov/budget).

#### Acknowledgements

The development of the Town's budget plan is a team effort. I thank the Select Board for the opportunity to serve and for your support and guidance on Town priorities. I thank the Finance Committee for their tireless dedication and focus on the long term fiscal health of our Town. I want to thank every Town employee who contributes each day to make Amherst a great place to live and work. I want to acknowledge the creativity and "can do" attitude of our extraordinarily talented department heads who are embracing my call for the Town to try and be a leader in everything we do. Lastly, I want to acknowledge the amazing skills and work ethic of my three principal support staff in the production of this proposal: Finance Director Sandy Pooler, IT/Financial Analyst Maria Racca, and Comptroller Sonia Aldrich.



## FY 13 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 13 MUNICIPAL BUDGET

Date Last Revised: 13-Jan-2012

FY 13 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE\*

*DRAFT - For Discussion Purposes Only*

Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 12 - 13
								<b>19,543,195</b>	<b>2.9%</b>
								<b>Recommended</b>	
LSSE	After School program in collaboration with Amherst School Department				40,000	40,000	40,000		
Town Manager	Economic Development staff	1.00	60,000	10,687		70,687	110,687		
DPW - highway	Shift funding from special projects to General Fund	2.00	30,000			30,000	140,687		
Police	Restore staffing to FY07 levels in line with staffing planning review	4.00	183,716	42,748		226,464	367,151		
Fire	Fire/EMT positions to address increased EMS call volume	2.00	103,134	21,374		124,508	491,659		
Finance	Other Post Employment Benefits (OPEB)					TBD			
General Services	Increase for insurance and audit costs				8,899	8,899	500,558		
Human Resources	Increases for Medicare, Unemployment, Life Insurance, and other benefits				43,618	43,618	544,176		
Veterans' Services	Additional Veterans' Benefits (reimbursed 75% by State)				30,000	30,000	574,176		
Cons & Development	Replace CDBG \$ for Staff Support with Town \$				30,000	30,000	604,176		
Conservation	Summer Staffing - Trails and Puffer's Pond, 5 temp employees		15,000			15,000	619,176		
DPW-highway	Shift funding from special projects to General Fund	2.00	60,000			60,000	679,176		
DPW-lights	General Fund monies for electrician to increase streetlight maintenance	0.50	24,954			24,954	704,130		
Inspections	Electrical Inspections for UMass Honors College (temporary)	0.33	19,050			19,050	723,180		
DPW-admin	Half time Clerical Position for faster action on work order requests	0.50	18,209	10,687		28,896	752,076		
DPW-tree	Tree Foreman, better crew productivity and response to citizen requests	1.00	45,886	10,687		56,573	808,649	<b>20,351,844</b>	<b>7.2%</b>

\* While it is unrealistic to think that this entire list could be funded in one year, I believe it is important to present such a list to promote constructive discussion about the community's needs and priorities in the coming years.

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## CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 13 General Fund	FY 13 Community Preserv. Act	FY 13 Water Fund
<b>REVENUES</b>			
Property Tax	41,656,206	TBD	0
Local Receipts	7,864,672	0	3,967,145
State Aid	13,356,820	TBD	0
Other Financing Sources	3,166,331	TBD	0
<b>TOTAL REVENUES</b>	<b>66,044,029</b>	<b>0</b>	<b>3,967,145</b>
<b>EXPENDITURES</b>			
<b>OPERATING BUDGET</b>			
Town	19,543,195	0	2,709,359
Elementary Schools	TBD	0	0
A-P Regional School District (Assessment)	TBD	0	0
Jones Library (Tax Support)	TBD	0	0
<b>Subtotal OPERATING BUDGET</b>	<b>19,543,195</b>	<b>0</b>	<b>2,709,359</b>
<b>CAPITAL BUDGET</b>			
Debt Service - Debt Exclusion	259,373	0	0
Debt Service - Current	1,328,319	TBD	340,000
Debt Service - Projected	232,636	0	0
Cash Capital (Tax Support)	1,129,839	0	0
<b>Subtotal Tax Funded Capital</b>	<b>2,950,167</b>	<b>0</b>	<b>340,000</b>
Community Preservation Act	0	TBD	0
Cash Capital (Non-Tax Support)	0	0	325,000
<b>Subtotal CAPITAL</b>	<b>2,950,167</b>	<b>0</b>	<b>665,000</b>
<b>MISCELLANEOUS</b>			
Assessment - Retirement System	3,468,324	0	165,145
Assessment - Regional Lockup Facility	31,323	0	0
Other	0	0	0
Reserve Fund	100,000	TBD	0
<b>Subtotal MISCELLANEOUS</b>	<b>3,599,647</b>	<b>0</b>	<b>165,145</b>
<b>Total APPROPRIATIONS</b>	<b>26,093,009</b>	<b>0</b>	<b>3,539,504</b>
<b>UNAPPROPRIATED USES</b>			
Reserve for Abatements & Exemptions	413,968	0	0
State Assessments (Cherry Sheet)	2,526,122	0	0
Cherry Sheet Offsets	70,456	0	0
Other Amounts to be Raised	15,673	0	427,641
<b>Subtotal UNAPPROPRIATED USES</b>	<b>3,026,220</b>	<b>0</b>	<b>427,641</b>
<b>TOTAL BUDGET PLAN</b>			<b>3,967,145</b>
<b>\$ Change from Prior year</b>			<b>(368,398)</b>
<b>% Change from Prior Year</b>			<b>-8.5%</b>

## CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

FY 13 Sewer Fund	FY 13 Solid Waste Fund	FY 13 Transportation Fund	FY 13 COMBINED FUNDS (memo only)	FY 12 COMBINED FUNDS (memo only)
0	0	0	TBD	40,703,649
3,746,520	496,800	981,000	17,056,137	16,424,575
0	0	0	TBD	13,223,003
231,413	53,055	100,218	TBD	4,284,146
<b>3,977,933</b>	<b>549,855</b>	<b>1,081,218</b>	<b>17,056,137</b>	<b>74,635,373</b>
2,665,943	510,569	846,741	26,275,807	25,546,490
0	0	0	TBD	20,758,598
0	0	0	TBD	13,506,166
0	0	0	TBD	1,644,736
<b>2,665,943</b>	<b>510,569</b>	<b>846,741</b>	<b>26,275,807</b>	<b>61,455,990</b>
0	0	0	259,373	305,688
308,811	0	65,975	2,043,105	2,594,339
0	0	0	232,636	71,290
0	0	0	1,129,839	1,187,104
<b>308,811</b>	<b>0</b>	<b>65,975</b>	<b>3,664,953</b>	<b>4,158,421</b>
0	0	0	TBD	580,100
486,000	0	35,000	846,000	663,000
<b>794,811</b>	<b>0</b>	<b>100,975</b>	<b>3,664,953</b>	<b>4,158,421</b>
180,846	39,286	36,667	3,890,268	3,635,369
0	0	0	31,323	31,323
0	0	0	0	0
0	0	0	100,000	310,435
<b>180,846</b>	<b>39,286</b>	<b>36,667</b>	<b>4,021,591</b>	<b>3,977,127</b>
<b>3,641,600</b>	<b>549,855</b>	<b>984,383</b>	<b>3,641,600</b>	<b>70,834,638</b>
0	0	0	413,968	400,220
0	0	0	2,526,122	2,483,585
0	0	0	70,456	70,456
336,333	0	96,835	876,482	846,474
<b>336,333</b>	<b>0</b>	<b>96,835</b>	<b>3,887,029</b>	<b>3,800,735</b>
<b>3,977,933</b>	<b>549,855</b>	<b>1,081,218</b>	<b>3,977,933</b>	<b>74,635,373</b>
<b>222,297</b>	<b>139</b>	<b>11,530</b>	<b>222,297</b>	<b>11,530</b>
<b>5.9%</b>	<b>0.0%</b>	<b>1.1%</b>	<b>5.9%</b>	<b>1.1%</b>

## POSITIONS IN FULL TIME EQUIVALENTS

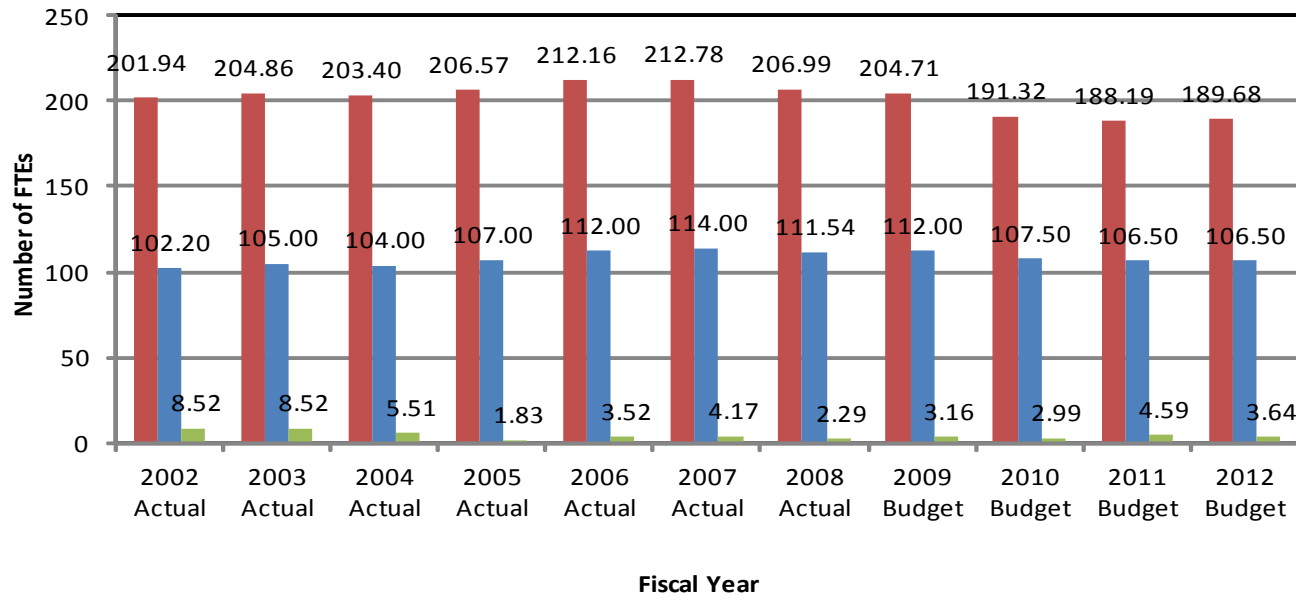
Department	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13
<b>MUNICIPAL BUDGET</b>						
Select Board/Town Manager	3.00	2.50	2.50	2.50	2.50	0.00
Finance	13.00	13.00	13.00	13.00	13.00	0.00
Human Resources/Human Rights	2.00	1.50	1.50	1.50	1.50	0.00
Information Technology	4.50	4.00	4.00	4.00	4.00	0.00
Town Clerk	3.00	3.00	3.00	3.00	3.00	0.00
Elections/Registration	0.05	0.00	0.00	0.00	0.00	0.00
Facilities Maintenance	5.83	4.88	4.88	4.88	4.88	0.00
<b>TOTAL GENERAL GOVERNMENT</b>	<b>31.38</b>	<b>28.88</b>	<b>28.88</b>	<b>28.88</b>	<b>28.88</b>	<b>0.00</b>
Police Facility	1.00	1.00	1.00	1.00	1.00	0.00
Police	51.00	47.50	47.50	47.50	47.50	0.00
