



**TOWN OF AMHERST, MASSACHUSETTS
FINANCE COMMITTEE REPORT**

and

**RECOMMENDATIONS TO THE
254th ANNUAL TOWN MEETING**

April 30, 2012
7:30 O'clock p.m.
Amherst Regional Middle School Auditorium

2012 TOWN MEETING SCHEDULE

Town Meeting Begins:

MONDAY, April 30, 2012

The following dates are tentative. Town Meeting will decide each night when the next session will be.

WEDNESDAY, MAY 2, 2012

MONDAY, MAY 7, 2012

WEDNESDAY, MAY 9, 2012

MONDAY, MAY 14, 2012

WEDNESDAY, MAY 16, 2012

MONDAY, MAY 21, 2012

WEDNESDAY, MAY 23, 2012

WEDNESDAY, MAY 30, 2012

MONDAY, JUNE 11, 2012

WEDNESDAY, JUNE 13, 2012

MONDAY, JUNE 18, 2012

WEDNESDAY, JUNE 20, 2012

All meetings begin at 7:30 p.m.

Meetings will be held at:

Amherst Regional Middle School Auditorium

**THERE ARE ONLY A LIMITED NUMBER
OF REPORTS AVAILABLE.
PLEASE BRING THIS REPORT WITH YOU.**

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AMHERST TOWN BYLAWS - ARTICLE 1

RULES OF ORDER FOR TOWN MEETING

1. **CONSENT CALENDAR.** At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a "Consent Calendar" listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any member, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.
2. Any motions shall be in writing if requested by the moderator.
3. Any question may be divided on call of a member when the sense will admit of such division.
4. **GREEN AND RED CARDS DURING DEBATE.** To assist the moderator in shaping an orderly and equitable debate, green and red cards shall be used by members to indicate a desire to speak for or against the current motion on the floor. A desire to speak without advocacy or to ask a question shall be indicated by raising a hand without a green or red card.
5. When a question is under debate, the moderator shall receive no motion but to adjourn, to dismiss, for the previous question, to postpone for a day certain, to commit, or to amend, which several motions shall have precedence in the order herein mentioned. The meeting shall not vote to dismiss an article without having heard a voter speak in its favor, unless no one seeks to do so.
6. Following a motion under any article, the Moderator shall first recognize the proponent thereof to speak for up to five (5) minutes in favor of the motion, or with leave of Town Meeting, for additional time. Thereafter, and in the absence of leave of Town Meeting granting additional time, each subsequent speaker shall be limited to three (3) minutes. No person shall speak more than twice on the same subject, without leave of the meeting, except to raise a point of order or to answer a question.
7. When two or more motions are made with regard to the same subject relating to sums of money, numbers or times, the question shall first be put upon the largest sum or number, and the longest time.
8. **VOICE VOTES, TALLIED VOTES, AND STANDING VOTES.** All votes unless otherwise provided for by law shall in the first instance be taken by 'ayes' and 'noes' voice vote.

If any member questions the voice vote, or if a four-fifths or nine-tenths vote is required by statute and the vote is not unanimous, the vote shall be taken by counted standing vote. When a two-thirds vote is required by statute, a counted standing vote shall not be taken unless the voice vote is doubted by the moderator or questioned by a member.

If, within a short but reasonable period of time following the voice vote, which period of time shall be fixed by the moderator, any member requests a tally vote and if 14 members manifest their concurrence with that member, the vote of each member shall be tallied by the use of a color-coded (green for aye, red for no) cards. Each such card shall bear the member's name and indicate his/her vote. Each member shall cast his/her own vote only. Such cards shall be collected and counted by the tellers, which count shall be determinative of the question.

9. A vote may be reconsidered only on motion of a member who did not vote with the minority. When a motion for reconsideration is decided that decision shall not be reconsidered, and no question shall be twice reconsidered.
10. A motion to dissolve shall be debatable, but a motion to adjourn to a day certain shall not be debatable.
11. No motion to dissolve a town meeting shall be in order until every article in the warrant therefor has been acted upon.
12. A registered voter of the town who ceased to be an elected town meeting member upon election as chair of the finance committee and who subsequently ceases to be a town meeting member at large upon ceasing to be chair of the finance committee shall be a town meeting member at large for a period ending on the date of the next annual town election.
13. After 10:00 PM, and in the absence of a majority vote of Town Meeting so permitting, no motion under any article other than the article then under debate may be made.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Executive Summary

Adopting a budget is one of Town Meeting's most important responsibilities. The budget provides the resources that will be needed by the Schools, Library, and municipal government to provide essential services. As it does so, Town Meeting needs to consider the Town's long-term financial stability so that these services remain available to our community in future years. This report provides the Finance Committee's recommendations regarding the budget and the other Articles to be considered during the Annual Town Meeting.

This report is presented in two parts. The second part that will include recommendations on Articles 24-30 will be distributed to Town Meeting members as they sign in at the first session and will be available in the Town Meeting and Finance Committee sections of the Town Web site.

The Finance Committee recommends a Fiscal Year 13 budget that is presented to you in this part of the report and will be considered in Articles 9, 10, 12 and 14 through 18. The amount from taxation, state aid, and other sources supporting the General Fund total \$66,616,854, a 3.7% increase from the current year. The amount from the four enterprise funds is \$8,685,447. To summarize some of the most important considerations:

- This is essentially a "level services" budget. It will continue school, municipal, and library services currently offered with minor modifications that are in the normal course of administering these programs.
- The largest expense is to employ the talented and dedicated people who teach our children, protect our health and safety, maintain our roads and parks, provide a first class library, and do all of the other work that makes our community work for all of us now and in the future.
- Health care for employees and their families has been an expense that has had one of the largest increases over the last 10 years. With the cooperation of our employees, our self-insuring plan is able to continue in FY 13 with no increase in premiums for the Town and the employees.
- Our largest revenue source is local property taxation. There is a 3.4% increase that results from the allowable 2.5% increase in taxation and "new growth", new construction and additional taxable personal property.
- The second largest revenue source is local aid from the Commonwealth. After four consecutive years of reduction in state aid, we are presenting a budget that projects level funding for our largest categories of state aid, Chapter 70 (education) and Unrestricted General Government Aid. We expect state aid in FY 13 totaling \$13,216,300, a 0.9% increase from the current year, due to increases in some other state revenue categories. Much of that increase was offset by increased state assessments.
- Amherst is fortunate to have boards, committees, and staff who work together and develop policies and priorities for operating and capital budgets through the Budget Coordinating Group and the Joint Capital Planning Committee.
- This is not a balanced budget. In the last three years we were able to use Federal stimulus funding to help support our elementary schools. That grant is now fully expended. The School Committee voted to accept School Choice students beginning in September, but that revenue is not immediately available. We recommend using \$218,200 from Free Cash on a one-time basis to provide stability for our elementary schools during the transition from grant to School Choice funding. The School Committee projects that this amount will be available next year from the Choice program revenues.
- The economy has begun to improve and state revenue has stabilized. Because of cuts at the federal level that affect the state, there will be ongoing limitations on what the state can do. We cannot project significant growth in state aid in the next years, FYs 14 and 15. We face the prospect that the structural deficit that results from costs increasing at a rate greater than revenues will stress our ability to support current programs. The underfunded health care obligation to our current and future retirees adds to this concern.
- We need to remain vigilant about controlling costs and program expansion and we must pursue all reasonable opportunities to generate new revenue.

Duties of the Finance Committee

The bylaws of the Town of Amherst require the Finance Committee to investigate all proposals in the articles of the warrant for any Town Meeting that shall in any way affect the finances of the Town and to recommend to the Town a course of action thereon, and in general to make recommendations to the Town in regard to any financial business of the Town. This report, including the supplement that will be distributed after Town Meeting convenes, is in partial fulfillment of our responsibility to the 254th Annual Town Meeting.

Budget Presentation

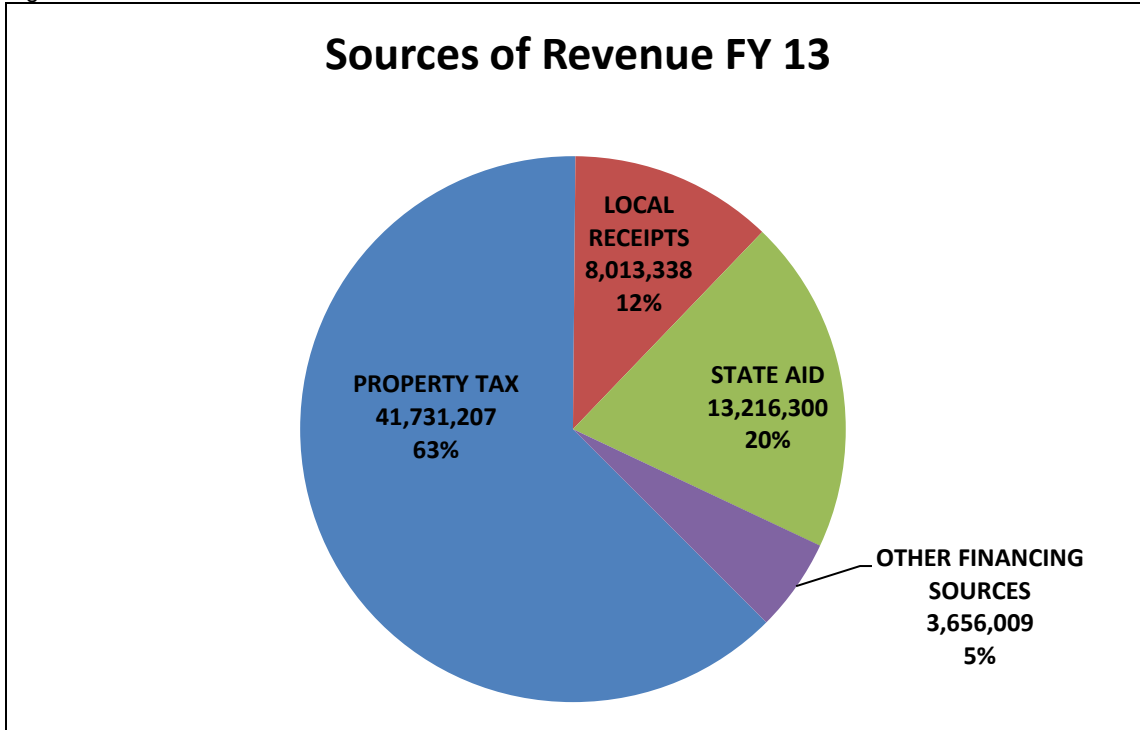
Resources.

Money for the Town to pay for its schools, libraries, and municipal services comes primarily from local revenues. The next largest source of money is state aid. A much smaller amount comes from the federal government and other miscellaneous sources.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Local taxes and fees are stable and predictable. The largest source is the property tax. Its growth is limited by a 1980 state law passed by voter initiative and commonly known as Proposition 2½. Without an override, that law limits increases in the amount that the Town can levy each year to 2.5 percent over the previous year's levy limit plus the amount to reflect new growth in the tax base. The amount of revenue from new growth varies depending upon the economy and the amount of new construction, residential and commercial. From 2000 through 2008 the average annual taxation from new growth was \$600,000. That slowed considerably to \$368,000 in FY 11 and rebounded to \$474,000 in FY 12. The assessor advises us to expect \$425,000 in additional tax revenue from new growth in FY 13. The Community Choices Facilitation Committee Report from 2009 concluded that new development was part of an essential strategy for long-term financial stability for the Town. For that reason, the Finance Committee considers financially responsible growth as part of fiscal policy when it considers whether to support Articles about development and zoning.

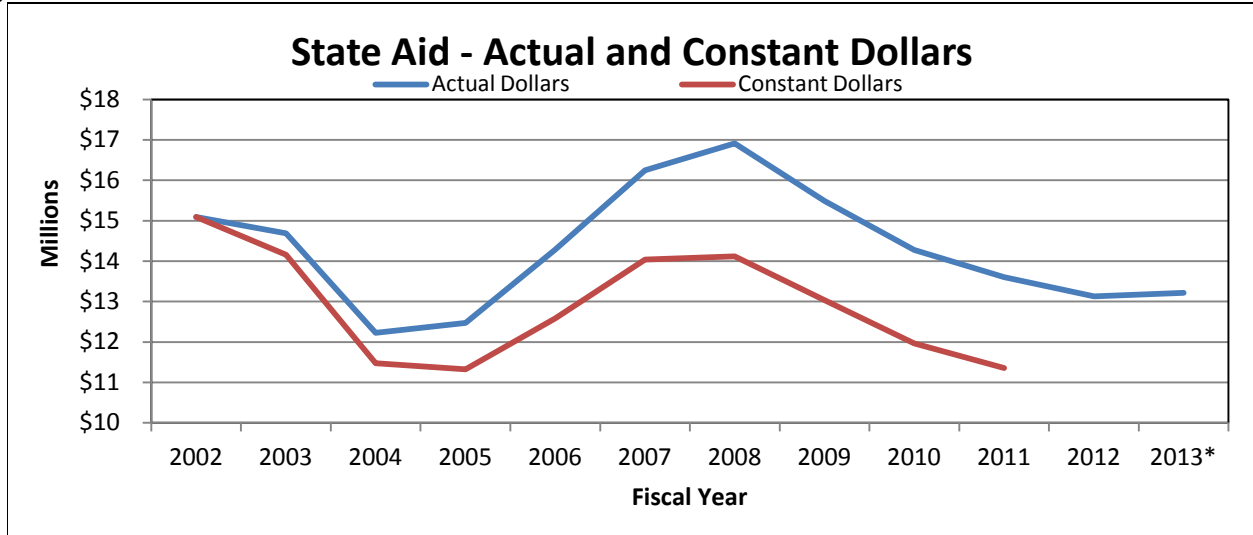
Figure 1



State aid, in contrast, can be quite volatile from year to year. Figure 2 shows this volatility and Figure 3 depicts how the sharp decline of state aid in different years has resulted in a corresponding increase in the property tax burden to support Town services. In the current year, FY 12, state aid is \$13,104,161, reduced from \$14,278,972 in FY 10. As recently as 2008, state aid was \$16,913,170. The decrease is greater when inflation is considered. When we began the budget process, we assumed a 2% increase for the major state aid categories, Chapter 70 and Unrestricted General Government Aid, and were disappointed that the Governor recommended level funding. When the Finance Committee approved this budget and this report was written, neither the House of Representatives nor the Senate had acted on the budget. We will not know final state aid figures until the end of the state budget process in late June or early July. The responsible assumption is level funding for state aid and is the state aid amount used in this budget. If these figures change, we would propose taking up those changes at the Fall Town Meeting, as we did in November 2011.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Figure 2



* Projected

Reliance on state aid for funding has both an upside and a downside. While increases in state aid may permit additional services, increased state aid as a percentage of operating revenue may be difficult to manage when there is a reduction in this funding.

State Aid to the Town is lower in FY 11 than FY 01 in both actual and inflation adjusted dollars, with cuts of over \$3.1 million in the last three years.

Local receipts and other funding resources are comprised of a number of separate fees, taxes, and grants. The amount reported on the Consolidated Resources/Expenditures Summary on pages 14 and 15 includes the funds we propose to transfer from Free Cash to support the Elementary Schools in FY 13. The two largest amounts in this category are Ambulance Fund receipts and Enterprise Fund reimbursements for management and administrative expenses.

	<u>FY 12</u>	<u>FY 13</u>	<u>Net</u> <u>change</u>	<u>%</u> <u>change</u>
Ambulance Fund	\$2,276,577	\$2,546,028	\$269,451	11.8%
Enterprise Fund reimbursements	\$831,243	\$852,083	\$20,840	2.5%

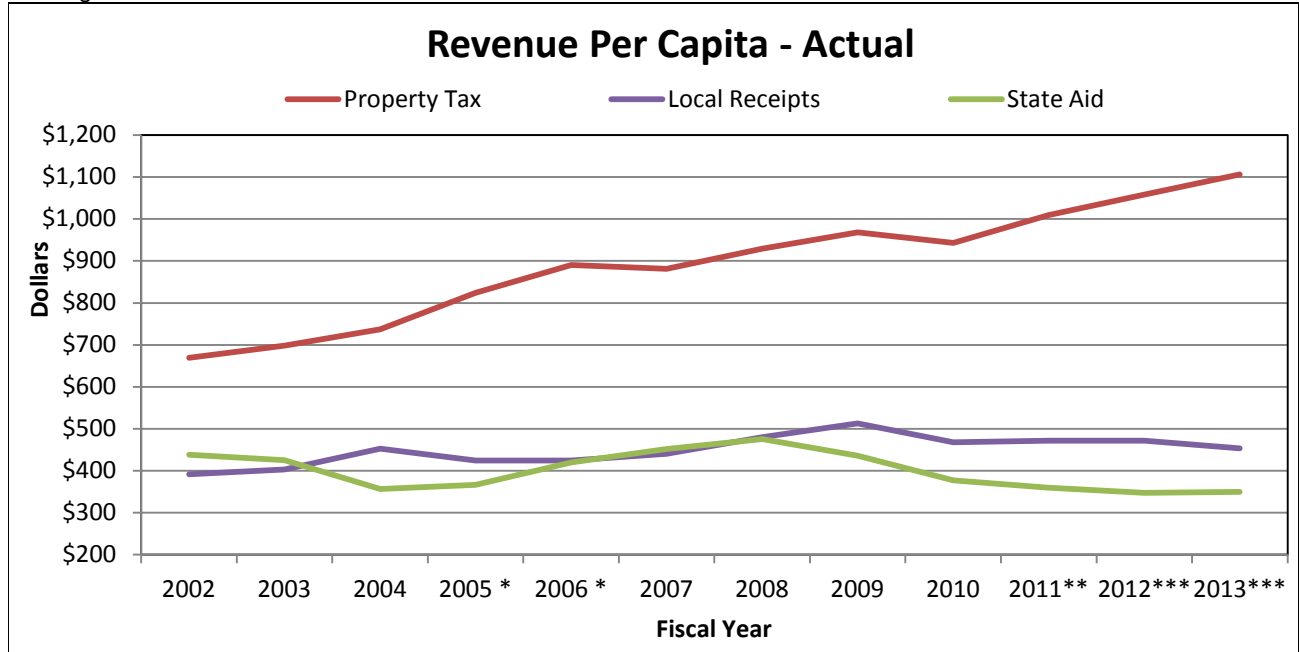
Trends

During the period of the recession, the reduction in state aid has increased our reliance on property taxes and fees to support essential services and we have had to redefine what we consider to be the essential services that must be provided. As a result, our budget has increased modestly because of inflation and we have had to rely more on property taxation. By passing the override in 2009, the voters recognized that only they could assure the continuation of core services. The override produced additional revenue; four times as much was saved by eliminating programs and services and adopting more efficient ways to provide service, thus reducing the number of employees. The combined strategy enabled us to continue to provide quality, essential services.

During the past decade the cost of employee benefits as a portion of total personnel costs increased substantially, primarily due to health care expenses. In 2001, 20% of our personnel expense was for employee benefits. By 2010 that had risen to 32%. We have been able to moderate our growth in expenses for FY 13 because health insurance premiums will not rise from current levels.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

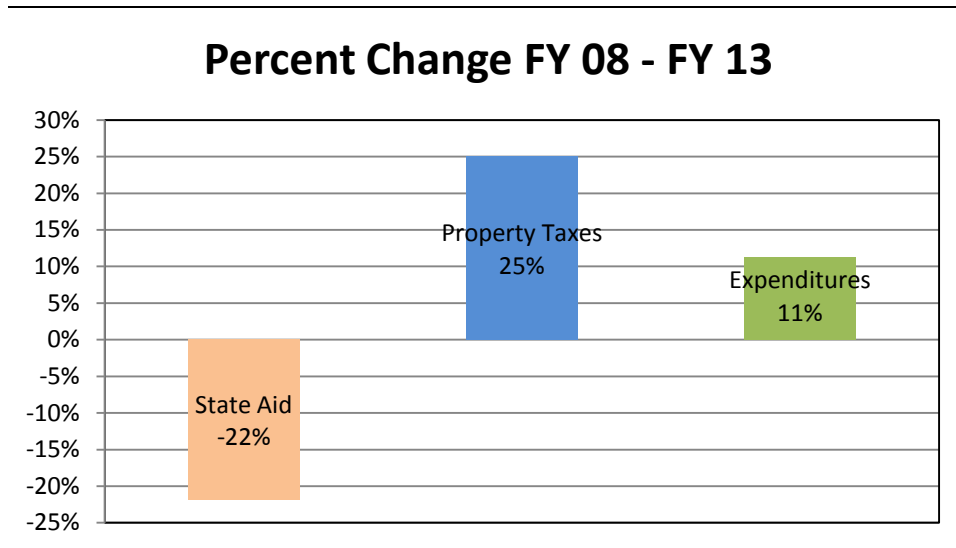
Figure 3



* A \$2,000,000 override was approved by voters in March 2004 that was added to the tax levy over a 2-year period in FY 05 and FY 06.
 **The \$1,680,000 override approved in March 2010 increased property tax bills beginning in FY 11 (July 2010 - June 2011).
 *** Estimates

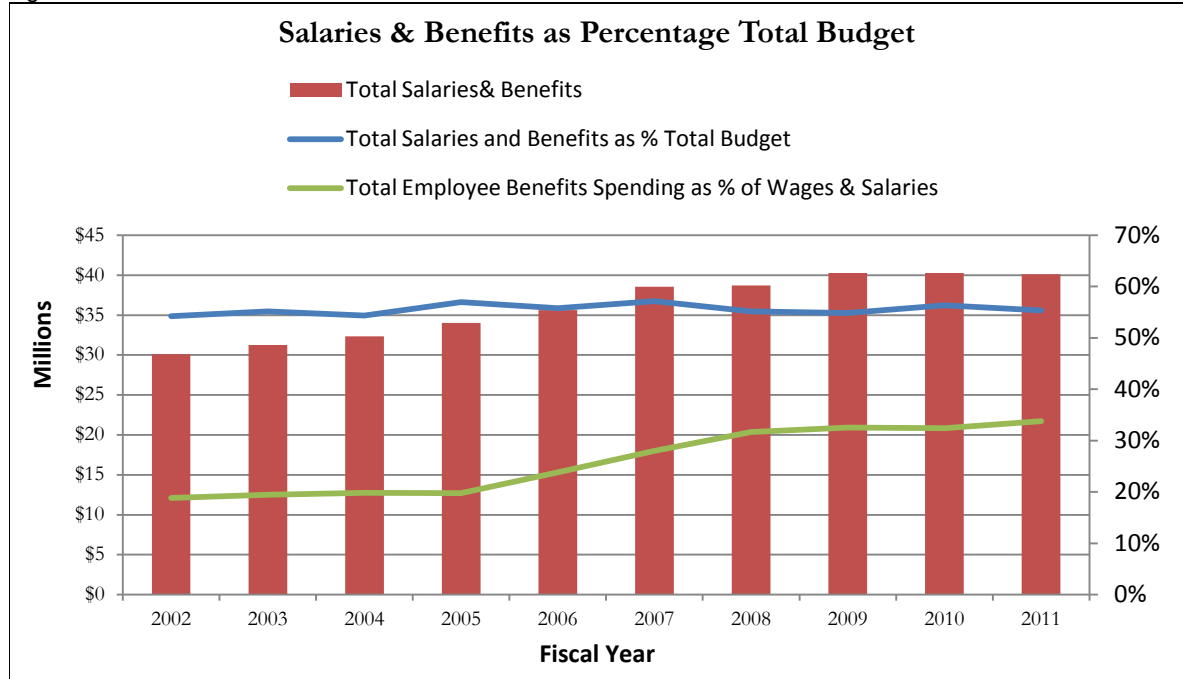
Revenues from the property tax have increased by the allowable limits of Proposition 2 1/2 and were further increased in 2005 and 2010 via a voter-approved referendum. Local receipts have also increased due to increased reliance on user fees to fund certain Town services such as LSSE. State aid has fluctuated and now is below FY 01 levels even before adjusting for inflation

Figure 4



FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Figure 5



Total salaries and benefits as a percentage of total budget has continued to increase, a warning sign. Total benefit costs as a percentage of wages and salaries has increased from 20.3% to 32.4% of wages and salaries over the past ten years. The rapid increase is primarily the result of increased costs of providing health benefits to municipal employees. The long term trend is unfavorable, despite some success in the past three years to control the rate of increase of health insurance costs.

