



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

and

**RECOMMENDATIONS TO THE  
251st ANNUAL TOWN MEETING**

MAY 3, 2010  
7:30 O'Clock p.m.  
Amherst Regional Middle School Auditorium

# **2010 TOWN MEETING SCHEDULE**

## **Town Meeting Begins:**

MONDAY, MAY 3, 2010

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

WEDNESDAY, MAY 5, 2010

MONDAY, MAY 10, 2010

WEDNESDAY, MAY 12, 2010

MONDAY, MAY 17, 2010

MONDAY, MAY 24, 2010

WEDNESDAY, MAY 26, 2010

WEDNESDAY, JUNE 2, 2010

MONDAY, JUNE 7, 2010

WEDNESDAY, JUNE 9, 2010

MONDAY, JUNE 14, 2010

WEDNESDAY, JUNE 16, 2010

MONDAY, JUNE 21, 2010

WEDNESDAY, JUNE 23, 2010

**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

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### 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

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### 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.

The initial sections provide an overall explanation of the budget and Town Meeting process, assess the Town's financial condition, and provide the context for our recommendations for each Article.

- The budget process this year was modified from recent years so that the Select Board could determine whether to present an override, the amount, and the specific question(s) to be presented to voter.
- Local taxes and fees are the component of our revenue that is more in our control than other revenue sources, State aid, in contrast, can be quite volatile with respect to year-to-year changes in amount. This is the third consecutive year of state aid reductions.
- While it is too early to project state aid for FY 12 as we consider the FY 11 budget during the 2010 Annual Town Meeting, we should consider that FY 12 will be very difficult for the state. The state is facing a budget deficit in that year of \$2.5 billion, which could be doubled if Massachusetts voters approve a ballot initiative that would reduce the sales tax.
- The FY 11 budget can be supported without using any reserves. If there is a possibility to do so, the Town should increase its reserves in anticipation of future needs, starting with FY 12.
- The Finance Committee is recommending budgets to Town Meeting that would allow the Town to levy taxes at an amount lower than the proposed new limit, after the override vote, commensurate with the additional revenue or expense savings after the Select Board deadline for override ballot language.
- Town Meeting should not increase any expenditure unless it is prepared to reduce expenditures elsewhere.

### 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 is in partial fulfillment of our responsibility to the 251<sup>st</sup> Annual Town Meeting.

### Budget Process

The budget process this year was modified from recent years. 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. The Amherst-Pelham Regional Schools use the same procedure.

In October, the Assistant Town Manager/Finance Director presented financial projections to the other administrators, the elected boards and committees, and the Finance Committee. This provided preliminary guidance on the level of resources that would be available for the coming year. The Finance Committee uses the information to develop preliminary budget guidelines for spending. In October, the Finance Director projected a deficit for 2011 exceeding \$4.2 million. The Select Board recognized that they would need to ask the voters to consider a Proposition 2½ override as part of the solution to balance the budget. Budget cuts additional to those implemented in 2010 and other efforts to generate revenue and increase efficiency were also needed. The Select Board asked the Budget Coordinating Group (BCG) to make a recommendation about the amount and form of an override to present to the voters for consideration at the annual town election in March. This year, the Finance Committee preliminary budget guidelines asked the Town Manager, Superintendent, and Library Director to develop budgets for the amount it projected to be available without an override and with more revenue. The committee also asked them to prioritize staff positions and programs that would be maintained with additional funds and to provide the information at earlier dates than in previous years. This information was to assist the BCG and the Finance Committee.

In January, the budgets were presented to the Finance Committee and BCG. The Finance Committee spent the next few months reviewing the budgets, asking questions, and hearing comments. During January and February, the Budget Coordinating Group (two members each from the Select Board, School Committee, Library Trustees and Finance Committee; the Chair of the Regional School Committee; the Town Manager; Superintendent of Schools; Library Director; Assistant Town Manager/Finance Director; and the Director of Finance and Operations for the Schools) met at least weekly to review the budgets, understand the lists of possible cuts in programs and personnel, identify what should be cut in any circumstance and what would be preserved if an override passed. By the time of the deadline for Select Board action the BCG concluded that 60% of the gap should be addressed with additional cuts and proposed that the Select Board seek an override to eliminate the remaining portion of the projected deficit. The BCG also agreed that, if there were additional revenues because state aid was greater than projected or there were savings because of additional wage concessions, they would not seek restorations in excess of the recommend dollar amounts. The BCG agreed to propose to the Finance Committee that it recommend budgets allowing the Town to levy taxes at

## FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

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an amount lower than the proposed new limit commensurate with any additional revenue or expense savings announced after the Select Board deadline for override ballot language.

During this same period of time, the Joint Capital Planning Committee 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 Finance Committee, the Select Board, the School Committee, and the Library Trustees, all of whom are represented on the Joint Committee.

After much deliberation and the voter approval of the override, the Finance Committee determined its recommendations on the budget to be presented to Annual Town Meeting. The budget, as voted by Town Meeting will become the plan of action for the following fiscal year (July 1 through June 30). Concurrently with this work, and also immediately after the close of the fiscal year, the budget of the present year is monitored and evaluated so that experience with it can guide future budget decisions.