Fire/EMS	46.00	46.00	46.00	46.00	46.00	0.00
Communications Center	13.00	12.00	11.00	11.00	11.00	0.00
Animal Welfare	1.00	1.00	1.00	1.00	1.00	0.00
<b>TOTAL PUBLIC SAFETY</b>	<b>112.00</b>	<b>107.50</b>	<b>106.50</b>	<b>106.50</b>	<b>106.50</b>	<b>0.00</b>
Public Works Administration	3.40	3.40	3.73	3.73	3.73	0.00
Highway	13.00	13.00	13.00	13.00	13.00	0.00
Equipment Maintenance	3.00	3.00	3.00	3.00	3.00	0.00
Town Cemeteries	0.50	0.50	0.50			0.00
Parks and Commons	4.50	4.50	4.50			0.00
Tree Care and Pest Control	2.50	1.50	1.50			0.00
Tree and Ground Maintenance				7.50	7.50	0.00
<b>TOTAL PUBLIC WORKS</b>	<b>26.90</b>	<b>25.90</b>	<b>26.23</b>	<b>27.23</b>	<b>27.23</b>	<b>0.00</b>
Conservation	3.72	3.83	3.63	4.30	4.30	0.00
Planning Department	5.00	4.00	3.35	3.80	3.82	0.02
Inspections	4.00	3.00	3.00	5.00	5.00	0.00
<b>TOTAL CONSERVATION &amp; DEVELOPMENT</b>	<b>12.72</b>	<b>10.83</b>	<b>9.98</b>	<b>13.10</b>	<b>13.12</b>	<b>0.02</b>
Public Health	5.43	4.34	4.00	4.00	4.00	0.00
Senior Center	3.54	3.00	3.00	3.00	3.00	0.00
Community Development	0.20	0.00	0.00	0.00	0.00	0.00
Veterans' Services & Benefits	1.00	0.60	0.00	0.00	0.00	0.00
Leisure Services & Supplemental Education	10.05	8.82	6.45	6.45	6.45	0.00
Pools	0.44	0.00	2.00	0.20	0.20	0.00
Golf Course	1.05	1.05	1.35	1.35	1.35	0.00
<b>TOTAL COMMUNITY SERVICES</b>	<b>21.71</b>	<b>17.81</b>	<b>16.80</b>	<b>15.00</b>	<b>15.00</b>	<b>0.00</b>
<b>TOTAL GENERAL FUND</b>	<b>204.71</b>	<b>190.92</b>	<b>188.39</b>	<b>190.71</b>	<b>190.73</b>	<b>0.02</b>
Water Supply and Distribution	15.08	15.08	16.15	16.98	16.48	-0.50
<b>TOTAL WATER FUND</b>	<b>15.08</b>	<b>15.08</b>	<b>16.15</b>	<b>16.98</b>	<b>16.48</b>	<b>-0.50</b>
Sewer Maintenance	2.00	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	15.50	15.50	15.83	15.33	15.83	0.50
<b>TOTAL SEWER FUND</b>	<b>17.50</b>	<b>17.50</b>	<b>17.83</b>	<b>17.33</b>	<b>17.83</b>	<b>0.50</b>
Sanitary Facilities	3.60	3.60	4.00	4.00	4.00	0.00
<b>TOTAL SOLID WASTE FUND</b>	<b>3.60</b>	<b>3.60</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>
Parking Facilities	4.00	4.00	4.12	4.20	4.20	0.00
<b>TOTAL TRANSPORTATION FUND</b>	<b>4.00</b>	<b>4.00</b>	<b>4.12</b>	<b>4.20</b>	<b>4.20</b>	<b>0.00</b>
<b>TOTAL</b>	<b>244.89</b>	<b>231.10</b>	<b>230.49</b>	<b>233.22</b>	<b>233.24</b>	<b>0.02</b>