Spending

The recommended expenditures from the general and enterprise funds for FY 13 are presented in the discussions of Articles 9, 10, 12 and 14 through 18, elsewhere in this report. These recommendations adopt budgets presented by the Town Manager, the Superintendent of Schools and the Library Director and reviewed by the Finance Committee. The School and Library budgets have been approved by the School Committees and Library Trustees. The priorities reflect the input from the Budget Coordinating Group and the recommendation of capital expenditure priorities of the Joint Capital Planning Committee. The amounts and the specific expenditures are reasonable, necessary, and responsible.

This budget is essentially a "level services" budget. It will continue school, municipal, and library services currently offered with minor modifications that are in the normal course of administering these programs. The municipal services include the operation of the War Memorial Swimming Pool, a priority established at the last Annual Town Meeting. Establishing new priorities for tax supported programs is difficult in light of the structural deficit in the projections for the years ahead. The Police and Fire Departments are minimally staffed to address our needs. The Department of Public Works is struggling to meet our needs for adequate roads. The Senior Center is insufficiently staffed to truly address the needs of a growing elderly population within the Town. The schools have cut programs, asked families to pay additional fees, and encouraged students to raise funds for after school programs. The libraries have cut back on temporary fill-in staff, continued to limit hours, and maintained a materials acquisition budget that does not truly meet our needs.

The Town Manager and Select Board, Superintendent and School Committees, and the Library Director and Trustees used their expertise to make painful decisions about what to include in these spending plans and what to omit from them. The Finance Committee reviewed these proposed budgets and found them to be thoughtful, reasonable, and responsible. In the current financial circumstances, we could not add to priorities and do not believe that it is appropriate to change priorities. We advise Town Meeting to use similar restraint. Any additional program will only be supportable at the expense of current programs.

The largest cost to provide services to our community is to employ the talented and dedicated people who teach our children, assure public safety, maintain our infrastructure, and provide other essential services. The Town and the schools completed collective bargaining with employee unions and the cost of the agreements is incorporated in these budgets. The recent

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

experience of our self-insurance Health Claims Trust Fund that provides employee health care for Amherst (including the elementary schools), the Regional Schools, and the Town of Pelham enabled us to project no premium increase for FY 13. This is a result of adjustments made to the plan in cooperation with the employees and sound management. Where there was an increase in health insurance costs, it was due to a change in the number of employees, the number of employees requesting to be included in our health plan, their need to include family coverage, and their choice of plan.

Projections for FY 13 and beyond.

As noted in the previous section on Resources, revenue from property taxes is reasonably predictable, but revenue from state aid can be and has been volatile. The Governor and Legislature understand the importance of aid to cities and towns but are constrained by state revenues and expenses they cannot control.

Starting in the fall of 2011, state revenues began to rebound after steadily declining since FY 08 due to the recession. State aid for FY 12 was initially funded at a 3.5% decrease from the prior year. The state distributed additional Unrestricted General Government Aid in the fall and as a net result, the amount of total state aid for the current year was close to the FY 11 amount. The current projection for FY 13 is for state aid that is at approximately the FY 12 level.

Nonetheless, the state will be challenged to meet its budget needs in the next years. We cannot ignore the contention in Washington about the Federal deficit and budget. Whether there is an across-the-board reduction in nondefense spending or Congress agrees to selective cuts, funding for Medicaid is at risk. The Commonwealth will have the Medicaid obligation nonetheless and will have to replace funds not provided by the Federal government from state taxes and other revenues. This is the largest possible loss of Federal funds to the state but not the only one. Furthermore, the economy is rebounding but not as robustly as it did after previous recessions. The State depleted much of its rainy day fund, from \$2.4 billion to \$700 million during the recession and needs to replenish it. Therefore we can only project a 1.5% increase in state aid for FY 14 and a 2.4% increase for FY 15. Local tax growth is limited to 2.5% plus new growth, which is restricted by the exhaustion of areas available for new development and our concerns about conservation and only allowing development consistent with community values.

Costs to maintain programs will increase. It is highly unlikely that we will have a third successive year of no increase in employee health premiums. We have been able to reduce energy expenses in recent years with an assertive program in our buildings to reduce usage with better insulation and conversion of some buildings from oil to gas. This expense is likely to increase.

A pattern of increases in cost that is greater than the increases in revenue constitutes a structural deficit. That remains a concern. In addition, we have an obligation to pay for the health care costs of our present and future retirees. In the Fall 2010 Special Town Meeting, you established a trust fund to pay these OPEB (Other Post-Employment Benefits). No money has been set aside for the trust, though you did place \$400,000 in the Stabilization Fund so that it could be transferred to the OPEB trust. This would be a small start to a larger effort to meet an obligation now estimated to be more than \$65 million.

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. JCPC will present recommendations for the Capital Program in Articles 14-18 that use 6.5% of the tax levy. The Finance Committee concluded that this is the appropriate recommendation for FY 13 but is 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.

Reserves

The Finance Committee recommends the transfer of \$218,200 from Free Cash to support the FY 13 budget. We are hesitant to recommend the use of reserves but conclude that there is an exceptional one-time need. Town financial policies adopted in January 2008 state that "reserves, including the combined balance of Free Cash and Stabilization Fund, should be maintained at 5 - 15% of general fund operating revenues. The primary objective of the Town's reserve policy is to provide the Town the flexibility to sustain service levels despite the adverse financial impacts of economic downturns and unforeseen and

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

extraordinary expenses.” This goal is a widely accepted measure of good financial standing and a key factor in Amherst’s bond rating. At the end of the last Fiscal Year, Amherst’s certified Free Cash was \$4,167,028 and the Stabilization Fund was \$1,821,401, including the \$400,000 that was added to the Stabilization Fund at the Fall Town meeting, for total reserves of \$5,988,429, 9.3% of general fund operating revenues.

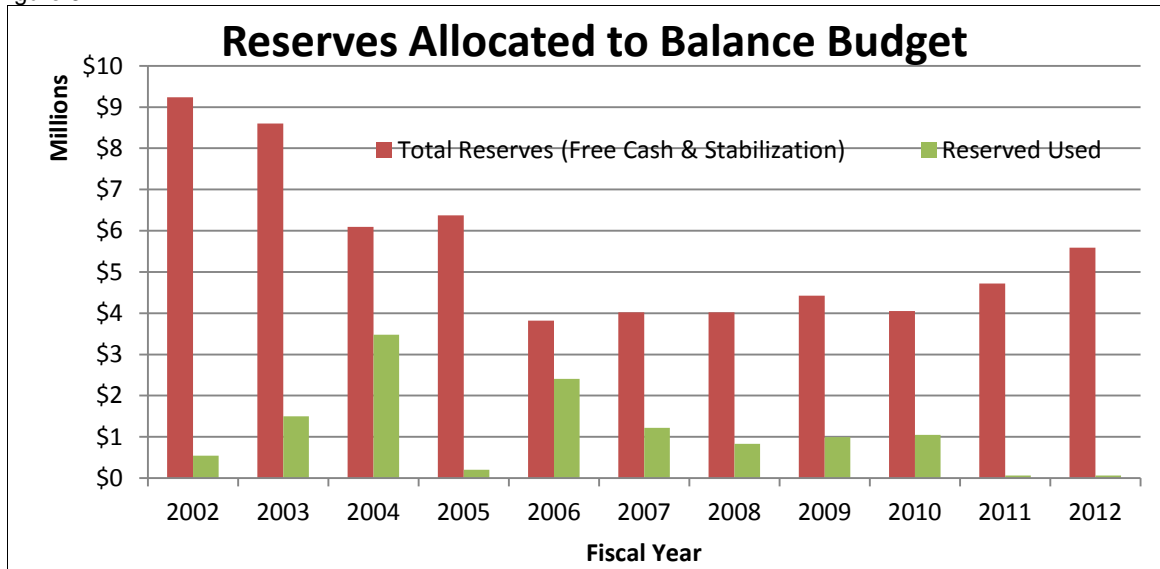
In November 2009, Standard and Poors reviewed Amherst’s bond rating and assigned a “AA” rating with a “Stable” outlook. This rating was reaffirmed in February 2011 and again in February 2012. As a result, the Town saves on interest expenses for bonds when it needs to finance projects such as the road bonds authorized at the Fall 2010 Special Town Meeting and the bonds just issued to fund the sewer extensions approved at the Fall 2011 Special Town Meeting. The bond rating reports recognize Amherst’s good financial management and reserve levels.

Because of the uncertainty about state aid and the cyclical nature of our economy, we need to carefully consider how we rebuild our own reserves, which have declined from \$9.2 million in 2002 to \$6 million currently. Reserves were at the lowest point, \$3.8 million, in 2006. Our policy about reserves had been to build the balance in the recovery period and the “up cycle” of economic swings and to spend the reserves in the next “down cycle.” In 2009, the Finance Committee recognized that reserves cannot support ongoing services but identified two circumstances that would justify the Town doing so: (1) to implement bona fide plans to move toward models of service provision that would provide net savings to the Town in the future while providing acceptable levels of service, and (2) to leverage outside revenue in order to maintain existing core services.

The initial elementary school budget projected a deficit of \$523,896, largely due to the depletion of funds from the Education Jobs grant, part of the 2009 federal “stimulus” program, that had supported the schools in FYs 10, 11, and 12. The deficit was reduced by \$305,696 as a result of budget reductions that are explained in the School budget section of this report. The School Committee voted to accept School Choice students beginning in September, which will generate revenue to eliminate the remaining deficit. Those funds will not be available for this budget. The choice students will fill classrooms that are not at full capacity and will not add to costs. Further reductions in the FY 13 elementary school budget would significantly affect elementary education for our students and those we will accept in School Choice. A one-time use of reserves in the amount of \$218,200 is consistent with the second criterion that justifies the use of reserves.

Given the revenue projections for the next several years, our desire to achieve stability in town, school, and library programs after imposing \$7,000,000 in necessary but painful cuts in recent years, our need to assure sustainability without asking voters to consider another override, and the benefit of maintaining our sound financial standing, it would be inappropriate to use any additional reserves in FY 13.

Figure 6



Budget Process

The development of budgets takes place throughout the year. The Select Board establishes policy guidelines and priorities to assist the Town Manager as he develops the budget for the Town’s municipal functions. The Amherst School Committee and the Library Trustees provide similar guidance for the Superintendent of Schools and the Library Director. The various administrators confer with department heads, boards and committees to develop specific budget proposals which they feel will best meet the needs of the Town, Schools and Libraries for the next fiscal year consistent with the resources available. The Amherst-Pelham Regional Schools use the same procedure.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

In October, the Finance Director presented financial projections to the elected boards and committees and the Finance Committee. This provided guidance on the level of resources that would be available for the coming year. The Finance Committee used the information to develop preliminary budget guidelines for spending. In October, the Finance Director projected that the budget for FY 13 would be balanced if state aid increased by 2% and operating budgets increased by 2.8%.

In November, the Finance Committee issued preliminary budget guidelines asking the Town Manager, Superintendent, and Library Director to develop budgets with increases of 2.8% and asked the Joint Capital Planning Committee to propose capital expenditures totaling 6.5% of the property tax levy. The committee must always make an assumption about state aid when it issues the budget guidelines. State revenue was increasing with financial recovery and it seemed reasonable to assume that the Legislature may modestly increase state aid after four successive years of reduction.

The Town Manager presented a proposed municipal budget to the Finance Committee and Select Board in January. The committee received budgets for regional and elementary schools and for the libraries in February. The Finance Committee spent the next months reviewing the budgets, asking questions, and hearing comments. The Budget Coordinating Group (two members each from the Select Board, School Committee, Library Trustees and Finance Committee, the Town Manager, Superintendent of Schools, Library Director, Finance Director, and the Director of Finance and Operations for the Schools) reviewed the budgets and offered valuable input to the committee. The Finance Committee met with the Superintendent three times and one of its members attended budget meetings of the School Committee and its Budget Subcommittee. Other members were liaisons to the Select Board and Library Trustees. The Library Director, Town Manager, and the directors of town departments met with the committee to present their budgets and answer questions.

Because of the formula for Regional School assessments to the four towns in the region, a 2.8% increase for Amherst's assessment would require a 3.99% increase for Pelham, a 5.77% increase for Leverett, and a 2.72% increase for Shutesbury and increase the total of the assessments by 3.09%. In February the Superintendent presented a Regional School budget to the four towns and was aware of the impact of these increases on the Towns. Subsequently the Region was able to project a reduction in retired teacher insurance expenses and reduce the required assessment for all four towns. The Amherst increase was reduced by \$87,815. The increase from FY 12 is 2.1%.

During this same period, the Joint Capital Planning Committee (JCPC) examined requests for capital spending in the coming year within the context of a five-year capital spending plan. It then made recommendations to the Town Manager and to the Finance Committee, Select Board, School Committee, and Library Trustees, all of whom are represented on the JCPC.

In January, the Governor released his proposed budget which recommended level funding for state aid. This reduced expected state aid revenue by \$140,520 from the amount assumed when the Finance Committee adopted the preliminary guidelines. However, the committee could make other changes to expense and revenue projections. As noted, the regional school assessment was reduced. We were able to add a top priority of the Town Manager and Superintendent, the continuation of the after-school program. This program had been funded by CDBG funds but was eliminated from the grant when it was reduced for FY 12. (See the discussion of the Out-of-School Time Program in the Community Services section of Article 12.) The new growth portion of the local tax revenue was increased from January estimates because of new valuations for WMECO equipment. Other reasonable revenue adjustments were made and the committee determined that it is appropriate to recommend a one-time use of Free Cash to support the Elementary Schools, as noted above in the discussion of Reserves.

The Town Meeting will consider this recommendation at the Annual Town Meeting. The budget, as voted by Town Meeting will become the plan of action for the following fiscal year (July 1, 2012, through June 30, 2013). The budget will be monitored and evaluated so that experience with it can guide future budget decisions.

Spending articles.

The operating budget for the Town as a whole makes up Article 12 of the warrant for this Annual Town Meeting. The budget is divided into sections covering five separate municipal functional areas, the elementary schools, the Regional School assessment, library services, each of four enterprise funds, and debt service. For each functional area, a motion will be made proposing the total amount to be spent. In all cases, Town Meeting will be able to discuss individual budget lines within the functions.

Most capital spending appears in separate articles, as does funding for Community Preservation Act projects. Capital spending of the enterprise funds appears in their operating budgets. The same is true of the Regional Schools.

Town Meeting Procedures.

Any member of Town Meeting who wishes to propose an amendment to an operating budget motion may do so by moving to increase or reduce the amount of an appropriation that has been moved. Town Meeting members should remember that the

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

subject of these articles is the appropriation of money and not the day-to-day administration of the Town. If an amendment is proposed, it is essential for the Meeting to know what the amendment is intended to accomplish, but it should be kept clearly in mind that responsibility for running the affairs of the Town rests with the Select Board, School Committee, Library Trustees, and appointed officials. Town Meeting members are asked to provide three written copies of motions to amend budgets and give one copy to the Moderator, one to the Chair of the Select Board, and one to the Chair of the Finance Committee.

The issues covered under each motion may be complex, especially in sections of the budget that are supported by a variety of revenue sources. Town Meeting members who want to make an alternate motion or amendment are encouraged to seek assistance from the Moderator, a member of the Finance Committee or the Select Board, or an appropriate staff person prior to introducing the amendment.

If a Town Meeting member wishes to propose an increase in the operating budget, he or she should be aware that a source of funding will have to be found to cover the increase. This could be a reduction made elsewhere in the budget or the use of reserves. In general, the amounts of money stated in the separate spending articles cannot be increased significantly on the floor of Town Meeting. If you have questions about this, please consult with the Moderator.

Non-budget Articles

The Finance Committee meets with staff or petitioners to hear a presentation of the purpose of each non-budget Article and investigates financial costs, benefits, and implications. If an Article has no apparent financial implications, the committee takes no position. If it identifies a financial implication, the committee decides whether to support the Article and provides its reasons within this report.

Appreciation

The process of creating a spending plan within the limitation of available funds is always a challenge. It is never easy to create a budget that enables our schools, town, and library to provide excellent services within the confines of available resources. A great many officials, both appointed and elected, have worked to develop this budget. The Finance Committee respects the efforts of all of the people responsible for creating budgets. Their jobs were difficult. We want to especially recognize Sanford Pooler who became the Finance Director during the budget process a year ago. He attends all committee meetings, provides support to the committee, and gives us expert advice and a wealth of timely and useful information throughout the process. His knowledge and skills are invaluable to the committee and the Town. Town Manager John Musante provided support and information to the committee throughout the process, including during the presentation of his recommended budget that provides information essential to the process. The committee is fortunate to have a Town Manager who was our Finance Director and understands and cares about this community. Library Director Sharon Sharry and Superintendent Maria Geryk provided budgets and supporting information and they met with us to provide explanations and answer questions at key points during the process. Robert Detweiler, Director of Finance and Operations for the schools, was always available and provided essential information. The Select Board, Regional and Amherst School Committees, and the Jones Library Trustees reviewed and approved budgets as required by their own procedures and the laws and regulations that affect their areas of responsibility. They did so cooperatively with us so that we could present a comprehensive budget. We also thank those who served on the Joint Capital Planning Committee and the Budget Coordinating Group. Many staff members representing all parts of Town government have given us their time and expertise. We thank them all. Maria Racca has talents for data analysis and report publication that are indispensable to the Committee. Sonia Aldrich provides reports about town expenses and income and other analyses throughout the year. Staff of the Town Manager's office provide support, keep us organized, and up to date as new Town Meeting information becomes available.

If you have questions as you prepare for the April 30 Annual Town Meeting, we invite you to submit them in advance of the meeting to fincom@amherstma.gov. If possible, we will respond before or during the session.

Finance Committee Members:

Kay Moran, Vice Chair	549-5767
Janice Ratner	253-7214
Robert Saul	253-6631
Anurag Sharma	549-1542
Andrew Steinberg, Chair	549-6826
Douglas Slaughter	253-9920
Marylou Theilman	253-7980

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FINANCE COMMITTEE REPORT - FY 13

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 13 General Fund	FY 13 Community Preserv. Act	FY 13 Water Fund	FY 13 Sewer Fund
REVENUES				
Property Tax	41,731,207	376,000	0	0
Local Receipts	8,013,338	0	3,925,995	3,746,520
State Aid	13,216,300	98,071	0	0
Other Financing Sources	3,656,009	258,763	0	242,668
TOTAL REVENUES	66,616,854	732,834	3,925,995	3,989,188
EXPENDITURES				
<u>OPERATING BUDGET</u>				
Town	19,583,195	0	2,709,359	2,665,943
Elementary Schools	21,558,039	0	0	0
A-P Regional School District (Assessment)	13,796,524	0	0	0
Jones Library (Tax Support)	1,690,789	0	0	0
Subtotal OPERATING BUDGET	56,628,547	0	2,709,359	2,665,943
<u>CAPITAL BUDGET</u>				
Debt Service - Debt Exclusion	259,374	0	0	0
Debt Service - Current	1,382,150	123,834	298,850	320,066
Debt Service - Projected	17,911	0	0	0
Cash Capital (Tax Support)	1,294,199	0	0	0
Subtotal Tax Funded Capital	2,953,634	123,834	298,850	320,066
Community Preservation Act	0	409,000	0	0
Cash Capital (Non-Tax Support)	255,000	0	325,000	486,000
Subtotal CAPITAL	3,208,634	532,834	623,850	806,066
<u>MISCELLANEOUS</u>				
Assessment - Retirement System	3,468,324	0	165,145	180,846
Assessment - Regional Lockup Facility	31,323	0	0	0
Other	0	0	0	0
Reserve Fund	100,000	200,000	0	0
Subtotal MISCELLANEOUS	3,599,647	200,000	165,145	180,846
Total APPROPRIATIONS	63,436,828	732,834	3,498,354	3,652,855
<u>UNAPPROPRIATED USES</u>				
Reserve for Abatements & Exemptions	414,718	0	0	0
State Assessments (Cherry Sheet)	2,679,753	0	0	0
Cherry Sheet Offsets	69,882	0	0	0
Other Amounts to be Raised	15,673	0	427,641	336,333
Subtotal UNAPPROPRIATED USES	3,180,026	0	427,641	336,333
TOTAL BUDGET PLAN	66,616,854	732,834	3,925,995	3,989,188
\$ Change from Prior year	2,370,553	(233,553)	(409,548)	233,552
% Change from Prior Year	3.7%	-24.2%	-9.4%	6.2%

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FINANCE COMMITTEE REPORT - FY 13

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

FY 13 Solid Waste Fund	FY 13 Transportation Fund	FY 13 COMBINED FUNDS (memo only)	FY 12 COMBINED FUNDS (memo only)	Change FY 12 - 13	Percent Change
0	0	42,107,207	40,703,649	1,403,558	3.4%
496,800	981,000	17,163,653	16,424,575	739,078	4.5%
0	0	13,314,371	13,223,003	91,368	0.7%
53,055	100,218	4,310,713	4,284,146	26,567	0.6%
549,855	1,081,218	76,895,944	74,635,373	2,260,571	3.0%
510,569	846,741	26,315,807	25,546,490	769,317	3.0%
0	0	21,558,039	20,758,598	799,441	3.9%
0	0	13,796,524	13,506,166	290,358	2.1%
0	0	1,690,789	1,644,736	46,053	2.8%
510,569	846,741	63,361,159	61,455,990	1,905,169	3.1%
0	0	259,374	305,688	(46,314)	-15.2%
0	65,975	2,190,875	2,594,339	(403,464)	-15.6%
0	0	17,911	71,290	(53,379)	-74.9%
0	0	1,294,199	1,187,104	107,095	9.0%
0	65,975	3,762,359	4,158,421	(396,062)	-9.5%
0	0	409,000	580,100	(171,100)	-29.5%
0	35,000	1,101,000	663,000	438,000	66.1%
0	100,975	5,272,359	5,401,521	(129,162)	-2.4%
39,286	36,667	3,890,268	3,635,369	254,899	7.0%
0	0	31,323	31,323	0	0.0%
0	0	0	0	0	0.0%
0	0	300,000	310,435	(10,435)	-3.4%
39,286	36,667	4,221,591	3,977,127	244,464	6.1%
549,855	984,383	72,855,109	70,834,638	2,020,471	2.9%
0	0	414,718	400,220	14,498	3.6%
0	0	2,679,753	2,483,585	196,168	7.9%
0	0	69,882	70,456	(574)	-0.8%
0	96,835	876,482	846,474	30,008	3.5%
0	96,835	4,040,835	3,800,735	240,100	6.3%
549,855	1,081,218	76,895,944	74,635,373	2,260,571	3.0%
139	11,530				
0.0%	1.1%				

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 1. Reports of Boards and Committees
(Select Board)**

To see if the Town will hear only those reports of Town officers, the Finance Committee, and any other Town boards or committees which are not available in written form.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

**ARTICLE 2. Transfer of Funds – Unpaid Bills
(Select Board)**

To see if the Town will, in accordance with Chapter 44, section 64, of the Massachusetts General Laws, appropriate and transfer a sum of money to pay unpaid bills of previous years.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

This is an annual article that allows the Town to pay unpaid bills from a prior fiscal year, if any, for which funds were not already encumbered. At the time this report was prepared, the Town was not aware of any such bills requiring action by Town Meeting. If no such bills are received prior to Town Meeting, the Finance Committee will move to dismiss this article.