### Budget Presentation

**Spending articles.** The operating budget for the Town as a whole makes up Article 9 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 section, a motion will be made proposing the total amount to be spent on that section. In all cases, Town Meeting will be able to discuss individual budget lines within the sections and provide advice and direction.

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.

**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 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, taxing at an amount greater than the commitment made to not levy more taxation than required to support the programs and positions that the BCG had decided were essential in February, or 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.

**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.

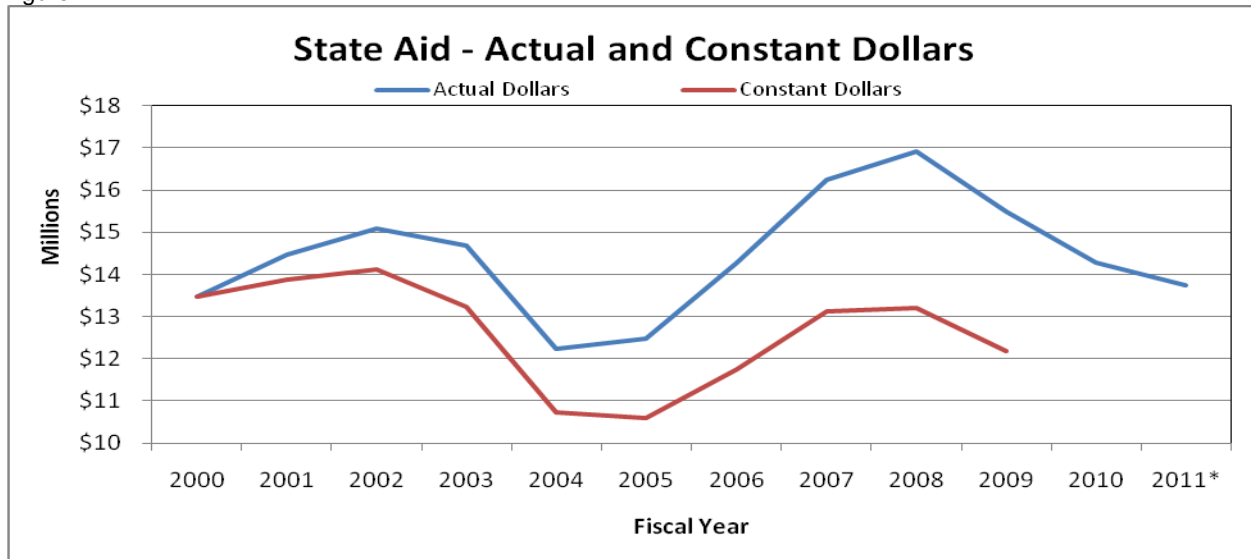
**Local taxes and fees** are the component of our revenue that is more in our control than other revenue sources, the most stable, and most predictable. Its growth is limited by a 1980 state law passed by voter initiative and commonly known as Proposition 2½. That law limits increases in the amount that 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. Without an override, there is a modest, steady increase in the tax levy over several years resulting from growth in the amount and value of real and personal property. The amount of revenue from new growth varies depending upon the economy and the amount of new construction, residential and commercial. In FYs 10 and 11 that growth is estimated to slow considerably. In 2011, tax revenue from new growth is expected to be \$350,000, a decrease of 4.3% from the current year. Tax revenue from new construction has declined each year since 2006. 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 responsible growth as part of fiscal policy when it considers whether to support Articles about development and zoning.

Voters can increase the levy limit by passing an override. On March 23 Amherst voters did so for only the third time since 1980. As noted in the section of this report on the Budget Process and discussed further below, an override increases the limit, but a Town is not obligated to levy taxes to that limit.

## FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

**State aid**, in contrast, can be quite volatile from year to year. Figure 1 shows this volatility clearly and Figures 2 and 3 depict 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 10, state aid is \$14,278,972. As recently as 2008, the state aid was \$16,917,170. The legislature's leadership advised cities and towns to expect a further reduction of 4% which will further reduce our state aid to \$13,743,259 for FY 11. This is an the third consecutive year of state aid reductions. (See the next section of this report for projections about FY 12.)

Figure 1



\* Projected

Amherst Trend	
Favorable	
Marginal	
Unfavorable	X
Uncertain	

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.