## POSITIONS IN FULL TIME EQUIVALENTS

### 13 - Municipal Staffing Levels

**Municipal Staffing Levels  
Full Time Equivalent Employees**

■ ALL DEPTS    
 ■ PUBLIC SAFETY    
 ■ Grant Positions

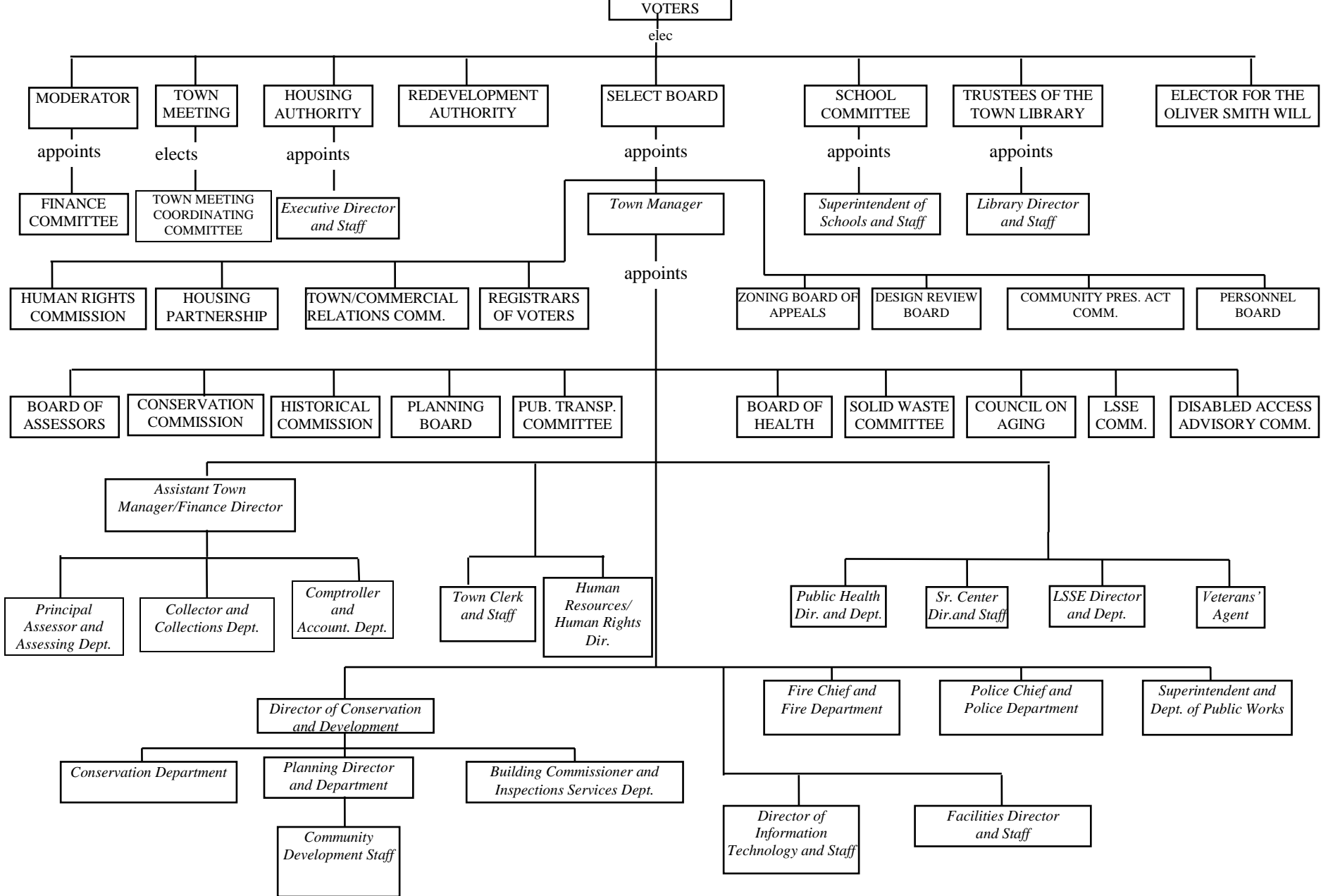


Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 23.10 positions since FY 07, or 10.9%. Public Safety personnel have decreased by 7.5 FTEs, or 6.6%, while non-public safety positions have been reduced by 15.60 FTEs, or 15.8%. Since FY 02, there has been a net staffing decrease of 12.26 FTEs, or 6.1%.

TOWN OF AMHERST  
ORGANIZATION CHART (as of 1/10)

Staff  
ELECTED AND APPOINTED BOARDS,  
COMMISSIONS AND COMMITTEES



*Town of*



# AMHERST *Massachusetts*

Town Hall  
4 Boltwood Avenue  
Amherst, MA 01002

SELECT BOARD  
Phone: (413) 259-3001  
Fax: (413)-259-2405  
Email: [selectboard@amherstma.gov](mailto:selectboard@amherstma.gov)

To: John Musante, Town Manager  
From: Stephanie O’Keeffe, Select Board Chair  
Date: November 10, 2011  
Re: FY13 Budget Policy Guidelines

At our Wednesday, November 9, 2011 meeting, the Select Board unanimously approved the following Budget Policy Guidelines for FY13.

**OVERALL PHILOSOPHY FOR FY13:** Fiscal sustainability continues to be the primary budget goal, so FY13 revenue and expenditure plans must be viewed in a multi-year context. While initial revenue projections are more positive than they have been in recent years, the larger economic picture remains challenged and unstable in the near term. Following the \$1.68 million override of 2010, and its full implementation over two years, we believe that it would not be reasonable or appropriate to ask taxpayers to override the Proposition 2 ½ levy cap again this year, so the budget should anticipate no such additional revenue from taxation. We support maintaining a level services budget to the degree that is possible, while recognizing the necessity of including new expenses associated with operating the War Memorial Pool and providing the Town’s contribution to the Business Improvement District. Any revenue in excess of that necessary for level services should be directed at increasing our investment in capital, decreasing our long-term retiree health care liability (known as Other Post-Employment Benefits, or OPEB), or shoring up our reserves. We consider intense evaluation of the current range of municipal services and their delivery methods to be critical for ensuring that we are spending every dollar wisely. Should circumstances and projections worsen, the Select Board requests a recommendation on prioritized cuts and restorations as necessary, with rationale for the prioritization.

**EXPENSE REDUCTION:** The Select Board continues to support appropriate regionalization and reorganization when such initiatives would reduce costs and realize efficiencies. We also continue to support reassigning services outside of the general fund where responsible, and with due consideration of the implications of funding loss, mindful of sections B-4 and B-8 of the Town’s “Financial Management Policies & Objectives.”\* We support green initiatives for their short- and long-term potential to reduce costs, and we appreciate the benefit of predictable power costs provided by a comprehensive solar project. We consider the negotiation of labor contracts that the Town can afford and sustain to be of highest priority, because salaries and benefits are such a significant portion of the budget.



**ECONOMIC DEVELOPMENT:** We recognize that our most reliable revenue source is property tax, and that growing our property tax base in net-positive ways is critical. We strongly support pursuing responsible and appropriate expansion of our commercial sector, which currently stands at 9.7%. We strongly support expansion of the tax base in accordance with the community's goals as expressed in the Master Plan. We strongly support solar power generation and other green initiatives as opportunities for economic development. It is important to clearly articulate to the Select Board and the wider community the cost-benefit analysis of such pursuits, as well as their consistency with the Master Plan.

**OTHER NEW REVENUE:** We continue to support the pursuit of new revenue through expanded arrangements with the University and Colleges. We support regular evaluation of service fees for possible increase. We also continue to support advocating for State legislation that improves local taxation options, increases aid to Amherst, or mitigates onerous mandated costs. Additionally, we support advocating for increased State revenues, such as more progressive taxation including higher income tax, in order to increase funds available for local aid to all communities. These positions are consistent with sections B-9 and B-10 of the Town's "Financial Management Policies & Objectives."\*

**CAPITAL:** The Select Board recognizes the perils of inadequate investment in capital improvements, and remains committed to trying to incrementally increase the percentage of the property tax levy allocated to capital over time to achieve a goal of 10%, per section C-7 of the Town's "Financial Management Policies & Objectives."\* The Select Board continues to support funding capital investments by means other than the capital budget, including through the use of Community Preservation Act funds, Community Development Block Grant funds and other grant opportunities; through shared purchasing and ownership with other towns or entities; and through bonding or borrowing for large long-term projects. As noted in the Overall Philosophy, putting additional revenue toward helping us to catch up on the growing backlog of capital infrastructure needs is one of the ways we would support spending beyond that which is necessary to maintain level services.

**RESERVES:** The Select Board opposes reserve use to fund ongoing expenses. We support careful and strategic reserve use only as a bridge to either anticipated revenue or a planned expense reduction. We support maintaining a responsible reserve balance, as outlined in section B-3 of the Town's "Financial Management Policies & Objectives,"\* for prudent fiscal management and because it contributes to our strong bond rating, which provides significant cost-savings when borrowing.