**ARTICLE 3. Optional Tax Exemptions
(Select Board)**

To see if the Town will authorize a maximum additional exemption of up to 100 percent for taxpayers qualifying for exemption under Chapter 59, Section 5, Clauses 17D, 22, 37A, or 41C of the Massachusetts General Laws.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

This local option authorizes assessors to reduce property taxes for certain qualifying taxpayers (limited income elderly or blind persons, veterans and surviving spouses). The reduction is in addition to the base amount allowed by the state. The option has been in effect in Amherst since FY 94, the first year for which Town Meeting adopted it. The option must be renewed annually. The total cost to the Town in FY 12 to provide these tax exemptions, including the optional tax exemptions, was \$107,514 in foregone tax receipts. Reimbursement by the state for the base exemptions was \$38,329. The cost to the Town in FY 12 to provide the additional optional tax exemptions was \$44,298.

**ARTICLE 4. Authorization for Compensating Balances
(Select Board)**

To see if the Town will accept the provisions of M.G.L. Chapter 44, Section 53F, which authorize the Treasurer to enter into written agreements with banking institutions pursuant to which the Treasurer agrees to maintain funds on deposit in exchange for banking services.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

Acceptance of this provision of the Massachusetts General Laws authorizes the Town Treasurer to enter into certain banking agreements that require maintenance of a minimum account balance. These agreements typically offer either higher interest rates or some free services in exchange for maintaining a minimum balance. Town Meeting authorization is required annually because, in effect, funds may be expended for services without an appropriation. The Treasurer bids all banking services and bank service fees and determines which proposals are most advantageous for the Town. It is appropriate to provide the Treasurer with the flexibility to use this type of account.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 5. Street Acceptance – Sunrise Avenue
(Select Board)**

To see if the Town will accept as a town way Sunrise Avenue, as laid out by the Select Board and as shown on plans of land to be filed with the Town Clerk, and authorize the Select Board to take by eminent domain, to purchase or otherwise acquire the fee or an easement in said roadway, and drainage, utility and/or other easements.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

The Amherst Housing Authority, which owns some buildings on this street, also owns the street. The Town plows it but had not wanted to accept it as a public way because the street had not been maintained to Town standards. The Housing Authority has now paid to bring the street up to standard, with the work done by the Department of Public Works. Accepting the street would add slightly to the Town's total road mileage and thus to the Town's allocation of Chapter 90 road maintenance money from the state.

**ARTICLE 6. Street Acceptance – Altered Layout of University Drive
(Select Board)**

To see if the Town will accept as a town way the altered layout of University Drive, as laid out by the Select Board and as shown on the plans of land to be filed with the Town Clerk, and authorize the Select Board to purchase or otherwise acquire the fee or an easement in said roadway, and drainage, utility and/or other easements.

RECOMMENDED by Finance Committee vote of 6-0, 1 absent.

By design, the recent reconstruction of University Drive has altered the layout at the entrance to the Big Y shopping center. This article would allow the Select Board to negotiate easements to accommodate those changes. No cost to the Town is expected.

**ARTICLE 7. Sewer Easements – Harkness Road Project
(Select Board)**

To see if the Town will authorize the Select Board to acquire by purchase, gift or eminent domain, easements for the construction of a sewer main, drainage and general utility purposes on portions of properties in the vicinity of the Harkness Road Sewer Project.

RECOMMENDED by Finance Committee vote of 6-0, 1 abstaining. (One person abstained because he had missed the discussion.)

Last fall Town Meeting authorized borrowing to extend the sewer line to Harkness Road. The Town is negotiating with landowners for easements that would reduce the cost of installing the line. This article would allow the Town to acquire any necessary easements, thus allowing for the orderly administration and completion of the project.

**ARTICLE 8. FY 2012 Budget Amendments
(Finance Committee)**

A. To see if the Town will amend the budget voted under Article 14 of the 2011 Annual Town Meeting (FY 2012 Operating Budget) to transfer sums of money between General Government, Public Safety, Public Works, Conservation and Development, Community Services, and Debt Service accounts to balance the 2012 Fiscal Year.

RECOMMENDATION DELAYED to Town Meeting.

Part A of this Article will authorize transfers for the current fiscal year among the five budgets that fund the municipal functions of town government. This is an Article each year at the annual Town Meeting. A specific motion will be developed closer to Town Meeting, with the most current information, and we will then make our recommendation.

B. To see if the Town will appropriate and transfer \$91,508 from Free Cash in the Undesignated Fund Balance of the General Fund to the Health Claims Trust Fund to account for Medicare Part D reimbursements received by the Town of Amherst for prescription drug costs incurred by the Health Claims Trust Fund for Town of Amherst, Amherst-Pelham Regional School District, and Town of Pelham members.

ANNUAL TOWN MEETING WARRANT ARTICLES

RECOMMENDED by Finance Committee vote of 7-0.

The Town, including its elementary schools, the Town of Pelham, and the Regional Schools provide health benefits to employees through a Health Claims Trust Fund (HCTF), which is administered by the Town. Medicare Part D, enacted in 2003, reimburses health care insurers, including our HCTF, for approximately 28% of eligible prescription drug costs incurred by subscribers. The State Department of Revenue requires that the money go to the Town of Amherst General Fund. Since the payments for the prescriptions came from the HCTF and since it would not be right for Amherst to keep all of the reimbursement, this part of the article asks to appropriate \$91,508 from Free Cash (where the reimbursement will be when Free Cash is certified next year) to the Health Claims Trust Fund where it rightfully should be. Annual Town Meeting in 2009 accomplished this transfer for Fiscal Years 2008 and 2009. The Special Town Meetings in fall 2009 and 2010 did the same thing for Fiscal Years 2010 and 2011. A similar motion will be presented annually as long as the federal government continues to reimburse for Medicare Part D prescription drug costs.

C. To see if the Town will appropriate and transfer \$426,206 from Free Cash in the Undesignated Fund Balance of the General Fund to the Reserve Fund for the purpose of paying the costs associated with the October 2011 snowstorm and related tree damage clean-up costs.

RECOMMENDED by Finance Committee vote of 7-0.

Part C of this Article would appropriate \$426,206 from Free Cash to supplement the \$100,000 that was appropriated to the Reserve Fund at the 2011 Annual Town Meeting under Article 15. The appropriation will cover the full cost of clean-up for the October 2011 snow storm. The Public Works Department has applied to the Federal Emergency Management Agency for reimbursement and expects to receive reimbursement of at least 75% of those costs. The Finance Committee recommends this appropriation to ensure that all the storm clean-up costs are covered by an appropriation by the end of this fiscal year, in case FEMA reimbursement is delayed. The Reserve Fund is used by the Finance Committee to pay for extraordinary or unforeseen expenses that may occur during a fiscal year. Any unspent money in the fund after the fiscal year ends becomes Free Cash. If the FEMA payment is delayed, and the augmented Reserve Fund is needed to cover the cost of the October 2011 clean-up, the FEMA reimbursement once it arrives will be closed out to Free Cash at the end of FY 13.

**ARTICLE 9. Retirement Assessment
(Select Board)**

To see if the Town will raise and appropriate \$3,468,324 for the Hampshire County Retirement System assessment..

RECOMMENDED by Finance Committee vote of 7-0.

The Town, as a member of the Hampshire County Retirement System, pays an annual assessment that covers the retirement benefits to current retirees in addition to an assessment that anticipates funding future retirees. The assessment is based upon the payrolls of municipal and library employees as well as non-teaching elementary school employees. The \$3,468,324 to be appropriated in this article is an increase of \$211,531 (6.1%) from the FY 12 assessment. In addition, the Enterprise Funds are allocated their share of the total assessment of \$3,814,694 in their respective budgets. The increase is due to losses in value for the retirement fund's investment portfolio. The pension funding is based upon the January 1, 2010, actuarial study which estimates, based on historical fund returns, the amount required to fully fund the accrued and current retirement liability. This calculation also includes actuarial estimates of retirement ages, longevity, and expected retirement salary packages. If the assessment is paid as a lump sum at the beginning of the Fiscal Year, the Town gets a discount of approximately 2%. Early payment is saving \$75,574 on our overall assessment for FY 13 of \$3,890,268, which includes the general fund and enterprise funds.

**ARTICLE 10. Regional Lockup Assessment
(Select Board)**

A. To see if the Town will raise and appropriate \$31,323 for the Hampshire County Regional Lockup Facility assessment.

RECOMMENDED by Finance Committee vote of 7-0.

The Town, as a user of the Hampshire County Regional Lockup, pays an annual assessment based on population that covers its portion of the operating costs of the Regional Lockup. (The Sheriff's office, the University, and the other communities that use the lockup are the other contributors.) The \$31,323 to be appropriated in this article for FY 13 is the same as it was for the previous five years.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 11. Amherst-Pelham Regional School District Assessment Method
(Select Board)**

To see if the Town will vote to approve following the existing Amherst-Pelham Regional School District Agreement for allocating the total amount to be contributed by each member town of the District for Fiscal Year 2013 as required by Section VI of the Regional Agreement.

RECOMMENDED by Finance Committee vote of 7-0.

The state's 1993 Education Reform Law requires regional school districts to calculate assessments to a region's towns for support of regional district operating and capital budgets according to a formula intended to take into account each individual municipality's ability to pay. However, the Education Reform Law formula can lead to circumstances in which yearly differences cause sudden changes in an individual town's required support and which can cause the per pupil cost to vary significantly from one Regional town to another.

The state allows a regional district to apportion assessment amounts by a method other than the state formula if all of the member municipalities agree to do so. Amherst, Leverett, Pelham, and Shutesbury annual town meetings of 2006 all voted to use an alternative method prescribed by our regional agreement, in which costs of operating the regional schools are apportioned to the towns according to a five-year rolling average of the number of students enrolled from each town. This method produces equal per-pupil costs to the towns and greater stability with respect to each town's financial obligation. The School Committee has voted to continue using this method to determine the apportionment of the FY 13 budget to each member town.

A Department of Education rule requires regional school districts to get approval of all of the towns annually if they use an assessment method other than the state's formula. Unless that rule is changed, a similar article will be on each year's annual town meeting warrant in all four towns. The alternative to unanimous approval of the article by all four towns is to revert to the state's formula, a change that could affect the financing of the schools.

**ARTICLE 12. FY 2013 Operating Budget
(Finance Committee)**

To see if the Town will adopt a comprehensive operating budget for the ensuing year and raise and appropriate money therefor.

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FINANCE COMMITTEE REPORT - FY 13

GENERAL FUND INDEBTEDNESS

	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Fin Com	Change FY 12 - 13	Percent Change	
Amherst Housing Authority (CPA)	\$			47,250	44,100	(3,150)	-6.7%	
Bangs Community Center Roof/HVAC	\$	0	0	47,608	46,422	(1,186)	-2.5%	
Crocker Farm Renovation	\$	277,500	272,000	266,000	252,000	(7,500)	-2.9%	
Deferred Teachers' Payroll	\$	56,514	56,514	56,500	0	0	0.0%	
DPW - Roads Reconstruction	\$			585,063	558,000	(27,063)	-4.6%	
Hawthorne Property Acquisition (CPA)	\$			65,007	62,000	(3,007)	-4.6%	
High School Renovations	\$	441,321	400,837	352,466	305,688	(46,314)	-15.2%	
High School Roof	\$	118,535	114,765	110,994	107,341	(3,652)	-3.4%	
Interest on Temporary Debt	\$	1,607	5,054	5,370	20,000	17,911	-10.4%	
Jones Library	\$	58,547	54,473	47,179	0	0	0.0%	
Plum Brook Recreation Fields (Partial CPA)	\$	57,934	51,697	55,520	53,400	(1,560)	-2.9%	
Portable Classrooms	\$	0	0	0	2,222	32,190	1348.7%	
Sidewalks (2005)	\$	79,138	77,188	75,075	72,800	(2,600)	-3.6%	
South Amherst School	\$			1,818	21,640	19,822	1090.3%	
Town Hall Exterior	\$	44,250	73,013	66,812	63,630	(1,641)	-2.6%	
Town Hall Renovations Refunding (2005)	\$	218,000	212,900	202,375	196,600	(11,600)	-5.9%	
Wildwood Roof	\$	73,728	66,885	64,905	62,925	(1,912)	-3.0%	
TOTAL APPROPRIATION	\$	1,427,074	1,385,325	1,353,311	1,890,852	1,827,368	(63,484)	-3.4%

RECOMMENDED by Finance Committee vote of 7-0.

This appropriation includes principal payments of \$1,432,240 and interest payments of \$395,128, and represents an overall reduction of 3.4% compared to debt service payments in FY 12. No debt issues were retired in FY 12. The debt for the Wildwood School Roof Replacement Project will be retired in FY 13. This year's payment of \$61,013 represents the last payment on this obligation. A grant from the Massachusetts School Building Authority funded most of this obligation.

The High School Renovation project is funded by a Proposition 2½ debt exclusion (Amherst's FY 13 share is \$259,374). This declining obligation, down 15.2 % from FY 12, will be paid off in FY 18, and, when retired, the projected tax levy will effectively be reduced since this debt service is a property tax charge over the Proposition 2½ limit.

The Town's debt obligations receive support from sources other than taxation and State grants. The CPA Fund pays \$34,215 in debt service on the Plum Brook Recreation Field construction, \$62,000 of the Hawthorne property acquisition, and \$27,619 for Town Hall exterior repairs. CPA support for the General Fund borrowing is down 29.6% from FY 12.

Finally, the debt service for: the Town Hall renovations refunding (\$185,000), the High School Roof project (\$103,689), the Crocker Farm School renovation project (\$252,000), the Bangs Community Center roof and HVAC project (\$46,422), the Town Hall exterior renovation project (\$34,370), and the Downtown Sidewalk project (\$70,200), the Plum Brook Project (\$17,626), the DPW Road Improvement Projects, the South Amherst School Roof repair, and the Marks Meadow portable classrooms are all included in the Town's capital plan using money from the General Fund.

Debt service related to the Enterprise Funds (e.g., payment on bonds to pay for sewer extensions) is included in those budgets and is not authorized in this motion.

LIBRARY SERVICES

3% OF GENERAL FUND OPERATING BUDGETS

	FY 10 Actual	FY 11 Budget	FY 11 Actual	FY 12 Budget	FY 13 Budget	Change FY 12 - 13	Percent Change
Personnel Services	\$ 1,367,861	1,431,896	1,425,896	1,465,230	1,419,493	(45,737)	-3.12%
Employee Benefits	\$ 245,981	253,445	253,445	237,280	264,796	27,516	11.60%
Library Materials	\$ 172,824	173,800	186,211	173,300	186,000	12,700	7.33%
Operations	\$ 279,796	322,276	411,302	316,926	402,541	85,615	27.01%
TOTAL DEPARTMENT COST	\$ 2,066,462	2,181,417	2,276,854	2,192,736	2,272,830	80,094	3.65%

SOURCE OF FUNDS

Town General Fund Support	\$ 1,468,029	1,541,736	1,685,841	1,644,736	1,690,789	46,053	2.80%
Library State Aid	\$ 85,229	101,451	67,330	65,000	63,000	(2,000)	-3.08%
Jones Library Inc. Endowment	\$ 390,961	430,230	430,229	412,000	396,041	(15,959)	-3.87%
Jones Inc. FY 2009 Savings		8,000				-	0.00%
Jones Library Annual Fund Drive			45,000	40,000	38,000	(2,000)	-5.00%
Replacements/Lost Payments			509	5,000	5,000	-	0.00%
Annual Fund Drive & Lost Books	\$ 58,075	60,000				-	0.00%
Jones Friends Donation (Books)	\$ 22,002	20,000	12,000	20,000	15,000	(5,000)	-25.00%
Gift, Grants, Reserves, Etc.	\$ 41,240	20,000	35,945	6,000	65,000	59,000	983.33%
TOTAL	\$ 2,065,536	2,181,417	2,276,854	2,192,736	2,272,830	80,094	3.65%

POSITIONS

Fulltime	16	17
Part Time with Benefits	13	12
Full Time Equivalents	26.3	26.5
Part Time with NO Benefits	26	26

RECOMMENDED by the Finance Committee vote of 7-0.

APPROPRIATION: \$1,690,789 in Town tax support. (Sources of funds are listed in accompanying chart.) At the time of this report, the Finance Committee expects the Library Trustees will vote to approve a total budget of \$2,272,830 at their April 27, 2012 meeting.

BASIC FUNCTIONS: Library Services are provided at the Jones Library, the North Amherst Library, and the Munson Memorial Library in South Amherst. The libraries offer information in the form of print, audiovisual, and electronic media and serve as a meeting place for the community. The Jones Library houses collections of historical and literary significance related to the Town and its residents. The libraries also offer reading programs for children and programs for people whose native language is not English.

The Jones Library building is owned by Jones Library, Inc. which is governed by the Library Trustees. The Town owns the Munson and North Amherst Library buildings. The Library pays the Town \$6,500 in annual rent for its use of the space in the Munson Building, and this rent includes payments for utilities and heat. The cost of interior and exterior maintenance at Munson, and exterior maintenance at the North Amherst Library are in the budgets for the Town Maintenance and Public Works Departments. Most Library accounting, payroll, and information technology support is handled by the Town and not charged to the Library budget.

FULL-TIME EQUIVALENT EMPLOYEES: 26.5 FTE, an increase of .2 FTE from FY 12 due to the return of the Adult Services position to full-time.

FY 12 SUMMARY

The FY 12 Library budget was \$2,192,736 with Town tax support of \$1,644,736. Although the total budget increased only by 0.52%, the municipal tax support increased 6.68% over FY 11. Tax support increased to 75% of the total budget in FY 12 from 70.7% in FY 11.

The FY 12 Town appropriation was \$95,000 above the state's Minimum Appropriation Requirement (MAR). The Budget Coordinating Group recommended this additional support to maintain current hours of operation and stabilize staffing levels.

LIBRARY SERVICES

Although tax support has increased, state aid decreased almost 36%, support from the endowment decreased over 4%, and the Jones Library Annual Fund Drive and the Friends of the Jones Library are expected to raise less money.

At the operating level, the Library continued to move ahead with much needed capital improvements to its HVAC, elevator, roof and electricity conservation systems and programs.

During FY 12, Sharon Sharry became the new Director of the Jones Library.

FY 13 SUMMARY

The FY 13 Library budget is \$2,272,830, an increase of \$80,094, or 3.65%, over FY 12. The Town appropriation for this budget is \$1,690,789, an increase of \$46,053, or 2.8%, over FY 12. Other sources of funding can be seen in the table above. Town tax support accounts for more than 74% of the Library budget.

The State requires municipalities to fund their libraries at 2.5% above the average of the preceding three years' of municipal appropriations to qualify for Library State aid. This year's Minimum Appropriation Requirement (MAR) will be met. The State also requires that the Library spend a minimum amount on materials. The State Materials Expenditure Requirement (MER) for FY 13 is \$185,379. (The MER is 13% of the Town Appropriation less benefits.) This requirement is also met.

While tax support is increasing, other funding sources are decreasing. Library state aid is expected to be reduced by \$2,000 or 3.08% from the FY 12 budgeted amount. The Jones Library, Inc. endowment will be contributing \$396,041, a decrease of 3.87% compared to FY 12. The spending rate from the endowment is 5.4%, more than the 4% rate advised by the Library's investment managers. The Jones Library Annual Fund Drive and the Friends of the Jones Library are expected to raise less money this year, also.

Circulation of materials and use of the library continues to grow. It serves the region as well as the Town. Although the hours of operation have been reduced in previous years, the library still is open 64 hours per week, more than the number of hours required by the state in order to receive state funding.

More information is available at <http://www.joneslibrary.org/budget/index.html>

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FINANCE COMMITTEE REPORT - FY 13

AMHERST ELEMENTARY SCHOOLS

38% OF GENERAL FUND OPERATING BUDGETS

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Original Budget	FY12 Current Budget	FY 13 Fin Comm	Difference
<u>PAYROLL ACCOUNTS</u>							
Salaries							
Regular Education	6,491,244	6,467,262	6,525,675	6,290,178	6,600,666	6,624,371	334,193
Special Education	4,130,244	4,184,124	3,891,291	4,089,013	4,125,639	4,215,520	126,507
Other Programs	4,550	-	-	3,500	3,500	3,500	-
Support Services	1,126,324	876,688	871,341	892,303	867,700	872,437	(19,866)
School Administration	1,023,623	930,076	835,094	784,903	784,903	782,488	(2,415)
Central Administration	475,791	491,673	478,963	458,379	458,379	488,136	29,757
Information Systems	148,632	165,165	205,135	212,453	212,453	203,106	(9,347)
Facilities	731,856	725,873	723,463	705,998	705,998	700,719	(5,279)
Transportation	181,733	191,946	194,795	191,600	191,600	204,920	13,320
Total Salaries	14,313,996	14,032,806	13,725,757	13,628,327	13,950,838	14,095,195	466,868
Substitutes	169,064	166,241	142,771	150,397	150,397	150,397	-
<u>EXPENSE ACCOUNTS:</u>							
Regular Education	422,368	515,469	694,290	831,754	830,225	951,069	119,315
Special Education	171,542	188,495	193,007	306,294	308,282	306,245	(49)
Other Programs	-	-	3,303	3,500	3,500	3,500	-
Support Services	20,732	44,770	23,039	39,928	41,394	40,170	242
School Administration	48,874	80,552	50,573	41,281	43,000	46,306	5,025
Central Administration	110,350	96,467	105,944	90,034	90,034	99,754	9,720
Information Systems	142,375	158,810	138,871	130,695	130,695	130,695	-
Facilities	196,186	178,623	236,502	125,286	125,286	125,286	-
Utilities	500,155	375,739	482,097	483,749	483,749	489,593	5,844
Transportation	355,392	418,665	406,198	416,900	416,900	428,856	11,956
Health Insurance							
Employees	2,204,451	2,373,131	2,271,395	2,312,931	2,312,931	2,499,259	186,328
Retirees	999,202	1,182,331	1,255,348	974,058	974,058	1,034,320	60,262
Other Operation Services	639,562	511,301	564,358	612,652	464,524	539,211	(73,441)
Other Programs & Control Accts	1,000	9,202	1,000	610,812	432,785	923,878	313,066
Total Expenses	5,812,189	6,133,555	6,425,924	6,979,874	6,657,363	7,618,142	638,268
LEVEL SERVICES TOTAL	20,295,249	20,332,601	20,294,452	20,758,598	20,758,598	21,863,735	1,105,137
Level Services % Increase						5.3%	
Additions and Reductions						(305,696)	
BUDGET TOTAL	20,295,249	20,332,601	20,294,452	20,758,598	20,758,598	21,558,039	799,441
Change from previous year	839,494	37,352	(38,150)	464,146		799,441	
Percent change from previous year	4.3%	0.2%	-0.2%	2.3%		3.9%	

AMHERST ELEMENTARY SCHOOLS

RECOMMENDED by the Finance Committee vote of 6-0 with 1 abstaining. (One member abstained from any discussion and vote on the school budget due to a potential conflict of interest.)

Budget: The recommended FY 13 Amherst Elementary School budget is \$21,558,039. On March 6, 2012, the Amherst School Committee voted unanimously to recommend this budget.

Basic Function: To provide all students with the high quality education, that enables them to be responsible, contributing members of a multiethnic, multicultural, pluralistic society.

FY 12 Summary:

In FY 12 new contracts for all five union groups (teachers, clerical/media, paraprofessionals, administrators and custodial/maintenance) in both the Elementary and Regional schools were negotiated and include wages (salary and benefits), hours and working conditions.

Budget reductions, in addition to the savings from the closing of Mark's Meadow School in June 2010, included the reduction of teaching and central office staff.

During this year the partnership continues between the elementary schools and the University of Massachusetts, focusing on the instructional core. The Response to Intervention (RTI) program has been formalized to provide teachers with data to inform instruction, target intervention and monitor progress. Crocker Farm School piloted the School-Wide positive Behavior System model last year which is a proactive approach to improving social and academic competency for all students. This year the program is being implemented in all three elementary schools. The partnership with Amherst College continues with funding supporting the district Volunteer Coordinator position and underwriting the funding for a Director of Teaching and Learning. The District's Central Office staff has been realigned, reassigning some responsibilities to support work currently in progress. To support this effort, physical office space also is being redesigned by in-house staff. School safety has been enhanced with a new entry system for buildings, and new bus protocols for kindergarten students. New flooring was installed at Wildwood. At the beginning of the school year, the schools and community partnered to provide 300 income-eligible students with backpacks filled with school supplies.

At the request of the Amherst School Committee, the Fall 2011 Town Meeting established a planning committee to explore and make a recommendation as to whether to form a K-6 Regional School District with one or more other Towns. The Amherst Regional District Planning Committee has been meeting and recently heard presentations on regionalization by Stephen R. Hemman from the Mass. Assoc. of Regional Schools and Christine Lynch from the Dept. of Elementary and Secondary Education.

Grant funds totaling \$1,424,284 were used for a variety of projects. Of that amount, \$1,009,226 was used for salaries and \$451,048 for expenses.

FY 13 Summary:

The FY 13 Amherst budget of \$21,558,039 is an overall increase of \$799,441 or 3.9% from the FY 12 budget of \$20,758,598. The budget guidelines issued by the Finance Committee in November 2011 recommended a 2.8% increase for all budgets. In order to meet the Finance Committee guidelines, reductions totaling \$523,896 would be required. Of that amount, \$305,696 in reductions was identified leaving a gap of \$218,200. At a meeting with the Finance Committee, the Superintendent and the District's Director of Finance presented a plan which met the Finance Committee's Reserves Guidelines. The Amherst School Committee voted to accept Choice-In students in the elementary schools, which is projected to generate approximately \$200,000 in revenues in FY 13 and in future years. Since openings will be on a space-available basis, no additional staffing will be required. The School Committee vote meets the Finance Committee Guidelines as it presents a bona fide plan to move toward a model of service that will provide outside revenue in order to maintain existing core services. The Finance Committee supports the use of reserve funds of \$218,200 on a one-time basis for the FY 13 budget for the elementary schools in order to provide a stable and consistent program as the schools transition to this new revenue.

The anticipated grants budget total for FY 13 is \$1,308,231, with \$1,079,152 in total salaries and \$229,079 in total expenses. Revolving funds total \$723,192. Projected total spending for the Amherst schools for FY 13 is \$23,589,462.

The budget additions include a resource paraprofessional and some additional time for English Language Learner (ELL) translators, tutors, and testing.

Costs for the District's Central Office decreased for Amherst by 5.8% due to a review of expenses applied to each of the three entities, Amherst, Pelham, and Region. Based on the revised information, proportional expenses have been readjusted.

Savings are anticipated in retiree benefits, sick leave buy back, professional leave, professional development, legal expenses, out of district special education placement, heat savings, information services, and some staffing.

AMHERST ELEMENTARY SCHOOLS

Additional Information:

In 2003 the K-6 enrollment was 1,472 students. The projection for K-6 students in 2012 was 1,161 for a loss of 311 students or 21%. Official K-6 enrollment as of October 1, 2011, for FY 12 is 321 for Crocker Farm, 391 for Fort River and 440 for Wildwood. The K-6 total enrollment in all three schools is 1,152 or 9 less than projected. In addition to K-6 students, Crocker Farm has 65 pre-school children. Including preschoolers, the total enrollment for all students in the three schools is 1,217. In FY 13 a maximum of 61 Choice-In students may be admitted to the elementary schools, and they will be counted in the enrollment figures. Although elementary enrollment is estimated to continue at a modest decline, at this time it is difficult to predict.

In FY 12 students attending Charter schools numbered 54, Choice-Out numbered 30, and Special Education placements numbered 3, for a total of 87 out of District, not including students in private schools.

The Superintendent, staff and Amherst School Committee will continue to review the \$21,558,039 budget and adjust the line items as appropriate.

A complete and detailed Amherst Elementary School budget can be viewed on the Amherst Schools' website. Go to www.arps.org, Quick Link and scroll to Budget Information where both the Regional and Elementary budgets are posted.

Full-Time Equivalent Employees:

Amherst Public Schools FY13 District Staffing Profile From All Funding Sources

<i>Staffing Analysis by F.T.E. *</i>	2009-2010	2010-2011	2011-2012	2012-2013	Change
Building Specific Personnel:					
Administrative Staff	7.00	6.00	6.00	6.00	0.00
Administrative Support Staff	8.80	7.70	8.06	8.06	0.00
Professional Staff					
Pre-School	0.00	1.20	1.00	1.00	0.00
Kindergarten	9.00	7.00	8.00	8.00	0.00
Art	3.10	2.70	2.70	2.70	0.00
Music (Classroom/Instrumental)	4.95	5.25	5.25	5.25	0.00
World Language	1.00	1.50	1.50	1.50	0.00
Physical Education	3.20	3.00	2.70	2.70	0.00
Reading	5.80	5.10	6.60	6.60	0.00
Technology Education	2.00	3.00	3.00	3.00	0.00
Science Education	1.20	1.30	4.00	4.00	0.00
Classroom Education	60.50	62.20	51.00	51.00	0.00
Intervention	3.10	2.50	6.20	6.20	0.00
English Language Learner	12.60	10.50	10.30	10.30	0.00
Special Education	24.16	19.55	21.81	21.45	(0.36)
Guidance	5.00	4.00	4.00	4.00	0.00
Library	3.00	3.00	3.00	3.00	0.00
Health Services	3.80	3.00	3.00	3.00	0.00
Other	0.12	0.00	0.00	0.00	0.00
Paraprofessional Staff, LPN's, and Other					
Regular Education	13.66	12.72	15.96	15.96	0.00
Special Education	54.52	55.91	55.90	55.90	0.00
LPN's	1.60	1.60	0.60	0.60	0.00
Library Paraprofessionals	1.00	1.96	1.99	1.99	0.00
Total Building Specific Personnel	229.11	220.69	222.57	222.22	(0.36)
District Program & Support Personnel					
District-wide Special Education Services	41.62	44.11	45.91	45.91	0.00
Other Support Services	2.10	1.53	1.06	1.06	0.00
Student Services	0.12	0.12	0.72	1.22	0.50
Central Administration	6.98	6.40	6.90	7.10	0.20
Information Systems	2.66	2.66	3.06	3.06	0.00
Facilities & Operations	16.32	16.42	16.42	16.42	0.00
Total District & Support Personnel	69.80	71.24	74.07	74.77	0.70
District Total	298.91	291.93	296.64	296.98	0.34

* F.T.E.= Full Time Equivalent includes all staff regardless of funding source
* FY10, FY11, FY12 data as of October 31st of the given year

AMHERST ELEMENTARY SCHOOLS

Amherst Schools Student Enrollment Summary				
Grade	FY 12 Projected	FY12 Actual	FY13 Projected	Increase/ (Decrease)
Pre-School	73	62	70	8
K	120	138	133	(5)
1	129	140	151	11
2	162	174	141	(33)
3	171	179	167	(12)
4	169	168	185	17
5	187	183	165	(18)
6	169	170	173	3
In-House	1,180	1,214	1,185	(29)
Choice, Charter	69	84	84	0
Totals	1,249	1,298	1,269	(29)

AMHERST-PELHAM REGIONAL SCHOOLS

AMHERST-PELHAM REGIONAL SCHOOLS						
FY 13 BUDGET						
REVENUES						
	FY09	FY10	FY11	FY12	FY13	DIFF
Revenue						
Chapter 70	9,883,632	9,685,959	9,120,106	9,120,106	9,169,067	48,961 0.5%
Chapter 70 to Stabilization	(150,000)	(90,000)	(90,000)	(90,000)	(94,200)	(4,200)
SUBTOTAL: available from Ch 70	9,733,632	9,595,959	9,030,106	9,030,106	9,074,867	44,761
Transportation Reimbursement	817,841	447,336	502,414	502,414	508,140	5,726
Medicaid Reimbursement	120,000	95,000	95,000	95,000	120,000	25,000
Charter Reimbursement	100,000	108,733	465,958	189,670	157,881	(31,789)
Choice Revenues	710,000	650,000	650,000	300,000		(300,000)
Indirect Cost Reimbursement	34,000	15,000	25,000	25,000		(25,000)
Interest Revenue	220,000	120,000	95,000	25,000	14,000	(11,000)
E&D for budget support	100,000	280,000	255,000	450,000	633,441	183,441
E&D for contingency	280,000	280,000	280,000	280,000	280,000	0
Assessments	15,448,759	16,184,324	16,851,972	17,317,645	17,739,229	421,584
Total Revenue	<u>27,564,232</u>	<u>27,776,352</u>	<u>28,250,450</u>	<u>28,214,835</u>	<u>28,527,558</u>	<u>312,723 1.1%</u>
Total Expense	27,564,232	27,776,352	28,250,450	28,214,835	28,527,558	312,723 1.1%
Revenue less Expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Assessments						
Amherst	12,395,375	12,574,043	13,112,795	13,506,166	13,796,524	290,358 2.15%
Pelham	1,024,307	1,061,837	1,127,285	1,171,256	1,210,291	39,035 3.33%
Leverett	1,130,932	1,142,105	1,197,275	1,238,608	1,301,855	63,247 5.11%
Shutesbury	1,454,908	1,406,339	1,414,617	1,401,615	1,430,559	28,944 2.07%
	<u>16,005,522</u>	<u>16,184,324</u>	<u>16,851,972</u>	<u>17,317,645</u>	<u>17,739,229</u>	<u>421,584 2.43%</u>
		1.1%	4.1%	7.0%	5.3%	

AMHERST-PELHAM REGIONAL SCHOOLS

24% OF GENERAL FUND OPERATING BUDGETS

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Original Budget	FY12 Current Budget	FY 13 Fin Comm	Difference
PAYROLL ACCOUNTS							
Salaries							
Regular Education	7,205,894	6,622,697	6,841,593	6,616,111	6,711,321	6,745,709	129,598
Special Education	4,022,291	4,103,660	4,031,212	4,299,050	4,313,320	4,254,095	(44,955)
Other Programs	321,309	296,586	228,701	202,611	202,611	194,033	(8,578)
Support Services	1,295,730	1,215,063	1,262,926	1,293,463	1,295,263	1,293,359	(104)
School Administration	1,384,880	1,274,677	1,199,724	1,184,104	1,184,104	1,175,262	(8,842)
Central Administration	535,319	517,944	561,667	545,557	545,557	552,325	6,768
Information Systems	204,408	232,073	249,281	176,637	176,637	170,728	(5,909)
Facilities	791,460	756,295	751,044	698,087	698,087	710,848	12,761
Transportation	430,228	393,373	400,357	431,553	431,553	441,077	9,524
Total Salaries	16,191,518	15,412,369	15,526,505	15,447,173	15,558,453	15,537,435	90,262
Substitutes	160,573	176,211	122,005	136,337	136,337	136,337	-
EXPENSE ACCOUNTS:							
Regular Education	985,976	1,229,957	1,178,794	1,276,306	1,277,992	1,366,622	90,316
Special Education	1,257,448	1,338,288	1,329,526	1,510,211	1,460,023	1,209,143	(301,068)
Other Programs	551,947	528,272	582,796	681,273	685,727	169,588	(511,685)
Support Services	91,511	101,338	100,848	101,708	136,148	120,108	18,400
School Administration	51,127	54,676	56,265	54,666	49,122	53,789	(877)
Central Administration	196,728	162,577	187,387	162,913	163,443	175,813	12,900
Information Systems	354,665	368,027	494,875	288,732	288,754	288,732	-
Facilities	308,970	330,456	411,383	268,124	269,319	268,096	(28)
Utilities	989,060	879,023	931,479	941,637	941,637	915,639	(25,998)
Transportation	894,156	871,410	874,558	925,564	924,369	936,796	11,232
Health Insurance							-
Employees	2,685,329	2,891,219	2,657,013	2,426,750	2,426,750	2,851,888	425,138
Retirees	1,403,394	1,294,678	1,282,049	1,417,262	1,417,262	1,535,758	118,496
Other Operation Services	1,392,144	1,544,180	1,532,376	1,565,650	1,565,650	1,555,733	(9,917)
Other Programs & Control Accts	1,000	1,000	1,000	1,010,529	913,849	1,279,836	269,307
Total Expenses	11,163,455	11,595,101	11,620,349	12,631,325	12,520,045	12,727,541	96,216
LEVEL SERVICES TOTAL	27,515,546	27,183,682	27,268,859	28,214,835	28,214,835	28,401,313	186,478
Level Services % Increase							
Additions and Reductions	-	-	-	-	-	126,245	126,245
BUDGET TOTAL	27,515,546	27,183,682	27,268,859	28,214,835	28,214,835	28,527,558	312,723
Change from previous year	257,665	(331,864)	85,177	945,976	-	312,723	
Percent change from previous year	0.9%	-1.2%	0.3%	3.5%		1.1%	

AMHERST-PELHAM REGIONAL SCHOOLS

RECOMMENDED by the Finance Committee vote of 6-0, 1 abstaining. (One member abstained from any discussion and vote on the school budget due to a potential conflict of interest.)

Budget: This is an appropriation of \$13,796,524 for the Amherst assessment to support the Regional School District budget of \$28,527,558. The Amherst assessment increases by \$290,358 or 2.15% from the current year. On February 28th, 2012 the Regional School Committee voted unanimously (2 absent) to recommend this budget and its assessments to the four towns.

Basic Function: To provide all students with the highest quality education, through a challenging, relevant and cohesive curriculum, in order to prepare them for success in a global, interconnected future and thus enable them to be responsible, contributing members of a multiethnic, multicultural, pluralistic society.

FY 12 Summary:

This year's Regional budget of \$28,214,835 is an overall decrease of (\$35,615) or -0.1% from the FY 11 budget of \$28,250,450. The budget guidelines issued by the Finance Committee in November 2010 recommended a 3% increase in Amherst's FY 12 assessment for the Regional Schools. Since the assessment allocation percentages change each year due to enrollment shifts, a 3% increase in the assessment to Amherst resulted in an overall assessment increase from all four towns of 2.8% or \$465,673. To help support this year's operations, \$450,000 (an increase of \$195,000 from FY 11) was voted and is being used from the Excess and Deficiency (E&D) funds, which are the Region's reserve.

In addition, the anticipated grants budget total for the Regional Schools for FY 12 is \$786,767 with \$335,261 in total salaries and \$451,486 in total expenses. This is a decrease of \$373,069 from FY 11.

During this year a number of endeavors are continuing or have been undertaken. The District's partnership with the University of Massachusetts School of Education, focused on the instructional core, is continuing. The Response to Intervention (RTI) model has been formalized and addresses social and academic competency for all students. Amherst College continues to support the District's Volunteer Coordinator, who focuses on recruiting and training volunteers from the local colleges, university and other community members to serve in a variety of functions in the schools. Amherst College also is supporting the Director of Teaching and Learning. The District's Central Office has been realigned. The Department of Maintenance and Facilities has been working on a number of large projects including the renovation of the South Amherst School and the windows in the Middle School.

FY 13 Summary:

The FY 13 Regional budget of \$28,527,558 is an overall increase of \$312,723 or 1.1% from the FY 12 budget of \$28,214,835. The budget guidelines issued by the Finance Committee in November recommended a 2.8% increase in Amherst's FY 13 assessment for the Regional Schools. However, the Regional School Committee voted a budget which is only 2.15% above the FY 12 Amherst assessment. Since the percentages are based on the Regional School District Assessment Formula each year, a 2.15% increase in the Amherst assessment, results in an overall assessment increase from all four towns of 2.43% or \$421,584. The overall budget increase of \$312,723 is less than the increase of the assessment from all four towns because revenues from charter reimbursements, school choice, indirect cost reimbursement, and interest will decrease.

The anticipated grants budget total for FY 13 is \$542,810 with \$406,012 in total salaries and \$136,798 in total expenses. Revolving funds total \$1,813,261. Projected total spending for the Regional schools for FY 13 is \$30,883,629.

The budget additions include two middle school teachers who will complete the third learning community, the high school intervention program, middle and high school summer programs for at risk students, special education paraprofessionals, student activity advisors, graduation expenses, ELL costs, and athletic coaches and clerk.

Costs for the District's Central Office increased for the Region by 2.4% due to a review of expenses applied to each of the three entities, Amherst, Pelham, and Region. Based on the revised information, proportional expenses have been readjusted.

Savings are anticipated in retired teacher group insurance costs, utilities, and reductions in paraprofessional, guidance and selective teaching staff. Further savings will come from staff turnover and contracted professional development and curriculum work.

Additional Information:

Apart from the Operating Budget, in 2010 the Regional School Committee adopted a policy for developing a formal capital needs planning process. A capital improvement is a tangible asset or project with an estimated useful life of five years or more and a cost of \$5,000 or more. The School Committee approved a Capital Improvement Plan for FY 13 totaling \$937,200.

Some budget reductions over the last few years have been budget related, and others are reductions due to declining enrollments in the Regional Schools. In 2003 the Middle and High School enrollment was 2,037 students and the projection for 2013 is 1,553 for a loss of 484 students or 23.7%. In FY 13 the projected loss from FY 12 is 39 students less or 2.45%.

AMHERST-PELHAM REGIONAL SCHOOLS

Choice-In students in FY 12 number 78 and projected for FY 13 number 119. Districts admitting Choice students receive \$5,000 per child from the sending school district. The Regional enrollment figures for FY 12 and FY 13 projected include Choice-In students. In FY 12 students attending Vocational Schools numbered 41, Charter numbered 67, Choice-Out numbered 21, and Special Education placements numbered 16 for a total of 145 students out of District, not including students in private schools.

The Superintendent, staff and Regional School Committee will continue to review the \$28,527,558 budget and adjust the line items as appropriate.

A complete and detailed Regional School budget can be viewed on the Schools' website. Go to www.arps.org, Quick Link and scroll to Budget Information where both the Regional and Elementary budgets are posted.

Full-Time Equivalent Employees:

Amherst Pelham Regional Schools FY13 District Staffing Profile From All Funding Sources

<i>Staffing Analysis by F.T.E.*</i>	2009-2010	2010-2011	2011-2012	2012-2013	Change
Building Specific Personnel:					
Administrative Staff	6.00	5.00	5.34	5.00	(0.34)
Administrative Support Staff	15.20	14.20	13.80	13.80	0.00
Professional Staff					
English	14.90	14.05	13.40	13.40	0.00
Math	18.70	17.31	16.30	16.40	0.10
Science	15.90	16.01	14.72	15.06	0.34
Social Studies	14.40	15.35	15.60	15.40	(0.20)
Language	13.80	12.82	12.57	12.50	(0.07)
Music	3.40	3.60	3.60	3.60	0.00
Art	4.00	4.80	4.80	4.80	0.00
Physical Education	5.00	5.00	5.00	5.00	0.00
Reading	1.00	1.90	1.00	1.00	0.00
Technology Education	5.30	5.50	5.00	5.00	0.00
Theater & Dance	2.20	2.80	2.70	2.90	0.20
Business Education, Health Education	2.38	1.38	1.38	1.38	0.00
Family Consumer Science	3.00	2.30	2.00	2.00	0.00
Classroom Support	0.00	0.00	1.00	1.00	0.00
English Language Learner	4.40	4.20	4.20	4.20	0.00
Special Education	33.80	30.90	35.00	34.00	(1.00)
Guidance	11.02	11.22	11.02	11.02	0.00
Library	2.00	2.00	2.00	2.00	0.00
Health Services	2.60	2.00	2.00	2.00	0.00
Athletics Department	2.47	2.47	2.00	2.00	0.00
Student Activity	0.53	0.53	0.40	0.40	0.00
Paraprofessional Staff, LPN's, and Other					
Regular Education	5.06	3.96	3.59	3.59	0.00
Special Education	62.04	58.04	61.00	58.60	(2.40)
LPN's	1.00	1.40	1.40	1.40	0.00
Library Paraprofessionals	2.50	2.50	2.50	2.50	0.00
Other	2.20	2.20	2.20	2.20	0.00
Total Building Specific Personnel	254.80	243.43	245.52	242.15	(3.37)
District Program & Support Personnel					
District-wide Special Education Services	17.35	18.85	15.00	14.40	(0.60)
Other Support Services	8.55	3.44	3.94	3.94	0.00
Student Services	0.13	0.13	0.53	1.03	0.50
Central Administration	7.55	8.10	9.57	9.37	(0.20)
Information Systems	3.75	3.75	2.85	2.85	0.00
Facilities & Operations	18.99	16.49	16.98	16.98	0.00
Transportation	16.88	15.88	16.38	16.38	0.00
Total District & Support Personnel	73.19	66.63	65.25	64.95	(0.30)
District Total	327.99	310.06	310.77	307.10	(3.67)

* F.T.E.= Full Time Equivalent includes all staff regardless of funding source

* FY10, FY11, and FY12 data as of October 31st of the given year

AMHERST-PELHAM REGIONAL SCHOOLS

Amherst-Pelham Regional School District Student Enrollment Summary				
Grade	FY 12 Projected	FY12 Actual	FY13 Projected	Increase/ (Decrease)
7	229	244	234	(10)
8	225	229	248	19
9	271	286	249	(37)
10	256	261	274	13
11	279	294	261	(33)
12	268	278	287	9
In-House	1,528	1,592	1,553	(39)
Choice, Charter, Voc.	129	129	132	3
Totals	1,657	1,721	1,685	(36)

GENERAL FUND MUNICIPAL SUMMARY

	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	% Change
General Government	\$ 5,720,851	5,672,090	5,848,641	6,091,477	6,088,418	(3,059)	-0.1%
Public Safety	\$ 8,399,858	8,318,133	8,384,953	8,497,470	8,877,651	380,181	4.5%
Public Works	\$ 1,763,841	1,662,025	2,012,856	1,941,230	1,996,684	55,454	2.9%
Conservation & Development	\$ 927,061	799,789	762,484	885,862	927,560	41,698	4.7%
Community Services	\$ 1,667,808	1,531,827	1,491,495	1,575,402	1,692,882	117,480	7.5%
TOTAL APPROPRIATION	\$ 18,479,419	17,983,864	18,500,429	18,991,440	19,583,195	591,755	3.1%

CONSERVATION AND DEVELOPMENT

2% OF GENERAL FUND OPERATING BUDGETS

	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	% Change
Conservation	\$ 219,909	221,729	215,219	253,166	262,420	9,254	3.7%
Planning	\$ 335,959	264,239	232,038	266,936	280,151	13,215	5.0%
Inspection Services	\$ 371,193	313,821	315,227	365,760	384,989	19,229	5.3%
TOTAL APPROPRIATION	\$ 927,061	799,789	762,484	885,862	927,560	41,698	4.7%

SOURCES OF FUNDS

Departmental Receipts	\$ 71,968	68,820	60,560	65,400	65,400	0	0.0%
Licenses & Permits	\$ 478,054	472,696	371,607	438,500	443,264	4,764	1.1%
Rental of Land	\$ 4,640	1,065	1,085	2,500	2,500	0	0.0%
Grants	\$ 8,000	8,000	8,000	8,000	8,000	0	0.0%
Water Fund	\$ 15,028	16,433	16,865	16,258	18,768	2,510	15.4%
Golf Course Fund	\$ 0	0	0	0	0	0	0.0%
Transportation Fund	\$ 5,532	4,903	0	0	0	0	0.0%
Taxation	\$ 503,356	437,467	409,147	479,244	449,203	(30,041)	-6.3%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$927,560, an increase of \$41,698 (4.7%) from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: Monitoring, protecting, and enhancing the Town's developed and undeveloped environments through protection of open space; long range planning for an orderly and appropriate development process; implementation of the Master Plan; and application of policies, regulations, state laws, and local bylaws enacted to promote these goals.

FULL-TIME-EQUIVALENT EMPLOYEES: 13.1, unchanged from FY 12.

The recommended appropriation is 4.7% greater than in FY 12, due to collective bargaining settlements concluded in FY 12. This includes increases of 3.7% for Conservation, 5.0% for Planning, and 5.3% for Inspection Services.

FY 12 SUMMARY

Two new positions were filled, a Housing/Code Inspector to enhance the Safe and Healthy Neighborhoods Initiative, and a part-time Energy/Sustainability Coordinator. The consolidation and co-location of the three departments continues to assist staff in coordinating and expediting work. Continued refinement of the MUNIS software is contributing to this, as well. Major development projects (North Amherst, Atkins Corner, Hawthorne Farm, UMass/North Amherst bike connector, and many others) were evaluated. Since October 2008 this functional area has been responsible for \$3,303,918 in state and federal grants to the Town, with an additional \$900,000 pending.