\* Town of Amherst "Financial Management Policies & Objectives," adopted January 2008; this document is available on the FY13 Budget page of the Town web site.

*Town of*



# AMHERST *Massachusetts*

Office of the Town Manager  
Town Hall  
4 Boltwood Avenue  
Amherst, MA 01002

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Fax: (413)-259-2405  
Email: [musantej@amherstma.gov](mailto:musantej@amherstma.gov)

November 16, 2011

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

From: Finance Committee

Re: Preliminary Fiscal Year 2013 Budget Guidelines

It appears that after four years of annual reductions in state aid, we can expect a modest 1.9% increase in FY 13. That is in contrast to the 13.7% increase in 2007 or the 14.6% increase in 2006, but better than a decrease. Our property tax revenue will increase by a predictable 3.5%, the 2.5% allowable annual increase plus additional taxation due to new growth. Amherst faces another challenging year for the development of a budget. Consequently, we are asking you to develop operating budgets with an increase in Town support of 2.8%. That includes the Amherst Regional School assessment and the library's revenue from the Town.

At the Four Boards Meeting on October 13, the Finance Director estimated revenues for FY 13. Total revenue, including state aid, property tax, local receipts and other financing sources, is estimated to increase by 2.7%. The Finance Committee reviewed those estimates in detail at two subsequent meetings and determined that they are reasonable projections of likely revenue for the year ahead. Some appropriations must increase, most notably the assessment for the Retirement System. As a result, even if we restrain expenditures for the Capital Budget to 6.5% of the property tax levy, the same as in FY 12, we will only have a balanced budget with these 2.8% increases in operating budget expenses.

The Superintendent, Library Director and the Chairs of the Regional and Amherst School Committees presented preliminary estimates to the Budget Coordinating Group and the Finance Committee on October 20 and November 3 and said it is unlikely that a 2.8% increase from the Town will support level services in FY 13. However, their expense projections were preliminary estimates, not budgets, and were not based upon analysis of the salary for each employee. Therefore, these guidelines are preliminary, to guide the development of initial budgets.

### **The uncertainty about state aid**

While local property taxes have been predictable and stable, state aid has been unpredictable and varies from year to year. This actual amount of Chapter 70, unrestricted local aid, Payments in Lieu of Taxation (PILOT), and other state revenue for FY 13 will not be known until later in the budget process. Just as the Town depends upon state revenue in order to develop a local budget, the state depends upon federal

revenue. The federal Budget Control Act of 2011 passed last summer imposed immediate reductions and will result in much larger future reductions resulting from decisions of the Congressional Special Joint Committee or the automatic cuts that will follow if that committee fails to act. As the details of the FY 13 and later federal budgets are known, the state will need to adjust and manage its finances. We must be prepared to adjust our revenue and expense estimates, in either direction, as we receive more information from the legislature and the Governor.

### **The Capital Budget**

The Town's Financial Policy specifies that the annual budget should include a Capital Program that includes debt service obligations and cash-funded capital projects funded from current revenues equal to at least 10% of the estimated property tax levy. This policy recognizes that it is essential to maintain and improve our infrastructure, including our school, town and library buildings and the equipment required to provide services, as well as to invest in recreation fields and facilities, open space, and other Town priorities. When the policy was adopted in 2008, only 7.2% of the tax levy was allocated to that purpose. Since then the allocation has decreased. In FY 11, it was 5.64%. In the current year we used 6.5% of tax levy for capital projects allocated through the Joint Capital Planning Committee (JCPC). Some additional funds were allocated to capital at the November 7 Special Town Meeting. We propose that JCPC again develop its recommendations using 6.5% of the tax levy. We are concerned that this may be inadequate to prevent the deterioration of our infrastructure which would require the Town to confront very steep costs to correct problems in future years.

### **Reserve funds**

The Department of Revenue notified the Town last month that it had certified the "free cash balance" on July 1, 2011 at \$4,167,028. At that time the Stabilization Fund had a balance of \$1,421,401, for a total reserve fund balance of \$5,588,429. Since then, the Town received one-time additional unrestricted state aid in the amount of \$514,866, and the November 7, 2011, Special Town Meeting took several actions affecting reserves. It added \$400,000 to the Stabilization Fund and authorized the expenditures from free cash totaling \$662,600 for the Puffer Pond, War Memorial Pool, and Amherst Housing Study projects. Assuming that we receive Parkland Acquisitions and Renovations for Communities (PARC) grants for Puffers Pond and War Memorial Pool, our reserves will be \$5,793,149, about 7.8% of revenues. If the Town does not receive the grant for the War Memorial Pool renovations, most of the work nevertheless will be performed, and the reserve fund will be less than that figure. If the Town does not receive the grant for Puffers Pond, none of that work will be performed, and the reserve fund will be greater than that figure. The Town Financial Policy is to maintain reserves at 5-15% of general fund operating revenues.

The Town also needs to consider that the obligation to pay health insurance for present and future retirees is as much as \$74 million. Town Meeting has created an OPEB Trust so that we don't shift the entire burden for benefits owed to present and past workers to future taxpayers, thus affecting their ability to provide quality schools, libraries, and municipal services. We need to work together to educate ourselves and the community about this obligation and to establish consensus about how we will fund the Trust. One of the reasons the Finance Committee recommended that Town Meeting add to the Stabilization Fund was to preserve funds that could be later transferred to the OPEB Trust.

The Committee also notes that we are entering a period when there will be, at best, annual revenue growth of between 3% and 3.5%. For all of these reasons, it would not be wise to use any reserves to supplement operating budgets in FY 13. The Finance Committee is developing a policy for the future use of reserves as it considers how to fund the OPEB Trust. It is likely to be similar to the policy adopted for the FY 10 budget process. That policy limited the use of reserves to implement

bona fide plans to move toward models of service provision that will provide net savings to the Town in the future while providing acceptable levels of service, and to leverage outside revenue in order to maintain existing core services.