FY 13 SUMMARY

A major effort in the coming year will be deploying the Safe and Healthy Neighborhoods Initiative, a task force of Town staff responsible for permitting and housing code enforcement that coordinates enforcement efforts and evaluates the effectiveness of regulations and enforcement approaches. The task force includes representatives from the health, inspections, fire, police, planning and community development departments and works with local colleges and the University in a coordinated effort to improve neighborhood quality of life, focused on neighborhoods throughout the Town. Additionally, in FY 13 staff will work closely with the Conservation Commission to complete a Land Use and Management Policy with particular emphasis on rental of land, dog regulations, and wildlife habitat enhancement. This initiative will 1) protect open space, 2) aid in the long range planning for an orderly and appropriate development process, 3) insure thoughtful implementation of the Master Plan, and 4) coordinate the efficient and appropriate application of policies, regulations, state laws, and local bylaws enacted to promote these goals.

These two initiatives are projects that lend themselves to the close integration of the Conservation, Planning, and Inspection Services Departments, now in their third full year operating as a consolidated functional area on the second floor at Town Hall. This consolidation and co-location continues to assist staff in coordinating and expediting work.

These three departments will handle a myriad of other activities in FY 13 including coordination and oversight of the Annual Sustainability Festival; work with the Public Shade Tree Committee to develop a 5-Year Strategic Plan for tree planting, maintenance and care; design of a new web page for the Amherst Agricultural Commission; and continued preparation and refinement of proposed zoning amendments designed to implement Amherst Master Plan goals, including sustainable

CONSERVATION AND DEVELOPMENT

activities, village center development, expanded opportunity for business activity, and increased mixed use and residential density in appropriate areas. For Inspection Services, in particular, the challenges include dealing with the continuously changing and expanding laws and regulations of the Building Code, while collecting the required information to perform timely plan reviews and working closely with other departments with overlapping jurisdictions and their own tight timelines. Administering and improving the land use and subdivision permit review process while supporting, orienting, and training permit-granting and advisory boards/committees, remains the top priority.

For more information, go to <http://www.amherstma.gov/index.aspx?NID=1620>

COMMUNITY SERVICES

4% OF GENERAL FUND OPERATING BUDGETS

	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	% Change
Public Health	\$ 273,022	247,778	234,787	240,411	264,400	23,989	10.0%
Senior Center	\$ 190,348	173,536	176,485	176,478	184,789	8,311	4.7%
Community Development	\$ 14,440	0		0	0	0	
Veterans' Services	\$ 216,611	254,763	328,939	294,369	294,369	0	0.0%
Leisure Services & S.E.	\$ 570,668	554,450	453,943	463,522	522,331	58,809	12.7%
Pools	\$ 187,861	82,767	75,927	168,369	189,358	20,989	12.5%
Golf Course	\$ 214,858	218,533	221,414	232,253	237,635	5,382	2.3%

TOTAL APPROPRIATION	\$ 1,667,808	1,531,827	1,491,495	1,575,402	1,692,882	117,480	7.5%
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SOURCES OF FUNDS

Departmental Receipts	\$ 631,464	645,939	607,952	729,435	756,230	26,795	3.7%
Licenses & Permits	\$ 84,367	87,645	79,433	71,700	71,700	0	0.0%
Fines	\$ 1,450	0	0	500	500	0	0.0%
State Reimbursement	\$ 97,659	120,555	144,499	213,343	204,222	(9,121)	-4.3%
Sewer Fund	\$ 2,000	2,000	2,000	2,000	2,000	0	0.0%
Taxation	\$ 888,863	717,535	638,499	660,907	831,904	170,997	25.9%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$1,692,882, an increase of 7.5% (\$117,480) from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: Provides funds for a variety of human services needs in the Town. These include public health services, senior programming and services, veterans' services and administration of benefits, a school/town partnership to provide out-of-school-time support for students and families, and recreation and other leisure services for youth and adults.

FULL-TIME-EQUIVALENT EMPLOYEES: 15.0, unchanged from FY 12.

FY 12 SUMMARY

- **Public Health:** The department, working with Inspections, Fire, and Planning Departments, developed interdepartmental and interagency Safe and Healthy Neighborhoods policies and initiatives. Other efforts were made to increase compliance with Sanitary Codes. The department participated in a regional public health visioning process to expand shared services and resources among communities. It continued to secure full funding from an outside agency to maintain outreach services to the Cambodian population.
- **Senior Center:** The Department of Elder Affairs' Formula Grant increased because the 2010 census showed that Amherst's population of residents 60 and over grew 34% (from 2,982 to 4,015) since 2000. The Center, using grant funds, added a 10.5 hour-a-week program assistant to aid its social worker. It became a site for a Department of Elder affairs Wisdom Works job training program. The Center developed a pilot program to enable residents 65 and older to purchase parking stickers, removing an impediment to participation in its activities.
- **Veterans' Services:** The Town provided benefits to veterans and survivors totaling \$225,000 and will receive state reimbursement for 75% of that amount. Amherst is a part of the Central Hampshire Veterans' Services District. The district fully transitioned to the new Web-VSMIS system, a web-based program to operate the Ch.115 veterans' benefits program through the state portal. This new paperless system accelerates eligibility determinations and authorizations necessary for state reimbursements.
- **Leisure Services & Supplemental Education (LSSE):** There were more than 40,000 participants in fee-based recreation and adult education programs, some people participating in more than one program. LSSE added 31 program volunteers for a total of 68 to assist with department programming. The Community Field restrooms and the Mill River tennis and basketball courts were renovated. LSSE provided financial assistance for 64 children to attend after-school programs, vacation camps, and trips throughout the school year with support from the Community Development Block Grant, opened a licensed Prime Time After School Program at Crocker Farm Elementary School, added new and enriching arts and education programs to the LSSE Afterschool Program's curriculum, and in partnership with the Amherst School Department, coordinated a program to provide access for children from the Cambodian Affinity Group to attend afterschool programs at three elementary schools and

COMMUNITY SERVICES

provided a new summer day camp experience for 169 children attending the Summer Achievement Academy.

• **Municipal Pools:** LSSE continued to meet the swimming instruction and other aquatics recreational needs of the community. During the summer months, in addition to the Mill River Swimming Pool, the Town offered an indoor swimming program at the Middle School as it identified the essential work needed to reopen the War Memorial Pool in June, 2012. The Town obtained a Parkland Acquisition and Renovations for Communities (PARC) grant to pay for a large portion of the work that needed to be done. LSSE worked closely with the Department of Public Works to assure the timely completion of those repairs and renovations. During the winter months indoor swimming lessons were given at a University of Massachusetts pool.

• **Golf Course:** Cherry Hill Golf Course generated a small surplus in FY 11. Over the past four years the golf course has returned close to \$150,000 in revenues back to the Town's General Fund. As this report is written, we are in the fourth quarter of the budget year. That spring quarter is the time when many annual memberships are sold. We cannot project the outcome for the budget year for this program because it is largely supported by fees and dependent on the weather. The mild winter and early spring enabled the course to open earlier than in many previous years. Significant improvements continue to be made to the course resulting in higher quality greens, bunkers, tee boxes, and fairways. New programs have been added to attract more participation from women and children resulting in record numbers of participation by these groups in clinics, leagues, and tournaments.

FY 13 SUMMARY

• **Public Health** budget increases by 10.0% from FY 12 because of step and cost of living increases and the need to restore some FY 12 cuts in operating expenses. All staff members in this department are due step increases because of their relatively short tenure in their positions. The department used some onetime funds to pay for office and health supplies, in-state travel, and dues in FY 12, but realistically needs these restored funds to operate effectively. The restoration totals \$2,700, compared to \$3,500 that was cut last year.

• **Senior Center** budget increases by 4.7% due to increases in personnel expenses.

• **Veterans' Services** is funded at the FY 12 amount, which was \$50,000 more than in FY 11.

• **LSSE** budget increases by 15.2% (\$58,809). Of this increase, \$40,000 will help to support newly structured School/Community Partnership for Out-of-School Time Programs that replace several different publicly and privately run programs now operating. The support from the LSSE budget will replace \$37,000 in CDBG funds that will no longer be available because that grant is reduced by \$100,000 for FY 12. This additional Town money will be used for tuition subsidies for low income students. The restructuring implements recommendations made as a part of a comprehensive program evaluation conducted by the Wellesley College National Institute on Out-of-School Time. The total program expense, \$493,530 will also be supported by fees paid into a revolving fund, support from the Schools, and funds from the Title 1 federal grant. The remaining LSSE increase is due to increased personnel costs. Except for staff for the Out-of-School Time Programs, staffing levels at LSSE are unchanged. In order to implement the new program, the Finance Committee will move to establish a new revolving fund after the consideration of the Community Services funding motion.

• **Municipal Pools** increases by 12.5% as a result of the War Memorial Pool reopening in the summer of 2012. Both revenue and expenses have been adjusted accordingly. This budget increases by 149% from FY 11 because the larger increase was approved in the 2012 Annual Town Meeting and used in FY 12 to ready the pool for reopening and for the summer program at the Middle School.

• **Golf Course** increases by 2.3% and is projected to provide a surplus.

More information is available at <http://www.amherstma.gov/DocumentCenter/Home/View/5950>

Art. 12, Approval of new revolving fund

RECOMMENDED by Finance Committee vote of 7-0.

Revolving funds are used to manage fee-supported programs in the Town and in the Regional Schools. LSSE uses revolving funds to manage recreation and education programs. One expenditure from current revolving funds is reimbursement to the general budget for administrative expenses. Town Meeting needs to establish a new revolving fund in order to administer the School/Community Partnership for Out-of-School Time Programs. Fees from families and other revenue will be deposited in the fund and expenses including the salary and benefits of program staff will be paid from the fund. This type of fund, which will enable payment for employee benefits, will require annual Town Meeting authorization. The Finance Committee will move to establish a revolving fund pursuant to M.G.L. Chapter 44, §53E½ with an authorized expenditure limit of \$400,000, under the direction of the LSSE director, for the purpose of providing subsidized Out-of-School Time Programs.

PUBLIC SAFETY

19% OF GENERAL FUND OPERATING BUDGETS

	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	% Change
Police Facility	\$ 205,029	185,394	197,874	187,607	189,611	2,004	1.1%
Police	\$ 3,944,881	3,751,579	3,712,557	3,867,537	4,048,062	180,525	4.7%
Fire/EMS	\$ 3,615,445	3,857,916	3,868,072	3,831,900	3,985,862	153,962	4.0%
Communications Center	\$ 587,490	474,123	554,084	557,945	599,751	41,806	7.5%
Animal Welfare	\$ 47,013	49,121	52,366	52,481	54,365	1,884	3.6%
TOTAL APPROPRIATION	\$ 8,399,858	8,318,133	8,384,953	8,497,470	8,877,651	380,181	4.5%

SOURCES OF FUNDS							
Ambulance Receipts	\$ 1,798,030	2,005,275	2,020,162	2,107,362	2,187,676	80,314	3.8%
Departmental Receipts	\$ 164,023	170,369	190,394	162,600	167,600	5,000	3.1%
Educational Incentive	\$ 169,955	33,796	16,444	0	0	0	0.0%
Fines	\$ 149,273	155,375	223,520	143,500	210,533	67,033	46.7%
Licenses & Permits	\$ 9,010	8,538	9,658	8,000	8,000	0	0.0%
Transportation Fund	\$ 4,939	5,170	5,366	5,366	5,502	136	2.5%
Taxation	\$ 6,104,628	5,939,610	5,919,409	6,070,642	6,391,730	321,088	5.3%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$8,877,651, an increase of 4.5% (\$380,181) from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: Providing police, fire, ambulance, emergency dispatch (communications center) and animal welfare services 24 hours a day, 365 days a year.

Appropriation is 4.5% higher than in FY 12, due to collective bargaining settlements reached in 2011. Turnover in staff has generated savings utilized to preserve staffing levels.

FY 12 SUMMARY

- Police Facility:** Preventive maintenance programs were implemented for the HVAC system. Utility usages in the past two years have been less than in 2008. The emergency generator was recertified, insuring the building could be used as an emergency operations center, which happened three times. Maintenance staff had more mold to combat than in typical years.
- Police Department:** The department continued to collaborate with UMass and Amherst and Hampshire Colleges on town-gown issues, and worked with other Town departments on the Safe and Healthy Neighborhoods initiative to address violations at residences throughout town. The amount of fines from traffic citations is down about 30% because there aren't enough officers to assign to traffic duty. Authorized at 45 officers, in February the department had 42, three of whom were attending the police academy. Two officers have been assigned as liaison to the Homeless Shelter to work cooperatively with staff, volunteers, and guests. Requests have increased to patrol public buildings such as the Jones Library and the Bangs Center. The department collaborated with Strategic Partnership for Families and Youth of Hampshire County to address underage drinking and community accountability, and assisted with development of an online reporting system for the Amherst schools to report bullying incidents to police. Town and UMass police staffed the Youth Adventure Academy, a one-week summer program.
- Fire Department:** The number of emergency calls in FY 11 was 7% greater than in FY 10, and FY 12 numbers are on track to increase from FY 11. Seven of the department's 45 firefighters have been unavailable for duty for long periods this year due to injury, serious illness, military service, or attendance at the fire academy. With a federal grant of \$55,852, the department is acquiring new, upgraded, federally required communications equipment. Prevention/inspection operations have been revised to cope with increasing workload through cooperation with other Town departments and applicants. Two firefighters currently certified at the EMT-Intermediate level will attain Paramedic status in FY 12, making 75% of the force Paramedics. A complete review and updating of the department's emergency medicine Standard Operating Guidelines was done and has been implemented. At no cost to the town, firefighters created a maintenance data base for the department's 23 vehicles.
- Communications Center:** In FY 12 the Center became one of two statewide Hazardous Material Activation Centers, receiving a state stipend of \$10,000 a year. State 911 grants were obtained to help pay for training dispatchers. Work continued on regionalizing dispatch services.

PUBLIC SAFETY

FY 13 SUMMARY

- **Police Facility** budget increases by only 1.1% from FY 12, due largely to energy savings in fuel and electricity from the previously completed HVAC system upgrade and long-term contracts for electricity. Increased activity has resulted in higher demands on maintenance staff. The shift of \$10,000 from overtime for the maintenance worker on weekend duty to salary for part-time staff on weekends should increase the number of hours available for weekend cleaning at a reduced hourly cost.
- **Police Department** budget increases by 4.7% due to collective bargaining agreements reached in 2011. Operating costs are level-funded. The authorized number of officers, 45, is the same as in FY 12 and five fewer than in FY 07. Offsetting revenue for FY 13 includes \$150,000 in court fines and \$21,600 in department receipts, all of which goes into the General Fund. More houses in residential neighborhoods are being turned into rentals, increasing police time needed to deal with any issues. The department will continue to work cooperatively with UMass and the Town's Fire, Health and Inspections departments on the Safe and Healthy Neighborhoods initiative.
- **Fire Department** budget increases by 4.0% due to collective bargaining agreements. Operating costs have been level funded. Off-setting revenue for FY 13 includes \$110,000 in departmental receipts and \$2,132,648 in ambulance receipts, which include payments from UMass and the towns of Pelham, Leverett, Shutesbury, and Hadley. Total staffing is low relative to national norms, according to the July 2009 rating by the Insurance Services Office Inc., which affects fire insurance rates. Calls for emergency ambulance service continue to increase and are now about 4,500 a year.
- **Communications Center** budget increases by 7.5%, in part due to a salary increase for one dispatcher given additional supervisory duties. There are currently 12 dispatcher positions, one of them funded by a state grant for a savings of \$44,341 plus benefits. A plan will be developed to become compliant with federally required radio narrowband changes by the Jan. 1, 2013, deadline. Pre-construction work funded entirely by a state grant will proceed for creation of a regional dispatch center.
- **Animal Welfare budget** increases by 3.6%. No changes are expected for this one-person department.

More information is available at <http://www.amherstma.gov/DocumentView.aspx?DID=5947>

PUBLIC WORKS

5% OF GENERAL FUND OPERATING BUDGETS

	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	% Change
Public Works Administration	\$ 249,684	237,959	259,075	294,478	302,846	8,368	2.8%
Highway	\$ 505,474	557,168	718,467	521,315	557,255	35,940	6.9%
Snow & Ice Removal	\$ 285,733	187,455	280,081	280,410	280,410	0	0.0%
Street & Traffic Lights	\$ 96,094	84,612	114,754	139,650	139,650	0	0.0%
Equipment Maintenance	\$ 227,872	236,729	239,442	260,186	252,556	(7,630)	-2.9%
Tree and Grounds Maintenance	\$ 398,984	358,102	401,037	445,191	463,967	18,776	4.2%
TOTAL APPROPRIATION	\$ 1,763,841	1,662,025	2,012,856	1,941,230	1,996,684	55,454	2.9%
SOURCES OF FUNDS							
Departmental Receipts	\$ 23,405	17,939	15,000	24,000	24,000	0	0.0%
Water Fund	\$ 191,753	195,023	198,820	202,624	206,678	4,054	2.0%
Sewer Fund	\$ 144,331	143,769	148,251	149,542	154,848	5,306	3.5%
Transportation Fund	\$ 40,183	43,919	42,162	39,737	42,687	2,950	7.4%
Taxation	\$ 1,364,169	1,261,375	1,608,623	1,525,327	1,568,441	43,114	2.8%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$1,996,684, an increase of 2.9%, or \$55,454, from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: The Public Works functional area provides maintenance for most of the Town's outdoor facilities as well as a few buildings. The administration oversees the public works activities and budgets (highway, snow and ice removal, street and traffic lights, equipment maintenance, and tree and grounds maintenance) as well as activities and budgets of the Water, Sewer, and Solid Waste Enterprise Funds.

FULL-TIME-EQUIVALENT EMPLOYEES: 27.23, unchanged from FY 12.

FY 12 SUMMARY

Public Works services remained at current levels, due to utilities and fuel savings and staff turnover. There was an additional position, Town Parks, Recreation Area Supervisor, at a cost of \$56,452 to help maintain parks, fields, and streets.

- **Public Works Administration:** The DPW completed the \$4.5 million in road improvements authorized by Town Meeting in November, 2010. This department had to contend with the aftermath of the October 29, 2011 snowstorm, clearing downed trees and branches from streets and keeping the town's water and sewer systems operational throughout a week of power outages.
- **Highway:** This division assisted in the \$4.5 million paving project, the University Drive intersection project, and the Spring Street and Spring Street parking lot projects. It also was involved in the new pay-by-space parking meter system as well as taking the lead response from the DPW for Hurricane Irene and the October snowstorm.
- **Snow and Ice Removal:** Although Amherst had fewer snowstorms this winter, the Department of Public Works had to contend with the aftermath of the October 29, 2011 Nor'easter.
- **Street and Traffic Lights:** New streetlights have been installed in the Spring Street parking lot and on Spring Street. New traffic signals are being installed at Big Y on University Drive and there are new school zone lights.
- **Equipment Maintenance:** Approximately 97 vehicles used for road maintenance, snow-plowing, tree care, park maintenance, leaf pick-up and water and sewer were maintained, repaired, and serviced by a crew of three. The Enterprise Funds reimburse the General Fund for maintenance of Water and Sewer Fund equipment.
- **Tree and Ground Maintenance:** The Cemetery division, the Tree division, and the Parks, Common, and Downtown divisions were merged into one Division under the leadership of a Division Director who serves as the Town's Tree Warden.

PUBLIC WORKS

FY 13 SUMMARY

There is an increase of 2.9%, or \$55,454 in this budget from FY 12. Services will be preserved at current levels. The increase will fund the employee collective bargaining settlement.

- **Public Works Administration:** There is an increase of 2.8%, or \$8,368, due to increased personnel costs. This budget includes funds for utilities and maintenance of the Public Works facility.
- **Highway:** Highway operating expenses increase by 6.9% or \$35,940, due to increased personnel costs. Four positions totaling about \$120,000 are funded from Chapter 90 or Capital project work during the construction season, similar to FY 12. Road maintenance supplies are included in this budget, as is funding for traffic line painting, \$24,000, a purchased service.
- **Snow and Ice Removal:** This budget remains the same as FY 12. It provides funds for overtime for snowplowing when snowplowing is required beyond the workday or beyond an employee's 40 hour workweek. Plowing done during the workday is charged to other Public Works budgets. It also includes funds for equipment maintenance, equipment rental, rental of dump trucks for snow removal, and supplies (melting agents, sand, gasoline and diesel). The capital outlay (\$5,000) provides for the replacement of a snowplow, part of an annual replacement program.
- **Street and Traffic Lights:** This budget remains level-funded. It includes funds for electricity and maintenance of approximately 1,140 street lights and for traffic lights at 17 signalized intersections. There are no personnel costs associated with this budget.
- **Equipment Maintenance:** There is an overall decrease of 2.9%, or \$7,630, in this budget due to the retirement of a long-time employee, as well as increases due to the collective bargaining settlement. All vehicles (approximately 97) used for road maintenance, snow-plowing, tree care, park maintenance, leaf pick-up, water and sewer (with appropriate reimbursements to the General Fund from the Enterprise Funds) are maintained, repaired, and serviced by a crew of three.
- **Tree and Ground Maintenance:** This budget increases by 4.2%, or \$18,776 due to increases resulting from the collective bargaining settlement. This budget includes funds for mowing and maintaining parks, commons, cemeteries, and other green spaces around town, and athletic fields (including schools). It also maintains park facilities. It does not include electricity for Community Field.

More information is available at <http://www.amherstma.gov/DocumentCenter/Home/View/5948>

GENERAL GOVERNMENT

14% OF GENERAL FUND OPERATING BUDGETS

		FY 09	FY 10	FY 11	FY 12	FY 13	Change	%
		Actual	Actual	Actual	Budget	Fin Com	FY 12-13	Change
Select Board/Town Manager	\$	245,173	266,723	309,252	241,631	258,799	17,168	7.1%
Town Meeting/Finance Comm	\$	448	580	550	800	800	0	0.0%
Finance Department	\$	797,825	828,416	822,734	864,640	901,295	36,655	4.2%
Legal Services	\$	147,976	124,925	137,237	110,000	110,000	0	0.0%
Human Resources/ Human Rights	\$	186,551	156,113	134,428	159,422	164,972	5,550	3.5%
Information Technology	\$	492,202	461,681	491,892	482,789	494,188	11,399	2.4%
Town Clerk's Office	\$	158,823	161,039	173,285	176,655	187,039	10,384	5.9%
Elections & Registration	\$	71,510	29,257	50,569	43,000	52,025	9,025	21.0%
Facilities Maintenance	\$	472,244	408,324	438,251	468,217	480,448	12,231	2.6%
General Services	\$	378,516	371,485	358,507	365,721	372,849	7,128	1.9%
SUBTOTAL	\$	2,951,268	2,808,543	2,916,706	2,912,875	3,022,415	109,540	3.8%
Employee Pay/Benefits	\$	2,769,583	2,863,547	2,931,935	3,178,602	3,066,003	(112,599)	-3.5%
TOTAL APPROPRIATION	\$	5,720,851	5,672,090	5,848,641	6,091,477	6,088,418	(3,059)	-0.1%

SOURCES OF FUNDS

Ambulance Receipts	\$	85,788	88,987	97,816	99,215	103,352	4,137	4.2%
Departmental Receipts	\$	187,228	203,260	215,838	159,000	157,675	(1,325)	-0.8%
Penalties and Interest From Taxes	\$	143,255	126,764	145,438	129,000	195,725	66,725	51.7%
Investment Income	\$	262,531	159,206	103,369	110,000	110,000	0	0.0%
Licenses & Permits	\$	156,817	152,835	169,300	149,950	160,950	11,000	7.3%
State Aid-Elections		7,848	7,848	5,807	0	2,500	2,500	--
Hours Reimbursement	\$							
Water Fund	\$	161,017	165,647	178,619	179,374	184,880	5,506	3.1%
Sewer Fund	\$	167,496	171,937	186,004	182,871	191,040	8,169	4.5%
Transportation Fund	\$	33,316	36,950	40,290	41,576	42,681	1,105	2.7%
Taxation	\$	4,515,556	4,518,647	4,706,160	5,087,541	4,987,815	(99,726)	-2.0%

RECOMMENDED by the Finance Committee vote of 5-0, 2 absent.

BUDGET: \$6,088,418, a decrease of 0.1%, or \$3,059, from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: Managing and operating Town government functions including financial operations, maintenance of public facilities (except police, fire and public works facilities), elections, public records, information technology, legal expenses, and insurance costs. This budget includes employee benefits for all functions of the municipal government (including Community Services, Public Safety, Public Works, and Conservation and Development). The cost for benefits for each function is shown in Appendix B of this report.

FULL-TIME-EQUIVALENT EMPLOYEES: 28.88, unchanged from FY 12.

FY 12 SUMMARY

- **Select Board/Town Manager's Office:** Several efforts are underway to encourage economic development, including a plan to install a solar power array of up to 4.75 MW at the old landfill off Belchertown Road. Adopted a "stretch" building code with higher energy efficiency standards, one of the five criteria required for designation as a Green Community. Created three new positions: 1) Code Enforcement Officer, 2) Sustainability Coordinator, and 3) Director of Tree and Grounds.
- **Finance Department:** Began use of MUNIS budget module to prepare Town budget more efficiently and accurately. Issued bonds for Road Improvements and purchase of Hawthorne property. Confirmed Town's bond rating to "AA with a Stable Outlook". Led multi-year effort to stabilize employee health care costs. Plan design changes have generated estimated savings in excess of \$3 million since 2006.
- **Legal Services:** This budget covers costs of legal services provided on a contract basis for the Town and the Jones Library Trustees.

GENERAL GOVERNMENT

- **Human Resources/Human Rights:** The department successfully completed the annual re-enrollment for health insurance effective July 2011. Completed the Personnel Procedures Manual, and assisted in several grievance hearings and resolutions.
- **Information Technology:** The department refined a new Town web site with a new automated web-based way for submission of board/committee postings, minutes, and agendas. Moved all email systems to Microsoft's cloud. Updated the town-wide networked phone system. Realized a 25% increase in daily public website usage over a year ago, with the traffic approaching 1,000 unique visitors daily.
- **Town Clerk's Office:** Responded to the U.S. Department of State regulations mandating total separation of Passport Acceptance and birth document print and/or issuance. Staff trained to use the new Vitals Information Partnership (VIP) program.
- **Elections and Registration:** The decennial redistricting was a major accomplishment, as the fact that 31% of the Town's population lives on 2% of the total land area created a challenge in re-drawing the precinct boundary lines in accordance with Chapter 54 of the Massachusetts General Laws.
- **Facilities Maintenance:** Completed several projects at the Bangs Center and implemented several energy initiatives using the Energy Grant. Implemented an HVAC preventive maintenance plan and made many repairs for all Town buildings.
- **General Services:** This budget manages centralized purchasing of services, supplies and equipment, and contracts for maintenance of office equipment and general liability insurance. Finance and IT worked together to completely upgrade the Town's telephone system with increased functionality at less cost using VOIP technology.
- **Employee Benefits:** Town has pursued a multi-year effort to stabilize employee health care. Health-care benefits for employees and retirees of the Town of Amherst, the Schools, the Amherst-Pelham Regional School District, and the Town of Pelham, are paid from the Health Claims Trust Fund (HCTF), which is funded by premiums from those four employers and their employees and retirees. This budget covers only the Town of Amherst's share. The effort continues to stabilize employee health care costs, and to pay claims while maintaining required HCTF reserves.

FY 13 SUMMARY

- **Select Board/Town Manager's Office** budget increases by 7.1% (\$17,168) due to step increases and cumulative staff turnover. Objectives include continuing to explore regionalizing and reorganizing Town services to cut costs and increase efficiency; pursuing economic development; and stabilizing and improving quality of life in neighborhoods.
- **Town Meeting/Finance Committee** budget is unchanged from FY 12, includes \$100 for the moderator's salary and \$300 for Town Meeting Coordinating Committee expenses. Most Town Meeting costs are in the rest of the municipal budget.
- **Finance Department** budget increased by 4.2% (\$36,655). Objectives include refining a long-range strategic financial plan for the Town and developing recommendations for funding the Other Post-Employment Benefits trust fund.
- **Legal Services** budget is unchanged from FY 12.
- **Human Resources/Human Rights** budget increases by 3.5% (\$5,550). The department will continue computerizing human resources management systems through MUNIS, and completed an updated compensation analysis comparing with peer communities by 2014.
- **Information Technology** budget increased by 2.4% (\$11,399), due to increase in personnel services. The department added the self-service offerings on the Town web site and will continue exploring offering information technology services to other towns and non-profit agencies as a potential revenue source.
- **Town Clerk's Office** budget increases by 5.9% (\$10,384). The increase is because of staff training costs associated with the three elections next year.
- **Elections & Registration** budget increases by 21% (\$9,025), due to having three scheduled elections in FY 13, one more than in FY 12.
- **Facilities Maintenance** budget increases by 2.6% (\$12,231). Continued aggressive conservation efforts should result in another year of declining energy use.
- **General Services** budget increases by 1.9% (\$7,128) due to 4% increase in insurance costs. Audit costs increased by \$500 because of additional audit reporting requirements.

GENERAL GOVERNMENT

- **Employee Pay/Benefits** budget decreases by 3.5% (-\$112,599), due in part to the ability to keep health care insurance premiums at current levels. The decrease in the budget is also due to the fact that all collective bargaining agreements were successfully negotiated in 2011 and, therefore, no salary reserve is set aside for additional wage adjustments.

More information is available at <http://www.amherstma.gov/index.aspx?nid=78>

FINANCE COMMITTEE REPORT - FY 13

WATER FUND

SOURCES OF FUNDS	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Revenues	\$ 4,129,830	3,868,419	4,090,295	3,837,000	3,905,995	68,995	1.8%
Interest	\$ 53,326	24,575	21,074	20,000	20,000	0	0.0%
State Grants	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 250,000	215,684	145,624	478,543	0	(478,543)	-100.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL	\$ 4,433,156	4,108,678	4,256,993	4,335,543	3,925,995	(409,548)	-9.4%

EXPENDITURES	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Budget	\$ 2,414,823	2,452,970	2,481,230	2,832,287	2,874,504	42,217	1.5%
General Fund Services	\$ 385,111						
Debt Service	\$ 875,559	779,773	703,716	703,688	298,850	(404,838)	-57.5%
Capital Program	\$ 445,000	536,600	345,000	384,000	325,000	(59,000)	-15.4%
Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 4,120,493	3,769,343	3,529,946	3,919,975	3,498,354	(421,621)	-10.8%
Indirect Costs Appropriated in General Fund	\$	394,416	411,616	415,568	427,641	12,073	2.9%
TOTAL EXPENDITURES	\$ 4,120,493	4,163,759	3,941,562	4,335,543	3,925,995	(409,548)	-9.4%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$3,925,995, a decrease of 9.4%, or \$409,548, from the amended FY 12 Water Fund budget. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: The development, treatment, and distribution of the potable water supply for the Town via the enterprise fund completely supported by user fees.

FULL-TIME-EQUIVALENT EMPLOYEES: 16.48, a decrease of 0.5 FTE from FY 12.

FY 12 SUMMARY

For the second straight year the Town Manager recommended no water rate increase to the Select Board for the Water Fund. The rate of \$3.30 per 100 cubic feet was sufficient to generate an appropriate amount of revenue to sustain the Water Fund and remained below the state and regional averages.

FY 12 was the last year of the debt service for the Atkins Water Treatment Plant, which allowed for the \$4,000,000 bond authorization for renovations and enhancements at the Centennial Water Treatment Plant located in Pelham without increasing the water rate. The payments for this bond will begin in FY 13.

Debt Service in FY 12 covered the final principal and interest payment for the Atkins Treatment Facility (\$703,668). Capital Program expenditures are: \$100,000 for Water System Improvements, \$45,000 Replacement Vehicle, \$5,000 for DPW Facility Improvements \$4,000,000 Centennial Water Treatment Plant Improvements and Sewer Line, \$100,000 for Water Meters (appropriated at the November Special Town Meeting), and \$134,000 for land acquisitions in Pelham and Shutesbury (appropriated at the November Special Town Meeting).

FY 13 SUMMARY

The budget proposed for FY 13 is smaller than FY 12 primarily due to the significant reduction in debt service by the retirement of the Atkins Water Treatment Plant debt. The most recent collective bargaining contracts increase personnel costs by 1.4%. Operating costs are increasing by 1.6% due to an increased assessment by the Hampshire County Retirement Board and more employees electing to participate in the health benefits offered by the Town.

WATER FUND

In order to sustain the Water Fund Balance against ongoing inflationary pressures, two actions are being taken. First, no Water Fund Balance monies are being used to support the FY 13 budget. Second, for the first time in two years the water rate will increase. The increase of \$0.10 per hundred cubic feet will make the water rate \$3.40 which remains below state and regional averages.

Debt Service in FY 13 covers the principal and interest payment for the Centennial Treatment Facility (\$298,850). Capital Program expenditures are: \$50,000 for Treatment System Improvements, \$50,000 for Water System Improvements, \$45,000 for a Replacement Vehicle, \$175,000 for a backhoe, and \$5,000 for DPW Facility Improvements.

More information is available at <http://www.amherstma.gov/DocumentCenter/Home/View/5952>

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FINANCE COMMITTEE REPORT - FY 13

SEWER FUND

SOURCES OF FUNDS	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Revenues	\$ 3,695,472	3,592,414	3,751,953	3,497,237	3,726,520	229,283	6.6%
Interest	\$ 57,861	22,150	20,559	20,000	20,000	0	0.0%
Grants	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 0	232,658	248,917	238,399	242,668	4,269	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL	\$ 3,753,333	3,847,222	4,021,429	3,755,636	3,989,188	233,552	6.2%
EXPENDITURES	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Budget	\$ 2,443,740	2,466,101	2,540,695	2,787,591	2,846,789	59,197	2.1%
General Fund Services	\$ 302,264						
Transfers to Trust Funds	\$ 0	0	0	0	0	0	0.0%
Debt Service	\$ 336,158	327,803	318,533	309,013	320,066	11,053	3.6%
Capital Program	\$ 405,000	373,600	295,000	336,000	486,000	150,000	44.6%
TOTAL APPROPRIATION	\$ 3,487,162	3,167,503	3,154,227	3,432,604	3,652,855	220,250	6.4%
Indirect Costs Appropriated in General Fund		306,144	324,691	323,032	336,333	13,301	4.1%
TOTAL EXPENDITURES	\$ 3,487,162	3,473,647	3,478,918	3,755,636	3,989,188	233,552	6.2%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$3,989,188, an increase of 6.2%, or \$233,552, from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: The collection, treatment, and disposal of sewage for the Town via Enterprise Fund completely supported by user fees.

FULL-TIME-EQUIVALENT EMPLOYEES: 17.83, an increase of 0.5 FTE from FY 12.

FY 12 SUMMARY

The Town Manager recommended a sewer rate increase to the Select Board for the Sewer Fund. The rate was not sufficient to generate an appropriate amount of revenue to sustain the Sewer Fund for the long term. With the \$0.10 per 100 cubic feet increase, to \$3.35 per 100 cubic feet, the sewer rate remained below the state and regional averages. This new rate resulted in an annual increase of \$12 in the sewer bill of the average four-person household.

Debt Service for FY 12 covered the principal and interest payments for the Middle Street sewer extension project, \$199,263, and the Chapel Road/Mechanic Street sewer extension, \$109,750 (\$309,013 in total). Capital Program expenditures are: \$200,000 for Collection System Improvements, \$100,000 for Treatment System Improvements, \$31,000 for a Replacement Vehicle, and \$5,000 for DPW Facility Improvements.

FY 13 SUMMARY

A large Capital equipment purchase (see the Vactor truck below) is the significant component of the increase in the Sewer Fund budget. The usual inflationary elements, such as increased personnel costs due to collective bargaining contracts, utility cost increases, etc., coupled with increases in operating costs due to an increased retirement assessment and more employees electing to participate in the health benefits, have resulted in the need for an increase in the sewer rate. The \$0.10 per 100 cubic feet increase, to \$3.45 per 100 cubic feet will help to maintain the Sewer Fund Balance at an appropriate level. The sewer rate will remain below state and regional averages.

Debt Service of \$320,066 for FY 13 covers the principal and interest payments for the Middle Street sewer extension project, \$193,206; the Chapel Road/Mechanic Street sewer extension, \$106,000; and the Harkness Road/Wildflower Drive sewer extension, \$20,860. Capital Program expenditures are: \$20,000 for Collection System Improvements, \$50,000 for Treatment System Improvements, \$31,000 for a replacement vehicle; \$380,000 for a Vactor truck, an essential piece of equipment used to clean sewers and storm drains; and \$5,000 for DPW Facility improvements

More information is available at <http://www.amherstma.gov/DocumentCenter/Home/View/5953>

FINANCE COMMITTEE REPORT - FY 13

SOLID WASTE FUND

SOURCES OF FUNDS	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Revenues	\$ 416,059	390,341	465,810	535,000	496,000	(39,000)	-7.3%
Interest	\$ 11,134	1,500	780	2,000	800	(1,200)	-60.0%
Borrowing Authorizations	\$ 0	0	0	0	0	0	0.0%
Taxation	0	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 189,224	128,945	36,700	12,716	53,055	40,339	317.2%
TOTAL	\$ 616,417	520,786	503,290	549,716	549,855	139	0.0%
EXPENDITURES	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Expenditures	\$ 589,798	488,232	512,207	549,716	549,855	139	0.0%
General Fund Services	\$ 0						
Debt Service	\$ 0	0	0	0	0	0	0.0%
Capital Program	\$ 88,000	0	0	0	0	0	0.0%
Transfer to Trust Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$ 677,798	488,232	512,207	549,716	549,855	139	0.0%
Indirect Costs Appropriated in General Fund		0	0	0	0	0	0.0%
TOTAL EXPENDITURES	\$ 677,798	488,232	512,207	549,716	549,855	139	0.0%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$549,855, an increase of \$139, or 0.0%, from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: Utilizing a user fee based revenue system to develop and promote programs that are viable alternatives to landfilling and to dispose of solid waste in an environmentally safe manner. This includes monitoring closed landfills, managing the recycling and transfer facility, monitoring of Town-wide solid waste and recycling collection and disposition, and special activities such as hazardous waste collection and disposal.

FULL-TIME-EQUIVALENT EMPLOYEES: 4.0, no change in FTE from FY 12.

FY 12 SUMMARY

Since the closing of the landfill on the northeast side of Belchertown Road, the user fees collected have been insufficient to maintain the Fund balance. Thus, the requirements related to our closed landfills and the inflationary pressures on the operation of our transfer and recycling station continue to erode the Fund balance. The Fund balance will sustain the current operational paradigm for only a few more years. Unless significant additional actions are taken to sustain the Fund for the long-term, there will be sizeable increases in the cost of solid waste disposal. The Transfer Station sticker fees increased in FY 12 and a \$23,983 reduction in the use of monies from the Fund was possible due to the fees charged to contractors for the disposal of soil.

FY 13 SUMMARY

The FY 13 budget is virtually level funded. The slight difference is due to the increase in personnel services costs exceeding the cuts in operating costs. The use of \$53,055 from the Solid Waste Fund Balance to support this budget is roughly half of the current Fund balance. The major focus in the coming year will be the installation of a solar array at the old landfill on the southwest side of Belchertown Road. The Recycling and Refuse Committee in conjunction with Town staff are currently studying options for the Solid Waste Fund, the Transfer Station, and the long term Waste Management Plan for the Town.

More information is available at <http://www.amherstma.gov/DocumentCenter/Home/View/5954>

FINANCE COMMITTEE REPORT - FY 13

TRANSPORTATION FUND

SOURCES OF FUNDS	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Revenues	\$ 925,443	961,735	943,217	979,000	979,000	0	0.0%
Interest	\$ 8,012	2,136	2,708	2,000	2,000	0	0.0%
Surplus Funds	\$ 98,754	84,323	55,833	88,688	100,218	11,530	0.0%
TOTAL	\$ 1,032,209	1,048,194	1,001,758	1,069,688	1,081,218	11,530	1.1%

EXPENDITURES	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Operating Budget	\$ 768,371	781,742	707,320	829,282	883,408	54,126	6.5%
General Fund Services	\$ 90,117						
General Fund Loan Repayment	0	0	0	0	0	0	0.0%
Debt Service	\$ 79,288	64,019	71,032	67,763	65,975	(1,788)	-2.6%
Capital Program	\$ 85,000	50,000	75,000	80,000	35,000	(45,000)	-56.3%
TOTAL APPROPRIATION	\$ 1,022,776	895,761	853,352	977,045	984,383	7,338	0.8%
Indirect Costs Appropriated in General Fund	\$	96,907	93,782	92,643	96,835	4,192	4.5%
TOTAL EXPENDITURES	\$ 1,022,776	992,668	947,134	1,069,688	1,081,218	11,530	1.1%

RECOMMENDED by the Finance Committee vote of 7-0

BUDGET: \$1,081,218, an increase of 1.1% or \$11,530 from FY 12. (Sources of funds are listed in accompanying chart.)

BASIC FUNCTIONS: To provide a parking and public transportation system for the Town via the completely self-supporting enterprise fund.

FULL-TIME-EQUIVALENT EMPLOYEES: 4.20, no change from FY 12.

FY 12 SUMMARY

In FY 12 the increase in the number of FTEs for the Fund reflected time charged to the Fund for transportation related work done by the Associate Planner. This addition, as well as the usual increases due to pay steps and employee benefits, increased the personnel service costs more than in recent years. Coupled with the increased personnel costs were the increases in operating expenses, specifically, the Town's estimated PVRTA assessment, \$196,869 (an increase of 7.1%); professional and technical services expenses related to the new Pay by Space parking machines; and the outreach routes. All of these were funded entirely within the Transportation Fund. The outreach routes, which are not part of PVRTA service, were provided via a direct contract between the Town and UMass Transit and for FY 12 were budgeted to cost \$124,940. Changes to the parking fee structure helped mitigate the professional and technical services expenses associated with the new parking machines.

Debt service for FY 12 was for the Boltwood Parking Garage, \$67,763. Capital expenditures were as follows: \$40,000 for Security Cameras in the Parking Garage, \$30,000 for Pay by Space Parking Machines, and \$10,000 for Boltwood Parking Garage Improvements.

FY 13 SUMMARY

The reductions in capital expenditure and debt service help to offset the increases in the operating budget for FY 13 thus keeping the overall budget increase to 1.1%. Besides the expected and usual increases in personnel services and operating costs (e.g., negotiated step and COLA pay increases), the operating budget has two significant increases for FY 13. First is a new expense, \$15,000 as the Town's assessment for participation in the Business Improvement District. Second, the cost associated with the parking payment credit card transaction fees and wireless network fees for the handheld parking ticket machines is \$14,000. The Town's estimated PVRTA assessment and the cost of the Outreach routes funded wholly by the Town remain unchanged in FY 13, \$196,869 and \$124,940 respectively.

TRANSPORTATION FUND

Debt service for FY 13 is for the Boltwood Parking Garage, \$65,975. The sole capital expenditure is \$35,000 for a hybrid car.

More information is available at <http://www.amherstma.gov/DocumentCenter/Home/View/5955>

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 13. Petition Article - Restoration of a line item for Human Services in FY 13 Budget
(Eddings et al)**

To see if the Town will support the restoration of a line item for Human Services in the FY 2013 budget at the FY 2008 level of funding (\$66,000).

NOT RECOMMENDED by Finance Committee vote of 7-0.

The Finance Committee does not recommend this Article for three reasons. First, there is an orderly process to develop a budget to present to Town Meeting and for its consideration of the budget. The Petitioner stated that this request will also be proposed as an amendment to the motion to adopt the Community Services budget, which is the appropriate process. Second, Amherst provides strong support for human services. The CDBG budget is based on a Federal Fiscal Year (FFY), which runs from October through September each year and so lags the Town fiscal year by one year. In FFY 11, we are providing \$200,000 of Community Development Block Grant (CDBG) funds to five human service agencies. The total grant is reduced for FFY 12 from \$1,000,000 to \$900,000 and the funding for human services agencies in FFY 13 will be \$180,000. This is still significant support. CDBG also funded subsidies for the current after-school program last year, which is eliminated in the FFY 12 grant. This is an important service to low income families and children. At the recommendation of the Town Manager and Superintendent, the Finance Committee has added \$40,000 to the Manager's original Community Services budget to continue those subsidies in the newly structured School/Community Partnership for Out-of-School Time Programs. The Town already supports other programs to assist low income individuals, including by renting space at affordable cost in town buildings to the Survival Center, Head Start, and Big Brother/Big Sisters; by funding cash, rental and medical assistance to qualifying veterans; and by offering property tax exemptions and tax-workoff programs for seniors. Third, the Town was supporting more outside agencies in 2008 because then it had the funds to do so. A recession and five consecutive years of state aid reductions forced the Town, the Schools, and the Libraries to make difficult cuts and ask users to pay more through fees and by donations. New initiatives which could lead to new funding, such as creating an economic development position within the Town Manager's office, were placed on hold. The Town's financial status remains precarious. Adding anything with an ongoing cost to what is now provided will add to the uncertainty about future budgets and should be done only after examining all needs across the Town, Schools, and Libraries.

**ARTICLE 14. Reserve Fund
(Finance Committee)**

To see if the Town will raise and appropriate \$100,000 for the Reserve Fund for FY 2013.

RECOMMENDED by Finance Committee vote of 7-0.

The Reserve Fund is used by the Finance Committee to pay for extraordinary or unforeseen expenses that may occur during a fiscal year. Any unspent money in the fund after the fiscal year ends becomes Free Cash. The requested \$100,000 for FY 13 is the standard amount we have requested for many years.

**ARTICLE 15. Capital Program – Chapter 90
(Joint Capital Planning Committee)**

To see if the Town will authorize a sum of money for the expenditure of Chapter 90 funds for qualifying purposes and further authorize the Treasurer to borrow in anticipation of reimbursement of these funds from the Commonwealth of Massachusetts.

RECOMMENDED by Finance Committee vote of 7-0.

This is the first of four articles dealing with capital spending as recommended by the Joint Capital Planning Committee. Please be sure to read JCPC's separate report to Town Meeting for more details.

Chapter 90 funds from the state reimburse the Town for the cost of qualifying road projects and equipment. These funds contribute significantly to the Town's ability to pay for essential parts of the capital program. The Town undertakes Chapter 90 projects only when reimbursement funds are known to be available. The total to be voted under this article is \$500,000.

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 16. Capital Program - Equipment (Joint Capital Planning Committee)

To see if the Town will appropriate \$1,213,804 to purchase, repair, and/or install new or replacement equipment and determine whether such appropriation shall be met by taxation, by the transfer of available funds, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants.

RECOMMENDED by Finance Committee vote of 7-0.

This article appropriates \$925,804 from taxation, \$255,000 from the Ambulance Fund, and \$33,000 from repurposed previous capital appropriations, for a total of \$1,213,804 to fund equipment purchases. (Authorization to borrow \$150,000 for a Public Works truck and \$125,000 for Police communications equipment is in Article 18.) Below is the list of recommended capital items included in Article 16. For a more complete description, see the JCPC Report to Town Meeting.