### **Requested budget information**

The Finance Committee wants to understand the policy choices you are making in submitting a budget consistent with these preliminary guidelines. A budget always reflects changes in programs, services and staffing, which can be a combination of reductions and additions. We therefore ask that you provide information about the effect that a 2.8% increase in town funding will have on programs, projected cost increases for FY 13, and a specific description of what would be added with a small amount of additional funds. We are not asking for a prioritized list of expenditures as we did in several recent years but may need to know what small reduction in funding from these preliminary guidelines would mean for programs and services. Therefore we ask that you consider that possibility and be prepared to provide that information promptly if it is needed. Information about priority unfunded programs and what would happen with less funding is essential to help the Finance Committee develop a budget for Town Meeting. The information will be helpful for discussing the overall priorities at the Budget Coordinating Group and it will help prepare all of us to adjust budgets if there is any variation in the amount of State Aid from the present assumption.

The Finance Committee is trying to achieve uniformity in the descriptions of programs and budgets in our report to the Annual Town Meeting. We will present each operating budget with a 6 part budget narrative:

1. Budget and Finance Committee recommendation
2. Basic Functions
3. Current fiscal year summary
4. Summary for the next fiscal year, the year for which a budget is considered
5. Full-time-equivalent employees for the next fiscal year, showing change from the current fiscal year
6. Services provided by other departments and for other departments

The Finance Committee recognizes that it has not been possible to define “full-time-equivalent” in a uniform manner that works well for all budget areas. It is more important that we achieve year-to-year uniformity within each budget area and explain the projected change for the next year. For example, if the work force consists of salaried and hourly employees, the employee count for the present year might be projected as the number of FTE benefited staff and the number of hours of part-time staff. For FY 13, the budget might envision a change in each, which we want to understand and present to Town Meeting.

For several years, the Finance Committee has been interested in the services provided by each department to assist other departments. This teamwork is important to Amherst. It helps all parts of the Town to be efficient and effective. Town Meeting will appreciate this practice and we want to try to report it to them.

It would be helpful if you can provide this information with the budgets you submit to the Finance Committee. If that is not possible, we will ask for this information when you meet with us to present your budgets.

### **Schedule**

The Finance Committee requests that you submit budgets according to the Budget Coordinating Group’s Budget Development Calendar. We ask that the Town Manager present his executive

budget to the Finance Committee no later than Monday, January 16. We ask that the executive budgets for the Schools (Region and elementary) and the library be submitted to us by January 26.

### **Conclusion**

The Finance Committee values the quality schools, libraries, and municipal services that the Town provides, and we would clearly like to have more resources to support them. Regrettably for all of us who volunteer in Town government or work for the Town, and most importantly for the people who rely on the Town for these services, our resources continue to be affected by the recession and long-term structural challenges. We project that the revenues will improve modestly in FY 13, but only modestly. The challenge to find creative new approaches to provide quality services economically will be with us for the foreseeable future.

Amherst is a model of responsible management and quality community services. That works because of your dedication and resourcefulness. Equally important is the cooperative spirit that all of you bring to your work, and your willingness to work with us so that we can present a responsible budget, a plan for Amherst, to Town Meeting. Thank you.

Kay Moran, Vice Chair 549-5767  
Janice Ratner 253-7214  
Anurag Sharma 549-1542  
Robert Saul 253-4059  
Douglas Slaughter 253-9920  
Andrew Steinberg, Chair 549-6826  
Marylou Theilman 253-7980