\$ 123,000	Town information systems: replace/upgrade computers, network equipment
\$ 16,500	High-volume photocopier for Town Hall (replacement)
\$ 25,000	Upgrades to Wi-Fi system in the Town center and public buildings
\$ 10,000	Scanning public documents to reduce storage demands, increase public access
\$ 140,000	Four police cruisers (replacements)
\$ 205,000	Ambulance (replacement)
\$ 50,000	Five defibrillators for Fire Department ambulances (replacements)
\$ 24,000	Four portable radios for the Fire Department (replacements)
\$ 18,000	Thermal imaging camera for the Fire Department (replacement)
\$ 15,000	Emergency generator for the Department of Public Works (replacement)
\$ 60,500	One ton dump truck with plow for the DPW (replacement)
\$ 40,000	¾ ton pickup with plow for the DPW (replacement)
\$ 20,000	Snow plowing and sanding equipment (replacement) for dump/sander truck
\$ 14,154	Fairway mower for the golf course (replacement), second of three payments
\$ 20,000	Library information systems: replace/upgrade computers, network equipment
\$ 5,000	Library photocopier (replacement)
\$ 20,000	Security cameras (16) for the Jones Library building
\$ 90,000	School bus (replacement)
\$ 50,000	Handicapped accessible van with wheelchair lift (replacement)
\$ 33,000	School maintenance vehicle (replacement)
\$ 19,550	School multimedia audio/visual equipment (replacements)
\$ 181,200	School information systems: replace/upgrade computers, network equipment
\$ 30,000	Three school copiers (replacements)
\$ 3,900	School telecommunications maintenance/replacements
\$1,213,804	TOTAL EQUIPMENT

ARTICLE 17. Capital Program – Buildings & Facilities (Joint Capital Planning Committee)

To see if the Town will appropriate \$368,396 to repair and/or improve buildings and facilities and determine whether such appropriation shall be met by taxation, by the transfer of available funds, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants.

RECOMMENDED by Finance Committee vote of 7-0.

This article appropriates \$368,396 for building repairs and renovations and for facilities. The appropriation of \$500,000 from Chap. 90 funds for road repairs is handled in Article 15. Article 18 has the buildings and facilities capital projects to be funded via borrowing, \$184,000 and \$612,000 respectively. Below is the list of recommended capital items. For a more complete description, see the Joint Capital Planning Committee Report to Town Meeting.

\$ 25,000	Building envelope repairs (all buildings)
\$ 85,000	Purchase and install generator at Town Hall
\$ 10,000	Bangs Center exterior maintenance
\$ 20,000	Police Station interior maintenance
\$ 5,000	Improvements/repairs at Public Works Garage
\$ 20,000	Security systems at Groff Park and War Memorial Park comfort stations
\$ 10,000	Hitchcock Center building/roof repairs
\$ 5,000	School security equipment upgrades
\$ 10,000	Energy management upgrades – schools
\$ 5,000	Ongoing asbestos removal at all elementary schools

ANNUAL TOWN MEETING WARRANT ARTICLES

\$ 8,500	Exterior doors replacement at Fort River School
\$ 17,000	Burglar alarm system replacement at Fort River School
\$ 6,896	Boiler replacement engineering study at Wildwood School
\$ 15,000	Exterior doors replacement at Wildwood School
\$ 242,396	TOTAL BUILDINGS
\$ 50,000	North Amherst Center studies and improvements
\$ 40,000	Gateway and Town Center rezoning assistance
\$ 30,000	Sidewalk repairs around town
\$ 6,000	Purchase energy-efficient street lights
\$ 126,000	TOTAL FACILITIES

ARTICLE 18. Capital Program – Debt Authorization (Joint Capital Planning Committee)

To see if the Town will appropriate \$1,071,000 for the following purposes:

- A. \$612,000 for the purchase and planting of trees and equipment related thereto, and for making other public works improvements, and that to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to MGL Chapter 44, Section 7, or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- B. \$150,000 for the purchase of a large truck for the Public Works Department, and that to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to MGL Chapter 44, Section 7, or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- C. \$184,000 for making repairs to the Amherst Fire Central Station, and that to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to MGL Chapter 44, Section 7, or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.
- D. And \$125,000 for purchasing police communications equipment, and that to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to MGL Chapter 44, Section 7, or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor.

RECOMMENDED by Finance Committee vote of 7-0.

This article would authorize a total of \$1,071,000 in borrowing to fund equipment and building needs identified by the Joint Capital Planning Committee. The money would be borrowed in FY 13 and paid back over future years. Standard & Poors cited Amherst's "low overall debt burden and rapid debt amortization" as a factor for giving Amherst a AA/stable credit rating in February. With interest rates at historically low levels, borrowing for these projects makes financial sense.

- A. \$612,000 would fund a three-year tree replacement program to plant 2,000 trees, including labor and equipment costs. Two temporary employees from the Stockbridge School or a similar institution would be hired to identify locations, plant new trees and water and feed them.
- B. \$150,000 would purchase a new large dump truck/sander to replace a truck that was so rusted out the firewall and steering wheel fell out while a DPW employee was driving it. This piece of equipment is needed for road maintenance and snowplowing/sanding.
- C. \$184,000 would be used for repairs to Central Fire Station. The roof, which dates from before 1982, is leaking and would be replaced. Repairs would be made to the deteriorating concrete apparatus floor, installed in 1929 when the station was built.
- D. \$125,000 would be spent to completely replace the Police Department's radio system, bringing it into compliance with Federal regulations requiring all public safety radio systems to convert to a narrow-band frequency system by January 2013.

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 19. Capital Program – Debt Rescission (Select Board)

To see if the Town will vote to rescind the \$80,000 unissued amount that was authorized to be borrowed by a vote of the Town passed at the Special Town Meeting held on November 5, 2007 (Article 5), as amended by a vote of the Town passed at the 2008 Annual Town Meeting held on April 28, 2008 (Article 17(C)), for the acquisition of portable classrooms to be used at the Mark's Meadow school facility but which is no longer needed for the purpose for which it was initially approved.

<u>Authorizing Vote</u>	<u>Amount</u>	<u>Borrowed</u>	<u>Rescission</u>
Nov. 5, 2007	\$195,000		
April 28, 2008	\$105,000		
Total	\$300,000	\$220,000	\$80,000

RECOMMENDED by Finance Committee vote of 7-0.

This article will remove excess borrowing capacity of \$80,000 from the Town's balance sheet. The \$80,000 is a residual portion of the original debt authorization (\$300,000) used to purchase the modular classrooms at Mark's Meadow. Town Meeting authorized this borrowing in 2007 and 2008 specifically for the classroom purchase, but the purchase and installation, completed in FY 11, required only \$220,000. The Town will never use this \$80,000 in excess borrowing capacity, and consequently, removing it will more accurately reflect the Town's authorized borrowing and potential indebtedness. Lower debt authorization is more favorable to rating agencies since it implies a lower level of future indebtedness. This does not add to Free Cash or provide additional funds since it was money that was never borrowed. It is the rescission of previously authorized borrowing authority.

ARTICLE 20. Capital Program – Debt Repurpose (Select Board)

To see if the Town will appropriate the following unexpended amounts of money that were initially borrowed to finance capital projects that are now complete, and for which no further liability remains, to pay a portion of the costs of repairs to the sidewalks at Bangs Community Center authorized by Article 18 of the Annual Town Meeting May 18, 2011 and to reduce by a like amount the portion of the Bangs Community Center project funding to be raised by taxation, as permitted by MGL Chapter 44, Section 20:

<u>Original</u>	<u>Borrowed</u>	<u>Unexpended</u>	<u>Repurpose</u>
Portable Classrooms STM Nov. 5, 2007 and ATM April 28, 2008.	\$220,000	\$6,261.96	Sidewalk repair

RECOMMENDED by Finance Committee vote of 7-0.

Of the initial \$220,000 borrowed in 2007 and 2008 for portable classrooms at Mark's Meadow School, \$6,261.96 remains unspent and is not needed for the purpose. It can be spent only for other bondable items. This article would redirect the \$6,261.96 to the amount allocated for recently completed Bangs Center sidewalk repairs. An equivalent amount of tax dollars which had been allocated for those repairs will then revert to Free Cash.

ARTICLE 21. Community Preservation Act (Community Preservation Act Committee)

Article 21, Parts A, B, and C, appropriates money derived from the local 1.5% Community Preservation Act (CPA) surcharge on the property tax, after the first \$100,000 of assessed value of each owner-occupied home is excluded. The state originally provided a 100% match of the amount collected by the Town, but matched only 25% this year and may match less than 25% in FY 13. The state's CPA fund has shrunk due to lower real estate transfer fees resulting from fewer home sales in recent years. There are also more towns participating in the CPA program statewide than in prior years.

The estimated CPA fund balance available for FY 13 is \$738,357. The Community Preservation Act Committee (CPAC) recommends \$532,834, of which \$409,000 is for new projects and \$123,834 is for debt service on projects previously voted. This is voted in Article 12 (Operating Budget) as a CPA funding source in the debt section. Also recommended is a \$200,000 budgeted reserve to allow availability of funds for projects that may come up later in the budget year. CPAC could recommend those projects to a Special Town Meeting. If these funds are not used by June 30, 2013, they will revert back into the CPA fund balance for future use. Allocation of CPA funds to a budgeted reserve must be voted each year if funds are available. Each of the requests in this article is explained in the Community Preservation Act Committee (CPAC) written report to Town Meeting.

ANNUAL TOWN MEETING WARRANT ARTICLES

- A. To see if the Town will appropriate a sum of money for Community Preservation Act Purposes recommended by the Community Preservation Act Committee and that the following amounts (items 1 – 7) be appropriated or reserved from Community Preservation Act Funds as follows, and to authorize the Town to accept or convey property interests where applicable, as required under M.G.L. Chapter 44B, Section 12.

	Project	Total Appropriation	Source of Appropriation
	AFFORDABLE HOUSING		
1	Habitat for Humanity Belchertown Road Site Improvement	\$20,000	
2	HAP Olympia Drive Project General Construction	\$250,000	
	Total Affordable Housing	\$270,000	FY 13 Estimated Revenues
	HISTORIC PRESERVATION		
3	Amherst Historical Society Roof Repair	\$25,000	
4	Amherst Historical Society Database	22,000	
5	West Cemetery Fencing for Dickinson Plot	40,000	
	Total Historic Preservation	\$87,000	FY 13 Estimated Revenues
	OPEN SPACE		
6	Surveys & Appraisals	\$25,000	
	Total Open Space	\$25,000	FY 13 Estimated Revenues
	ADMINISTRATIVE		
7	To Fund CPAC Administrative Expenses.	\$2,000	
	Total Administrative	\$2,000	FY 13 Estimated Revenues
	TOTAL FOR ARTICLE	\$384,000	

RECOMMENDED by Finance Committee vote of 5-0, 2 absent, as an appropriate expenditure of CPA funds.

CPAC chooses which projects to recommend for each of four approved CPA uses: open space, historical preservation, affordable housing, and recreation. Town Meeting can only appropriate CPA funds for projects recommended by CPAC. Town Meeting may reject the amount presented by CPAC, but it cannot appropriate an amount that exceeds the CPAC amount.

ANNUAL TOWN MEETING WARRANT ARTICLES

Affordable Housing	\$270,000
Historic Preservation	\$ 87,600
Open space	\$ 25,000
Administrative	\$ 2,000

- B. To see if the Town will appropriate the sum of \$200,000 from the Community Preservation Fund Balance Account for Community Preservation Act purposes recommended by the Community Preservation Act Committee as a Budgeted Reserve.

RECOMMENDED by Finance Committee vote of 5-0, 2 absent, as an appropriate expenditure of CPA funds.

CPAC recommends appropriating an amount of \$200,000 to serve as a budgeted reserve to the CPA fund for FY 13. Monies in this reserve account may only be used for authorized CPA fund expenditures and Town Meeting must appropriate the funds.

- C. To see if the Town will appropriate the sum of \$25,000 from Community Preservation Fund estimated revenues for the purpose of acquiring a conservation restriction on two parcels of land in North Amherst, which parcels are shown on Assessors Map 5C as Parcels 28 and 151, located on North Pleasant Street, and are portions of the premises in deeds recorded with the Hampshire Registry of Deeds in Book 8351, Page 91 and Book 8788, Page 122; and further, to authorize the Select Board to acquire said restriction by gift, purchase, or eminent domain, to be held by the Conservation Commission in accordance with Chapter 40, Section 8C of the General Laws; and further, to authorize the Town Manager and/or the Conservation Commission or their designee to seek and file on behalf of the Town any and all applications deemed necessary for grants under which this conservation restriction acquisition may be eligible for funding and to accept said grants; and further, to authorize the Select Board, the Town Manager, and/or the Conservation Commission to enter into any and all agreements, and execute any and all instruments, as may be necessary or appropriate to effectuate the foregoing acquisition..

RECOMMENDED by Finance Committee vote of 5-0, 2 absent, as an appropriate expenditure of CPA funds.

CPAC has approved \$25,000 for purchase of a conservation restriction on about 4 acres of land adjacent to the North Amherst Community Farm east of North Pleasant Street, which is under an Agricultural Preservation Restriction.

**ARTICLE 22. Free Cash
(Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund to balance the Fiscal Year 2013 Budget.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 23. Stabilization Fund
(Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from the Stabilization Fund to balance the Fiscal Year 2013 Budget.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 24. Zoning – Form Based Zoning and Atkins Corners Rezoning
(Planning Board)**

To see if the Town will vote to amend the Zoning Bylaw and Official Zoning Map as shown in the document "Town of Amherst, Village Center Form-Based Zoning," as follows:

Add Form-Based Design Regulations

1. To add a new Article 16, Form-Based Regulations, excluding all regulations specific to Atkins Corners and North Amherst village centers, and to amend Sections 3.01 and 5.061, and Articles 7 and 12.

ANNUAL TOWN MEETING WARRANT ARTICLES

Add Form-Based Design Regulations for Atkins Corners

2. To add those regulations under Article 16, Form-Based Regulations, specific to zoning districts and overlay districts in Atkins Corners village center, and to amend Articles 2, 3, 5, 6, 7, 8, 12 and 16, as well as Section 3.3, Use Classification and Standards (Use Chart), and Table 3, Dimensional Regulations, including all amendments specific to the Atkins Corners village center.

Add Atkins Corners zoning districts to Official Zoning Map

To amend zoning district boundaries as shown on Figure 1A for the Atkins Corners village center.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 25. Zoning – Form Based Zoning and North Amherst Rezoning
(Planning Board)**

To see if the Town will vote to amend the Zoning Bylaw as shown in the document “Town of Amherst, Form-Based Zoning,” as follows:

Add Form-Based Design Regulations

1. To add a new Article 16, Form-Based Regulations, excluding all regulations specific to Atkins Corners and North Amherst village centers, and to amend Sections 3.01 and 5.061, and Articles 7 and 12.

Add Form-Based Design Regulations for North Amherst village center

2. To add those regulations under Article 16, Form-Based Regulations, specific to North Amherst village center, and to amend Articles 2, 3, 5, 6, 7, 8, 12 and 16, as well as Section 3.3, Use Classification and Standards (Use Chart), and Table 3, Dimensional Regulations, all, including all amendments specific to North Amherst village center.

Add North Amherst village center zoning districts to Official Zoning Map

To amend zoning district boundaries as shown on Figure 1B for North Amherst village center.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 26. Zoning – Residential Parking Design Regulations
(Planning Board)**

To see if the Town will amend Sections 7.00 and 7.1 of the Zoning Bylaw, as follows:

- A. Amend Section 7.00 by reorganizing sentences, deleting the ~~lined-out~~ language, and adding the language in bold italics, as follows:**

- 7.00 In all districts except Educational Districts, off-street parking spaces shall be provided and maintained in connection with the construction, conversion or increase in ***dwelling*** units or dimensions of buildings, structures or use. ***The provisions of this section shall apply to parking spaces for cars, vans, light trucks, and similar vehicles used predominantly for personal transportation. Parking for commercial vehicles or vehicles used for private or public transit shall be governed under the provisions of Sections 7.1, 7.3 and 7.5. such Except as may be required otherwise by the Permit Granting Board or Special Permit Granting Authority, as applicable, parking spaces shall be provided in at least the following minimum amounts.***

7.000 For dwellings, including apartments:

7.0000 ~~Two~~ (2) parking spaces for each dwelling unit.

7.0001 ***Parking spaces for cars or similar vehicles parked in the front set back shall be on a parking paved surface such as concrete, bituminous asphalt, masonry pavers, oil and stone, gravel, trap rock, or a similar material (see Section 7.100).***

ANNUAL TOWN MEETING WARRANT ARTICLES

7.0002 *In any residential district, there shall be a maximum of two (2) cars or similar vehicles allowed to be parked in the front setback of any property. Parking in the front setback shall be on paved surfaces only. Where five (5) or more cars are regularly parked on a given property in association with a residential use, parking in the front setback shall be designed so as to ensure free passage at all times for regular users and unrestricted access for emergency vehicles.*

- B. Amend Section 7.1 by deleting the ~~lined-out~~ language and adding the language in ***bold italics***, by adding a new Section 7.100, and by renumbering the remaining sections accordingly, as follows:

SECTION 7.1 DESIGN STANDARDS AND LANDSCAPE STANDARDS

The purposes of these design and landscaping requirements are to provide for: the safe and efficient flow of pedestrian and vehicular traffic; the separation of parking areas from abutting streets; visual relief from expanses of unbroken blacktop and vehicles; proper drainage and snow removal; and general visual enhancement of parking areas. Residential uses of four or fewer units shall be exempt from Sections ~~7.100~~ **7.102** and ~~7.101~~ **7.103**.

7.10 Design Standards

7.100 ***For new or altered parking areas consisting of a total of five (5) or more parking spaces, where no Special Permit or Site Plan Review approval is required:***

7.1000 ***Parking Plan Required: An accurate scaled site plan shall be submitted to the Building Commissioner demonstrating compliance of the proposed parking with this Bylaw with respect to driveways, grading, slope, drainage, design, setbacks, layout, location on the site, circulation, lighting, landscaping, and other pertinent features.***

7.1001 ***Waiver or Modification: Where not otherwise provided for under Section 7.90 or other sections of the Bylaw, any provision of Section 7.1 may be waived or modified by the Building Commissioner for compelling reasons of safety or design, except that no such administrative waiver or modification may be granted for maximum lot coverage.***

7.101 ***Paving: For the purposes of this bylaw, a paved parking surface shall be considered to be one which has a prepared subgrade and compacted gravel base with a minimum total 12 inch depth, appropriate grading and drainage, and which is surfaced with a minimum 2 inch top coat of concrete, asphalt, masonry pavers, oil and stone, gravel, trap rock, or similar material, as approved or modified by the Town Engineer. To the extent feasible, permeable or porous paving shall be employed in new construction or site renovations or improvements.***

7.102 ***Slope:*** Parking areas used for parking and vehicle maneuvering shall have grades not to exceed five percent slope.

Driveways used exclusively for ingress or egress or interior parking lot circulation shall have slopes not exceeding 12 percent except within 30 feet of the road, in which case the slope shall not exceed 5 percent.

7.103 Set back from buildings: except for parking within an enclosed structure, no parking space shall be located within eight feet of a building wall. No access aisle, entrance or exit driveway shall be located within five feet of a building. Loading docks are exempt from this requirement.

7.104 Dimensions, ***Marking & Delineation***

The area of all parking areas shall be included in the calculation of maximum lot coverage.

Parking areas shall be clearly delineated and shall be provided with a permanent dust-free surface and adequate drainage. Each parking space shall be at least 9 feet x 18 feet in size, and all parking areas must have adequate access and maneuvering areas. The Zoning Board of Appeals (SP) or the Planning Board (SPR) may allow, upon application, small car parking spaces (8 feet x 16 feet) to be substituted for up to fifty percent of the standard parking spaces. Compact parking spaces shall be designated by clearly visible signs.

In all parking areas of five (5) or more parking spaces, individual spaces shall be painted, marked or otherwise delineated in a manner sufficient to visibly identify said spaces.

ANNUAL TOWN MEETING WARRANT ARTICLES

Curb radii, driveway width, and other such dimensions shall comply with the "Street and Site Work Construction Standards", adopted by the Select Board, as such standards may be amended, unless otherwise specified in Section 7.1, Design Standards and Landscape Standards.

Ramps between parking areas of different elevations shall not exceed 12 percent slope, with a maximum 5 percent transition slope for a minimum length of 20 feet at the upper and lower end of the ramp slope. All parking plans involving ramps shall be accompanied by profiles showing the ramp, ramp transitions, and overhead and wall clearances.

- 7.105** Lighting: adequate lighting shall be provided for all parking areas of 40 ~~5~~ spaces or more if these areas are to be used at night. ~~Any illumination, including security lighting, shall be arranged so as to reflect away from adjoining properties and rights-of-way. Residential projects containing eight or fewer dwelling units are exempt from 7.103.~~ **All exterior site lighting associated with parking areas shall be downcast and shall be directed or shielded to eliminate light trespass onto any street or abutting property and to eliminate direct or reflected glare perceptible to persons on any street or abutting property and sufficient to reduce a viewer's ability to see.**

Adjacent properties shall be protected from light intrusion through the use of cut-off luminaries, light shields, lowered height of light poles, screening or similar solutions. All exterior site lighting shall be kept extinguished outside of normal hours of use, except for lighting necessary for site security and the safety of employees and visitors, which lighting shall be activated and controlled through motion sensors or similar technology.

- 7.106** Entrance and exit driveways: ~~for parking areas containing fewer than 5 spaces, the minimum width of entrance and exit drives shall be 10 feet wide for one-way use and 18 feet wide for two-way use. For facilities containing five or more spaces, such drives shall be a minimum of 10 feet wide for one-way use and 18 feet wide for two-way use.~~ The minimum curb radius shall be 15 feet. The maximum width of such driveways at the property line shall be 24 feet. The permit granting board may modify these width and radius limitations to facilitate traffic flow and safety.

Driveways shall be located and designed so as to minimize conflict with traffic and provide clear visibility and sight distances for the observation of approaching pedestrian and vehicular traffic. The design and layout of driveways and circulation serving parking areas of 5 or more spaces shall prevent vehicles from backing into a street in order to exit the site. Circulation design, layout, and signs associated with non-residential uses shall direct exiting vehicles in a safe and convenient manner toward main thoroughfares and away from secondary streets passing through adjacent residential neighborhoods. No portion of the driveway at the edge of the street pavement shall be closer than 75 feet from an intersection, unless allowed by the Special Permit Granting Authority or Permit Granting Board.

7.11 Landscape Standards

- 7.110** Parking areas of 10 or more spaces shall provide a minimum of 10 percent of the total parking area as landscaped open space (this may be included in the calculation of open space area under Table 3: Dimensional Regulation: Maximum Lot Coverage).
- 7.111** Parking areas of 25 or more spaces shall provide landscaped islands of a minimum width of four feet, with raised curbs, throughout the parking area for the purposes of: a) defining parking lot entrances, b) defining the ends of a portion of the parking aisles, c) defining the location and pattern of primary internal access drives, d) separating parking spaces within long rows of spaces, and e) separating some of the rows of parking spaces from other rows.
- 7.112** Screening: parking areas with 5 or more spaces shall provide effective screening of the parking area from adjacent streets or properties. Such screening may be accomplished by: depressions in grade 3 feet or more; a hedge or wall; or any type of appropriate natural or artificial permanent division. Any required screening barrier shall not be less than 3 feet high. Screening shall not be located to obstruct driver visions so as to impair safety at intersections or driveway entrances or exits.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 27. Local Historic District
(Historic Commission)**

To see if the Town will vote to amend the General Bylaws of the Town by adding an Historic District Bylaw, and to create The Dickinson Historic District pursuant to MGL Chapter 40C..

NO RECOMMENDATION.

This article would establish the existing Dickinson Historic District, which is on the National Register, as a Local Historic District. While no restrictions are placed on buildings within a National Register District, a Local Historic District would require that new construction and substantial alterations to existing structures are in keeping with the district's historic heritage. A Local Historic District Commission of seven people would be established to hear applications and decide what changes to allow. The designation could make Amherst more likely to receive state historic preservation grants, and if a Local Historic District increases tourism, revenue from the hotel and meals taxes might increase. On the other hand, there will be increased administrative costs and another committee to staff without compensating revenue from fees, and renovations to the Amherst Police Station might be more expensive. Since any financial effects on the Town are speculative and unclear, the Finance Committee makes no recommendation.