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

**DRAFT For Discussion Purposes Only  
13-Oct-2011**

**FY 13 Town Manager's Forecasted Budget**

	<u>FY 11 Budget</u>	<u>FY 11 Actual</u>	<u>FY 12 Budget</u>	<u>FY 12 Recap</u>	<u>FY 13 Projected</u>	<u>\$ Chg</u>	<u>% Chg</u>	<u>FY 14 Projected</u>	<u>% Chg</u>	<u>FY 15 Projected</u>	<u>% Chg</u>	<u>Assumptions</u>
<b>REVENUES</b>												
<b>PROPERTY TAX</b>												
Base Levy	35,666,757	35,666,757	38,606,791	38,606,791	40,021,961	1,415,170	3.7%	41,472,510	3.6%	42,959,322	3.6%	
2.5% Allowable Increase	891,669	891,669	965,170	965,170	1,000,549	35,379	3.7%	1,036,813	3.6%	1,073,983	3.6%	
Estimated New Growth	350,000	367,924	450,000	450,000	450,000	0	0.0%	450,000	0.0%	450,000	0.0%	FY 00 - 08 avg \$600,000/year
General Override	1,680,441	1,680,441	0	0	0	0		0		0		FY 11: Override approved by voters March 2010
Levy Limit	38,588,867	38,606,791	40,021,961	40,021,961	41,472,510	1,450,549	3.6%	42,959,323	3.6%	44,483,305	3.5%	
Debt Exclusion	352,466	352,466	305,688	305,688	259,373	(46,315)	-15.2%	213,522	-17.7%	171,480	-19.7%	High School debt.
Maximum Allowable Levy	38,941,333	38,959,257	40,327,649	40,327,649	41,731,883	1,404,234	3.5%	43,172,845	3.5%	44,654,785	3.4%	
Excess Levy Capacity	(505,803)	(426,947)	0	0	0	0		0		0		
<b>Subtotal PROPERTY TAX</b>	<b>38,435,530</b>	<b>38,532,310</b>	<b>40,327,649</b>	<b>40,327,649</b>	<b>41,731,883</b>	<b>1,404,234</b>	<b>3.5%</b>	<b>43,172,845</b>	<b>3.5%</b>	<b>44,654,785</b>	<b>3.4%</b>	
<b>LOCAL RECEIPTS</b>												
Motor Vehicle Excise	1,350,000	1,423,261	1,350,000	1,350,000	1,383,750	33,750	2.5%	1,418,344	2.5%	1,453,802	2.5%	Recent car sales data shows increased sales.
Hotel/Motel and Meals Excise	600,000	494,989	540,000	590,000	640,000	50,000	8.5%	656,000	2.5%	672,400	2.5%	FY 12: Lord Jeffrey Inn reopens
Penalties and Interest	132,000	199,214	132,000	132,000	135,300	3,300	2.5%	138,683	2.5%	142,150	2.5%	Continued strong collections of delinquent taxes (tax title)
PILOT	918,458	937,452	918,458	918,458	918,458	0	0.0%	941,419	2.5%	964,955	2.5%	Enterprise Fund reimbursements to Gen Fund
Rentals	56,500	74,506	80,500	80,500	78,500	(2,000)	-2.5%	78,500	0.0%	80,463	2.5%	
Departmental Revenue	1,175,767	1,435,020	1,092,215	1,092,215	1,092,215	0	0.0%	1,119,520	2.5%	1,147,508	2.5%	FY 10: LSSE fee increases
Licenses and Permits	790,550	739,013	790,550	790,550	810,314	19,764	2.5%	830,572	2.5%	851,336	2.5%	FY 10+: negatively impacted from economic downturn
Special Assessments	705,929	695,986	692,954	692,954	731,220	38,266	5.5%	749,501	2.5%	768,238	2.5%	PVTA assessment contributions from UMass/5 College Inc
Fines and Forfeits	169,000	243,692	169,000	167,474	173,225	5,751	3.4%	177,556	2.5%	181,995	2.5%	New noise and open container enforcement
Investment Income	200,000	103,369	110,000	110,000	110,000	0	0.0%	110,000	0.0%	110,000	0.0%	Lower interest rates
Miscellaneous	1,709,804	1,738,937	1,656,661	1,656,661	1,730,831	74,170	4.5%	1,774,102	2.5%	1,818,454	2.5%	Amherst College, Charter/Choice reimbursements (APS)
<b>Subtotal LOCAL RECEIPTS</b>	<b>7,808,008</b>	<b>8,085,439</b>	<b>7,532,338</b>	<b>7,580,812</b>	<b>7,803,813</b>	<b>223,001</b>	<b>2.9%</b>	<b>7,994,196</b>	<b>2.4%</b>	<b>8,191,301</b>	<b>2.5%</b>	
<b>STATE AID</b>												
Chapter 70	5,895,718	5,782,594	5,813,638	5,813,638	5,929,911	116,273	2.0%	6,018,859	1.5%	6,169,331	2.5%	Modest increases over next three years.
Charter Tuition Assessment Reimbursement	324,886	287,059	241,291	210,672	210,672	0	0.0%	210,672	0.0%	210,672	0.0%	Per charter school funding formula
Unrestricted General Govt Aid	7,120,842	7,120,842	6,605,976	6,605,976	6,738,096	132,120	2.0%	6,839,167	1.5%	7,010,146	2.5%	Formerly Lottery Aid & Additional Assistance
Police Career Incentive	33,348	16,444	0	0	0	0		0		0		FY12: eliminated
Veterans Benefits	91,069	144,499	213,343	213,343	217,610	4,267	2.0%	223,050	2.5%	223,050	0.0%	Continued case load increases and state reimbursement.
Exempt: Vets, Blind, Surv. Spouses, Elderly	39,754	17,572	38,329	38,329	38,329	0	0.0%	38,329	0.0%	38,329	0.0%	
State Owned Land	163,254	146,327	145,970	151,747	151,747	0	0.0%	151,747	0.0%	151,747	0.0%	
Offset Receipts												
School Lunch	6,866	6,018	6,591	6,591	6,591	0	0.0%	6,591	0.0%	6,591	0.0%	
Public Libraries	67,522	64,078	63,865	63,865	63,865	0	0.0%	63,865	0.0%	63,865	0.0%	
<b>Subtotal STATE AID</b>	<b>13,743,259</b>	<b>13,585,433</b>	<b>13,129,003</b>	<b>13,104,161</b>	<b>13,356,820</b>	<b>252,659</b>	<b>1.9%</b>	<b>13,552,280</b>	<b>1.5%</b>	<b>13,873,731</b>	<b>2.4%</b>	
<b>OTHER FINANCING SOURCES</b>												
Ambulance Fund	2,307,878	2,117,978	2,276,577	2,276,577	2,206,577	(70,000)	-3.1%	2,261,741	2.5%	2,318,285	2.5%	FY 11 & 12: includes capital purchases
Reserve for Debt Service - WW Roof	44,844	44,844	44,844	44,844	41,107	(3,737)	-8.3%	0	-100%	0		MSBA grant for Wildwood School Roof for FY 10-13 debt
Enterprise Fund Reimbursements	830,089	830,089	854,992	831,243	847,868	16,625	2.0%	869,065	2.5%	890,791	2.5%	
Overlay Surplus	0	0	39,000	39,000	0	(39,000)	-100.0%	0		0		FY12 one time Overlay Surplus use for revaluation.
Miscellaneous	57,665	0	0	0	0	0		0		0		
Free Cash	0	66,347	65,250	65,250	0	(65,250)	-100.0%	0		0		FY12 one time Free Cash use for War Memorial Pool.
Stabilization Fund	0	0	0	0	0	0		0		0		
<b>Subtotal OTHER FINANCING SOURCES</b>	<b>3,240,476</b>	<b>3,059,258</b>	<b>3,280,663</b>	<b>3,256,914</b>	<b>3,095,552</b>	<b>(161,362)</b>	<b>-5.0%</b>	<b>3,130,806</b>	<b>1.1%</b>	<b>3,209,076</b>	<b>2.5%</b>	
<b>TOTAL REVENUES</b>	<b>63,227,273</b>	<b>63,262,440</b>	<b>64,269,653</b>	<b>64,269,536</b>	<b>65,988,068</b>	<b>1,718,532</b>	<b>2.7%</b>	<b>67,850,127</b>	<b>2.8%</b>	<b>69,928,893</b>	<b>3.1%</b>	