**ARTICLE 28. Petition Article - Reversing Citizens United v. Federal Elections Commission
(Swift et al.)**

WHEREAS, the First Amendment to the United States Constitution was designed to protect the free speech rights of people, not corporations;

WHEREAS, Corporations are not people but instead are entities created by the law of states and nations;

WHEREAS, this corporate takeover of the First Amendment has reached its extreme conclusion in the United States Supreme Court's ruling in Citizens United v. Federal Elections Commission;

WHEREAS, the United States Supreme Court's ruling in Citizens United v. Federal Elections Commission overturned longstanding precedent prohibiting corporations from spending their general treasury funds in our elections;

WHEREAS, the United States Supreme Court's ruling in Citizens United v. Federal Elections Commission has unleashed a torrent of corporate money in our political process unmatched by any campaign expenditure totals in United States history;

WHEREAS, the people of the United States have previously used the constitutional amendment process to correct those egregiously wrong decisions of the United States Supreme Court that go to the heart of our democracy and self-government;

Now be it resolved that the Town of Amherst, Massachusetts, hereby calls upon the United States Congress to pass and send to the states for ratification a constitutional amendment to reverse Citizens United v. Federal Elections Commission and to restore constitutional rights and fair elections to the people.

And be it further resolved that the Massachusetts Legislature be urged to call upon the United States Congress to pass and send to the states for ratification a constitutional amendment to reverse Citizens United v. Federal Elections Commission and to restore constitutional rights and fair elections to the people.

Now be it further resolved that the Town Clerk be directed to send a copy of this resolution to Sen. John F. Kerry and Sen. Scott P. Brown, Congressman John W. Olver, Massachusetts State Senator Stanley Rosenberg, and Massachusetts State Representative Ellen Story..

NO RECOMMENDATION.

This article asks Town Meeting to urge passage of an amendment to the U.S. Constitution that would reverse the Supreme Court's decision in Citizens United v. Federal Elections Commission.

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 29. Petition Article – Bylaw Regarding Sharing of Information with Federal Agencies (Hooke et al.)

WHEREAS the Town of Amherst has been enriched and built by generations of immigrants; and,

WHEREAS the program called "Secure Communities" (SComm), run by federal Immigration and Customs Enforcement, harms our communities by mandating local law enforcement reporting of information with the Department of Homeland Security on individuals they detain or arrest, thus involving local law enforcement in federal immigration policy; and,

WHEREAS SComm is an unfunded mandate, meaning that the burden of incarceration, detention, and care for detained people falls upon the budget of local law enforcement and upon the Town of Amherst; and,

WHEREAS SComm rejects a community policing model, which is based upon trust between law enforcement and the population it is meant to protect and serve, and has already been shown to increase distrust and fear of local authorities, making many immigrants afraid to be witnesses and report crimes against themselves and others; and,

WHEREAS SComm violates the Town of Amherst Bylaws, including the Human Rights Bylaw (STM- November 8, 1999, Art. 16), as SComm explicitly promotes discrimination on the basis of nation of origin and implicitly promotes discrimination on the basis of race, color, and socio-economic status; and,

WHEREAS current Code of Federal Regulations that govern the Federal Bureau of Investigation (FBI) states in 28 C.F.R. Pt. 20 et seq., that "[s]tate and local governments will determine the purposes for which dissemination of criminal history record information is authorized" and that state and local governments are permitted to decide whether or not the FBI is authorized to share their data with other agencies by "State law, executive order, local ordinance, or court rule, decision or order" and may "place a total ban on dissemination."; then

NOW, THEREFORE, BE IT RESOLVED that the Amherst Representative Town Meeting vote to amend the town's General Bylaws, in accordance with the "Classification of New By-laws" (ATM- March 20, 1939- Art. 12), to include the following:

Criminal history record information shall be defined as Information collected by criminal justice agencies on individuals consisting of names; addresses; biometric information including but not limited to fingerprint records, photographs, video recordings and iris- scans; identifiable descriptions; notations of arrests, detentions and indictments; information, or other formal criminal charges and any disposition arising therefrom, including acquittal, sentencing, correctional supervision, and release.

Criminal justice agencies shall be defined as Agencies tasked with law enforcement or criminal justice functions, such as police, courts, and district attorneys.

Criminal history record information that originates in the Town of Amherst and is transmitted to the FBI, whether through a state or local entity, shall, in accordance with 28 C.F.R. Pt. 20 et seq, not be disseminated by the FBI to other agencies for any reason;

FURTHER BE IT RESOLVED that the Amherst Town Manager is instructed to send, within 15 days of the taking effect of this Bylaw, notice to the FBI informing the Agency of the passage of this Bylaw, and instructing the FBI that pursuant to 28 C.F.R. Pt.20 et seq., the Agency shall immediately cease the dissemination to other agencies of criminal history record information originating in the Town of Amherst, Massachusetts; and,

FURTHER BE IT RESOLVED that the Amherst Town Manager, after the taking of effect of this Bylaw, is instructed to send copies of this Bylaw to the Governor of the Commonwealth of Massachusetts Deval Patrick, to Senators John Kerry and Scott Brown, to our Representative in Congress, John W. Olver, and to State Senator Stanley Rosenberg and State Representative Ellen Story.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

ARTICLE 30. Petition Article – Bylaw Regarding Measures Relative to Banking of Town Funds (O'Connor et al.)

To see if the Town will vote to enact the following measures relative to banking the town's governmental funds:

1a. Resolved, that the Amherst Representative Town Meeting vote to amend the Town's general bylaws in accordance with rules previously adopted by adding the following:

ANNUAL TOWN MEETING WARRANT ARTICLES

All taxes, fees, fines, penalties and other monies collected or received by the Town of Amherst, its enterprise funds, and the Amherst Elementary Schools shall be deposited in accordance with the laws and regulations of the Commonwealth as they apply to municipal governments, only in banks, credit unions, and other financial institutions operating solely within the Commonwealth of Massachusetts.

1b. Resolved, that the town vote to request that our representatives to the Great and General Court, State Senator Stanley Rosenberg and State Representative Ellen Story; to sponsor, support and vote for special legislation for the Town of Amherst exempting said Town of Amherst from any and all Massachusetts laws and regulations requiring the town to deposit its governmental monies in banking institutions not operating solely within the boundaries of the Commonwealth.

And, Further Be It Resolved, that upon the taking effect of the above vote, the Town Clerk shall, within ten working days, transmit a certified copy of this request and vote thereon to the town's representatives to the Great and General Court.

2. Resolved, that the town vote to request that our representatives to the Great and General Court, State Senator Stanley Rosenberg and State Representative Ellen Story, sponsor, support and vote for legislation establishing The Bank of Massachusetts - into which all governmental monies of the Commonwealth and every institutional and political subdivision thereof shall be deposited and whose investments and loans shall be confirmed to governmental securities of the United States, the Commonwealth of Massachusetts and its institutional and political subdivisions, loans to undergraduate and graduate college students who are residents of Massachusetts or who attend Massachusetts institutions of higher learning, non-resalable Massachusetts home mortgages for individuals and families whose incomes are 120% or less than the median income for their region, loans for energy conservation and renewable energy generation to governmental institutions and businesses whose physical facilities lie wholly within the Commonwealth, and for such other purposes as the General Court shall prescribe. .

And, Further Be It Resolved, that upon the taking effect of the above vote, the Town Clerk shall, within ten working days, transmit a certified copy of this request and vote thereon to the town's representatives to the Great and General Court.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

APPENDICES

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APPENDIX A

DEBT OBLIGATIONS FY 2013 - FY 2022

	Last Payment	FY 13 Payments	FY 14 Payments	FY 15 Payments	FY 16 Payments	FY 17 Payments	FY 18 Payments	FY 19 Payments	FY 20 Payments	FY 21 Payments	FY 22 Payments
GENERAL FUND											
LONG TERM DEBT											
Town Hall Refunding	FY 16	185,000	178,600	167,200	156,000	-					
Wildwood School Roof	FY 13	61,013									
Crocker Farm (1)	FY 19	252,000	244,000	236,000	228,000	220,000	212,000	204,000			
Sidewalks (2005)	FY 14	70,200	67,600								
Plum Brook Recreation Fields	FY 15	51,840	50,160	48,720							
Town Hall Exterior (General Fund)	FY 20	34,370	33,390	32,550	31,815	31,150	30,380	29,540	28,560		
Town Hall Exterior (CPA)	FY 20	27,619	26,831	26,156	25,566	25,031	24,413	23,738	22,950		
Bangs Community Center Roof/HVAC	FY 20	46,422	40,219	39,274	56,244	55,069	53,708	52,223	50,490		
DPW - Roads Reconstruction	FY 21	558,000	546,750	536,625	525,375	513,563	500,625	487,125	473,625	458,438	
Hawthorne Property Acquisition (CPA)	FY 21	62,000	60,750	59,625	58,375	57,063	55,625	54,125	52,625	50,938	
Portable Classrooms	FY 19	32,190	34,650	34,050	33,150	27,250	26,500	25,750			
South Amherst School	FY 22	21,640	24,300	23,900	23,300	22,700	22,100	16,500	16,050	15,600	15,300
Housing Authority Co-Project	FY 22	44,100	43,400	42,700	41,650	40,600	39,550	38,500	37,450	36,400	35,700
		1,446,394	1,350,650	1,246,800	1,179,475	992,426	964,901	931,501	681,750	561,376	51,000
DEBT PAID BY OVERRIDES											
High School Roof	FY 15	103,689	99,918	96,148							
Regional High School Renovations	FY 18	259,373	213,523	171,480	125,378	83,239	37,330				
		363,062	313,441	267,628	125,378	83,239	37,330				
MISCELLANEOUS DEBT OBLIGATIONS											
Temp. Interest/Borrowing costs		17,911	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
		17,911	20,000	20,000	20,000	20,000	20,000				
TOTAL GENERAL FUND DEBT		1,827,367	1,684,091	1,534,428	1,324,853	1,095,665	1,022,231	931,501	681,750	561,376	
ENTERPRISE FUNDS											
LONG TERM DEBT											
WATER FUND											
Centennial Treatment Facility Upgrades	FY 32	298,850	294,850	290,850	284,850	278,850	272,850	266,850	260,850	254,850	250,850
		298,850	294,850	290,850	284,850	278,850	272,850	266,850	260,850	254,850	250,850
SEWER FUND											
Chapel Road Sewer Ext.	FY 14	106,600	102,000								
Middle Street Extension	FY 13	193,206									
Sewer Ext, Harkness Design	FY 22	20,860	17,500	12,200	11,900	11,600	11,300	11,000	10,700	10,400	10,200
		320,666	119,500	12,200	11,900	11,600	11,300	11,000	10,700	10,400	10,200
TRANSPORTATION FUND											
Parking Garage Refunding	FY 20	65,975	59,125	57,625	56,313	55,125	48,825	47,475	45,900		
		65,975	59,125	57,625	56,313	55,125	48,825	47,475	45,900		
TOTAL ENTERPRISE FUNDS DEBT		685,491	473,475	360,675	353,063	345,575	332,975	325,325	317,450	265,250	
TOTAL DEBT		2,512,858	2,157,566	1,895,103	1,677,916	1,441,240	1,355,206	1,256,826	999,200	826,626	

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FINANCE COMMITTEE REPORT - FY 13**

APPENDIX B

**FY 13 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS
ALLOCATED TO DEPARTMENTS**

	FY 09 Budget	FY 10 Budget	FY 11 Budget	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	Percent Change
General Government	\$ 3,638,947	3,449,875	3,558,197	3,793,629	3,721,683	(71,946)	-1.9%
Public Safety	\$ 9,803,195	9,802,331	10,098,045	10,002,827	10,401,799	398,972	4.0%
Public Works	\$ 2,071,233	2,172,309	2,270,638	2,278,184	2,359,097	80,913	3.6%
Planning, Conservation & Inspections	\$ 1,020,333	1,025,797	902,571	1,060,742	1,105,629	44,887	4.2%
Community Services	\$ 2,042,601	1,874,041	1,763,468	1,856,059	1,994,986	138,927	7.5%
TOTAL APPROPRIATION	\$ 18,576,309	18,324,352	18,592,919	18,991,440	19,583,194	591,754	3.1%

	FY 09 Budget	FY 10 Budget	FY 11 Budget	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	Percent Change
Select Board/Town Manager	\$ 279,773	260,767	266,604	294,098	298,515	4,417	1.5%
Town Meeting/Finance Committee	\$ 800	800	800	800	800	0	0.0%
Finance Department	\$ 992,420	1,001,257	1,014,505	1,015,169	1,069,085	53,916	5.3%
Legal Services	\$ 95,000	95,000	110,000	110,000	110,000	0	0.0%
Human Resources/ Human Rights	\$ 231,729	160,955	173,360	193,604	200,209	6,605	3.4%
Information Technology	\$ 529,000	507,911	534,465	530,555	543,407	12,852	2.4%
Town Clerk's Office	\$ 172,394	174,055	181,783	187,667	192,891	5,224	2.8%
Elections & Registration	\$ 54,824	28,524	52,440	43,000	52,025	9,025	21.0%
Facilities Maintenance	\$ 519,997	555,587	489,274	523,943	537,970	14,027	2.7%
General Services	\$ 405,361	410,321	380,721	365,721	372,849	7,128	1.9%
SUBTOTAL	\$ 3,281,299	3,195,177	3,203,951	3,264,557	3,377,751	113,194	3.5%
Employee Pay/Benefits	\$ 357,648	254,698	354,246	529,072	343,932	(185,140)	-35.0%
TOTAL APPROPRIATION	\$ 3,638,947	3,449,875	3,558,197	3,793,629	3,721,683	(71,946)	-1.9%

	FY 09 Budget	FY 10 Budget	FY 11 Budget	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	Percent Change
Police Facility	\$ 183,285	216,418	193,316	193,234	195,463	2,229	1.2%
Police	\$ 4,588,001	4,597,460	4,649,135	4,600,205	4,740,647	140,442	3.1%
Fire/EMS	\$ 4,285,123	4,266,346	4,547,899	4,494,411	4,703,339	208,928	4.6%
Communications Center	\$ 691,747	664,635	647,589	656,869	702,133	45,264	6.9%
Animal Welfare	\$ 55,038	57,472	60,106	58,108	60,217	2,109	3.6%
TOTAL APPROPRIATION	\$ 9,803,195	9,802,331	10,098,045	10,002,827	10,401,799	398,972	4.0%

	FY 09 Budget	FY 10 Budget	FY 11 Budget	FY 12 Budget	FY 13 Fin Com	Change FY 12-13	Percent Change
Public Works Administration	\$ 329,648	325,239	336,489	349,049	363,270	14,221	4.1%
Highway	\$ 716,397	763,876	721,120	680,947	715,504	34,557	5.1%
Snow & Ice Removal	\$ 189,410	240,410	280,410	280,410	280,410	0	0.0%
Street & Traffic Lights	\$ 112,248	112,248	139,650	139,650	139,650	0	0.0%
Equipment Maintenance	\$ 274,098	279,127	301,234	275,399	265,821	(9,578)	-3.5%
Tree and Grounds Maintenance	\$ 449,432	451,409	491,736	552,729	594,442	41,713	7.5%
TOTAL APPROPRIATION	\$ 2,071,233	2,172,309	2,270,638	2,278,184	2,359,097	80,913	3.6%

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FINANCE COMMITTEE REPORT - FY 13

APPENDIX B

**FY 12 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS
ALLOCATED TO DEPARTMENTS**

	FY09 Budget	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Fin Com	Change FY 12-13	Percent Change
Conservation	\$ 272,451	287,462	284,112	316,965	323,725	6,760	2.1%
Planning	\$ 334,306	342,660	263,715	318,797	331,306	12,509	3.9%
Inspection Services	\$ 413,577	395,674	354,744	424,980	450,598	25,618	6.0%
TOTAL APPROPRIATION	\$ 1,020,333	1,025,797	902,571	1,060,742	1,105,629	44,887	4.2%

	FY09 Budget	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Fin Com	Change FY 12-13	Percent Change
Public Health	\$ 377,632	407,929	319,393	340,746	374,548	33,802	9.9%
Senior Center	\$ 272,984	279,732	247,822	246,071	255,979	9,908	4.0%
Community Services	\$ 97,069	0	0	0	0	0	0.0%
Veterans' Serv. & Benefits	\$ 185,597	195,302	219,477	294,369	294,369	-	0.0%
Leisure Services & S.E.	\$ 718,553	664,158	635,325	553,710	626,098	72,388	13.1%
Pools	\$ 169,887	97,154	105,246	170,945	192,011	21,066	12.3%
Golf Course	\$ 220,879	229,765	236,205	250,218	251,981	1,763	0.7%
TOTAL APPROPRIATION	\$ 2,042,601	1,874,041	1,763,468	1,856,059	1,994,986	138,927	7.5%

APPENDIX C

GLOSSARY

These definitions explain the meaning of some terms frequently used at Amherst Town Meeting as the terms apply to Amherst government.

Appropriation - The authorization by Town Meeting of an expenditure for a specified purpose using money from one or more specified sources (taxation, borrowing, grants, etc.). In most cases, a simple majority vote is required; authorization to borrow and appropriations from the Stabilization Fund require a two-thirds vote.

If the expenditure turns out to be less than the appropriation, the remainder is called an appropriation balance. An appropriation balance from a specific project or use can be made available for similar or related purposes by subsequent votes of appropriation transfers. Appropriation balances in the General Fund which stem from the Town's operating budget revert to Free Cash at the end of the fiscal year.

Capital expenditure exclusion - See "Exclusions".

Capital plan - A list of proposed expenditures and funding sources for needs such as land acquisition, construction, major equipment and maintenance, and other special projects that add to the value of the Town's assets.

Cherry Sheet – The official notification from the State of the amounts and types of aid the State will provide to each municipality in a fiscal year, and the amounts each municipality must pay the State and regional entities for a variety of services provided. The document is called a "cherry sheet" because it comes on pink paper.

Contingent appropriation - An appropriation voted by Town Meeting that becomes effective only if the amount is approved in a Proposition 2 1/2 override election.

Debt exclusion - See "Exclusions".

Enterprise fund - A fund established to provide specific services. The state allows enterprise funds only for water, sewer, solid waste, hospital, recreation services, and transportation. Amherst has five: water, sewer, solid waste, golf course, and transportation. Both the costs and the revenues of the enterprise are segregated from other finances of the Town. The costs of the operation are intended to be financed totally or primarily from user charges. Surplus funds, called unreserved retained earnings, may accumulate in the fund for future use by the enterprise. Surpluses result primarily from revenues in excess of estimates and from unexpended appropriations.

Excess taxing capacity - The difference between actual real and personal property taxes levied in any given year and the amount authorized to be assessed under Proposition 2 1/2.

Exclusions - Exclusions allow, by referendum, an increase in the amount of property taxes which a community may levy, for a limited period of time, and only for capital purposes. The revenue is in addition to the levy limit, but it neither increases the levy limit nor becomes part of the base for calculating levy limits of future years. "Capital purposes," in this context, are those for which the Town is authorized to borrow under Massachusetts General Laws, Chapter. 44, sections 7 and 8. Generally, this includes public building and public works projects and land and equipment acquisitions.

The money to pay for these projects is authorized by Town Meeting, but only the Select Board, by a two-thirds majority, can place exclusion questions on the ballot to raise money by increasing the levy.

Capital expenditure exclusion - A one-year increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project. The referendum question defines the project, states the maximum amount of the exclusion, and specifies the fiscal year in which the payment will occur.

Debt exclusion - A temporary increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project by means of debt. Both principal and interest are excluded from the levy limit until the debt is retired. The referendum question defines the project, but it does not state the amount of money to be excluded or the years of debt payments. (Estimated amounts are publicized prior to the referendum.)

APPENDIX C

GLOSSARY

Free Cash - The unreserved, undesignated fund balance of the General Fund that accumulates from revenues collected in excess of estimates and from unexpended appropriation balances. These are the only sources of Free Cash; money cannot be appropriated to Free Cash. The amount is calculated and certified by the state's Department of Revenue each year as of July 1, the first day of the fiscal year. Free Cash may be spent by Town Meeting appropriation only, by majority vote.

General Fund - The general operating fund of the Town. It includes revenues from taxation, general state aid, school aid, and all other financial resources that are not held for specific purposes. Expenditures from this fund may be for any purpose for which a municipality may legally appropriate funds. Enterprise Fund money is not part of the General Fund.

Levy - *Verb*: To impose a tax. *Noun*: The total amount of real and personal property taxes assessed in any given year, referred to as "the levy".

Levy ceiling - The limit imposed by Proposition 2 1/2 which equals 2 1/2% of the total full and fair cash value of all property in the Town. The levy may not exceed this amount; taxpayers may not vote a higher amount in an override. The levy ceiling is equal to a tax rate of \$25 per \$1,000 of valuation.

Levy limit - The amount that a town may raise in taxes each year without approval by the voters in a referendum. The levy limit is the prior year's limit plus 2 1/2% of that amount plus an amount approved by the state that resulted from "new growth".

Referenda of two types may be used to increase the limit: override and exclusion.
These are defined elsewhere in this list.

New growth - The increased value in a given year of new development and other growth in the tax base that is not the result of revaluation. Included are physical additions or improvements to taxable property, exempt real property returned to the tax roll, new personal property, and new subdivision parcels and condominium conversions. New growth of one year becomes part of the base for calculating the next year's levy limit.

Overlay / reserve for abatements and exemptions - Tax abatements and exemptions are allowed for a variety of reasons specified in the Massachusetts General Laws. At the time the levy is assessed, the amount of qualifying abatements that will be granted is not determinable; therefore an amount of money must be set aside to provide for these abatements. If at the end of a fiscal year a balance remains in the reserve and the Assessors determine that no further claims are pending, the amount remaining may be reappropriated for other purposes or closed to Free Cash.

Override - A permanent increase in the levy limit approved by the voters in a referendum. The increase becomes part of the base for calculating levy limits of future years.

An override ballot question requests funding for expenses that are expected to continue into the future. The purpose stated in the question may be broad (for example, "general operating expenses") or narrow (for example, "two fire fighters"). The amount of money is also stated in the question, along with the fiscal year in which the increase is to become effective. Money from an override is earmarked for the purpose stated in the ballot question in the first year the override is in effect. Funding for this purpose can be expected to continue, even though, in subsequent years, the money is considered to be an undifferentiated part of the General Fund.

Overrides may be structured in any of three forms: a single ballot question stating a single purpose and related amount of money; a "pyramid" consisting of two or more separate ballot questions stating the same purpose but different amounts of money in each question; or a "menu" of separate questions, each stating a different purpose along with its related amount of money.

Override questions can be put on the ballot only by majority vote of the Select Board. The form of the override and the wording of the question or questions is also determined by the Select Board.

Reserve Fund - An account voted annually by Town Meeting to be used for extraordinary and unforeseen expenses that may occur during a fiscal year. The appropriation may not exceed 5% of the previous year's tax levy. Transfers from this fund are made by majority vote of the Finance Committee.

APPENDIX C

GLOSSARY

Reserves - Money accumulated for future expenditure. Free Cash and the Stabilization Fund are general reserves that may be used for a wide variety of purposes. Some reserves are available only for restricted purposes, for example, the Ambulance Account, the Conservation Fund, the Parking Meter Receipt Account, and the Sale of Real Estate Account.

Revolving Fund - A special purpose account that accumulates revenues based on charges for services and from which expenditures are made without Town Meeting appropriation for uses for which the revenue was collected. The purposes for which the Massachusetts General Laws authorize such accounts to be established are recreation, adult education, and school lunch. These funds differ from enterprise funds in that they do not accumulate and capitalize assets, there are restrictions on the size of fund balances they may retain from year to year, and some restrictions are placed on the purposes for which funds may be expended.

Stabilization Fund - An account established to save funds for future needs. Town Meeting may appropriate funds to the account, subject to limits imposed by state law. Transfers from the account may be made at Annual or Special Town Meetings for any lawful purposes. A two-thirds vote of Town Meeting is required to transfer money out of the fund. The state originally limited use of this fund to capital purposes only, a restriction that no longer exists.