<b>EXPENDITURES</b>												
<b>OPERATING BUDGET</b>												
Town	18,592,919	18,375,277	18,991,440	18,991,440	19,523,200	531,760	2.8%	20,108,896	3.0%	20,712,163	3.0%	
Elementary Schools	20,407,534	20,294,232	20,758,598	20,758,598	21,339,839	581,241	2.8%	21,980,034	3.0%	22,639,435	3.0%	
A-P Regional School District (Assessment)	13,112,795	13,112,795	13,506,166	13,506,166	13,884,339	378,173	2.8%	14,300,869	3.0%	14,729,895	3.0%	
Jones Library (Tax Support)	1,541,736	1,534,622	1,644,736	1,644,736	1,690,789	46,053	2.8%	1,741,512	3.0%	1,793,758	3.0%	
<b>Subtotal OPERATING BUDGET</b>	<b>53,654,984</b>	<b>53,316,926</b>	<b>54,900,940</b>	<b>54,900,940</b>	<b>56,438,166</b>	<b>1,537,226</b>	<b>2.8%</b>	<b>58,131,311</b>	<b>3.0%</b>	<b>59,875,251</b>	<b>3.0%</b>	
<b>CAPITAL BUDGET</b>												
Debt Service - Debt Exclusion	352,466	352,466	305,688	305,688	259,373	(46,315)	-15.2%	213,522	-17.7%	171,480	-19.7%	ARHS debt funded via debt exclusion.
Debt Service - Current	872,564	938,975	1,338,023	1,338,023	1,328,319	(9,704)	-0.7%	1,227,531	-7.6%	1,124,362	-8.4%	Per JCPC 5-Year Capital Plan
Debt Service - Projected	85,314	61,870	71,290	71,290	232,636	161,346	226.3%	391,107	68.1%	439,192	12.3%	
Cash Capital (Tax Support)	1,220,135	1,220,135	1,187,104	1,187,104	1,134,758	(52,346)	-4.4%	1,173,718	3.4%	1,327,861	13.1%	
<b>Subtotal Tax Funded Capital</b>	<b>2,530,479</b>	<b>2,573,446</b>	<b>2,902,105</b>	<b>2,902,105</b>	<b>2,955,086</b>	<b>52,981</b>	<b>1.8%</b>	<b>3,005,878</b>	<b>1.7%</b>	<b>3,062,895</b>	<b>1.9%</b>	
<b>Tax Capital Less Debt Excl</b>	<b>2,178,013</b>	<b>2,220,980</b>	<b>2,596,417</b>	<b>2,596,417</b>	<b>2,695,713</b>	<b>99,296</b>	<b>3.8%</b>	<b>2,792,356</b>	<b>3.6%</b>	<b>2,891,415</b>	<b>3.5%</b>	
<b>% Net Tax Levy</b>	<b>5.64%</b>	<b>5.75%</b>	<b>6.49%</b>	<b>6.49%</b>	<b>6.50%</b>			<b>6.50%</b>		<b>6.50%</b>		JCPC: phase in restoration to 10% of levy over 5 years
Cash Capital (Non-Tax Support)	247,665	247,665	109,000	109,000	0	(109,000)	-100.0%	0		0		FY 12: Ambulance
<b>Subtotal CAPITAL</b>	<b>2,778,144</b>	<b>2,821,111</b>	<b>3,011,105</b>	<b>3,011,105</b>	<b>2,955,086</b>	<b>(56,019)</b>	<b>-1.9%</b>	<b>3,005,878</b>	<b>1.7%</b>	<b>3,062,895</b>	<b>3.0%</b>	
<b>MISCELLANEOUS</b>												
Assessment - Retirement System	3,190,355	3,156,174	3,256,793	3,256,793	3,403,349	146,556	4.5%	3,556,499	4.5%	3,716,542	4.5%	
Assessment - Regional Lockup Facility	31,323	31,323	31,323	31,323	31,323	0	0.0%	31,323	0.0%	31,323	0.0%	
Other	66,347	66,347	0	0	0	0	0.0%	0	0.0%	0	0.0%	
Reserve Fund	100,000	15,000	100,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
<b>Subtotal MISCELLANEOUS</b>	<b>3,388,025</b>	<b>3,268,844</b>	<b>3,388,116</b>	<b>3,388,116</b>	<b>3,534,672</b>	<b>146,556</b>	<b>4.3%</b>	<b>3,687,822</b>	<b>4.3%</b>	<b>3,847,865</b>	<b>4.3%</b>	
<b>Total APPROPRIATIONS</b>	<b>59,821,153</b>	<b>59,406,882</b>	<b>61,300,161</b>	<b>61,300,161</b>	<b>62,927,924</b>	<b>1,627,763</b>	<b>2.7%</b>	<b>64,825,012</b>	<b>3.0%</b>	<b>66,786,010</b>	<b>3.0%</b>	
<b>UNAPPROPRIATED USES</b>												
Reserve for Abatements & Exemptions	369,344	368,633	400,220	400,220	414,725	14,505	3.6%	429,593	3.6%	444,833	3.5%	Goal: budget 1% of tax levy
State Assessments (Cherry Sheet)	2,893,504	2,717,710	2,483,585	2,483,026	2,526,122	43,096	1.7%	2,589,275	2.5%	2,654,007	2.5%	Retired Teachers Health Ins., Choice/Charter Tuition, PVTA
Cherry Sheet Offsets	74,388	70,096	70,456	70,456	70,456	0	0.0%	70,456	0.0%	70,456	0.0%	School Lunch and Public Libraries; offsetting state aid
Other Amounts to be Raised	15,231	5,918	15,231	15,673	15,673	0	0.0%	15,673	0.0%	15,673	0.0%	
<b>Subtotal UNAPPROPRIATED USES</b>	<b>3,352,467</b>	<b>3,162,357</b>	<b>2,969,492</b>	<b>2,969,375</b>	<b>3,026,976</b>	<b>57,601</b>	<b>1.9%</b>	<b>3,104,997</b>	<b>2.6%</b>	<b>3,184,969</b>	<b>2.6%</b>	
<b>TOTAL BUDGET PLAN</b>	<b>63,173,620</b>	<b>62,569,239</b>	<b>64,269,653</b>	<b>64,269,536</b>	<b>65,954,900</b>	<b>1,685,364</b>	<b>2.6%</b>	<b>67,930,009</b>	<b>3.0%</b>	<b>69,970,979</b>	<b>3.0%</b>	
								<b>1,975,109</b>		<b>2,040,970</b>		
<b>SURPLUS / (SHORTFALL)</b>			<b>0</b>	<b>0</b>	<b>33,168</b>			<b>(79,882)</b>		<b>(42,086)</b>		