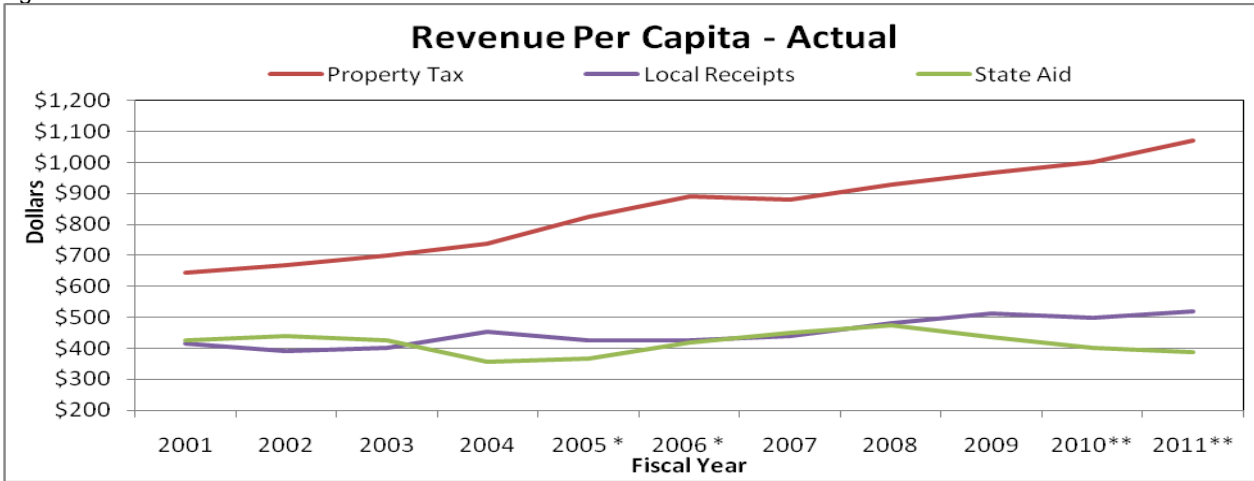
State Aid is lower in FY 11 than FY 01 in both actual and inflation adjusted dollars.

**Local receipts and other funding resources** are comprised of a number of separate fees, taxes, and grants. This report will specifically comment on two of them. Last year Town meeting approved an optional meals tax and increase in the hotel tax. It was in effect for part of FY 10 but will be collected for the full year in FY 11. An additional \$200,000 is expected, though there is some uncertainty because it is still a new tax. The ambulance fund will generate an estimated \$2,307,878 in FY 11. This funding supports a significant part of the cost to provide Fire and EMS services.



**FINANCE COMMITTEE REPORT TO AMHERST CITIZENS**

Figure 2

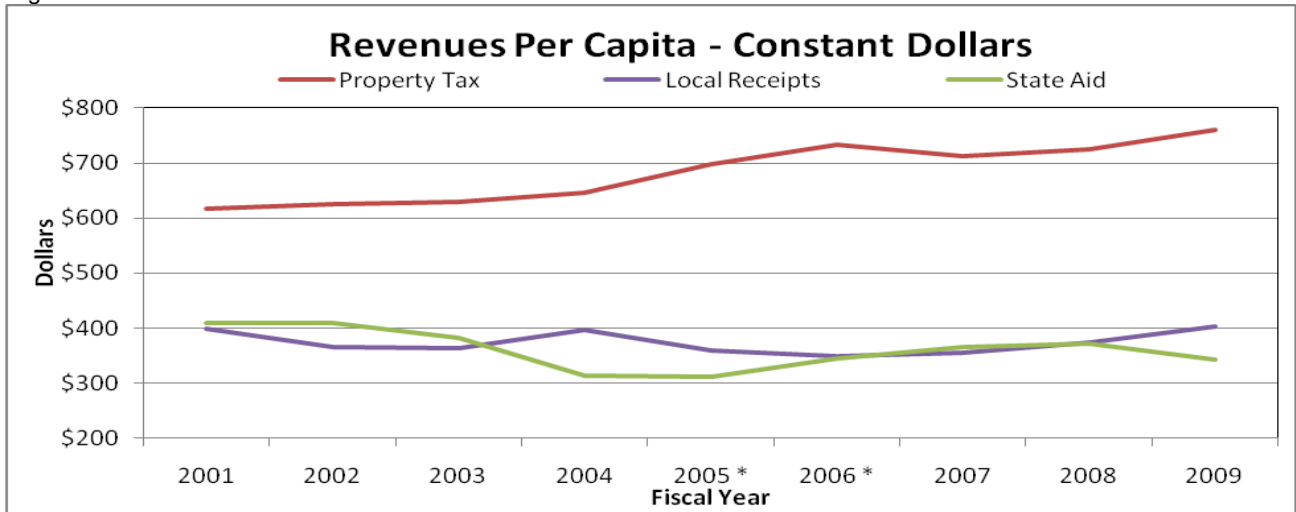


\* A \$2,000,000 override was approved by voters in March 2004 that was added to the tax levy over a 2-year period in FY 05 and FY 06.  
 \*\* Projection

Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Revenues from the property tax have increased by the allowable limits of Proposition 2 1/2 and were further increased in FY 05 and FY 11 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 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.

Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Property tax revenues have increased at about the rate of inflation except in FY 05 and FY 11 when overrides were passed by voters. State aid and local receipts have not kept pace with inflation.

**FINANCE COMMITTEE REPORT TO AMHERST CITIZENS**

**Projections for FY 12.** As noted in the previous section on Resources, revenue from property taxes is reasonably predictable, but revenue from state aid is not only unpredictable but can be 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.

FY 12 will be very difficult for the state. The state is facing a budget deficit in that year of \$2.5 billion. State revenues declined from FY 08, when they were \$20.9 billion, to a projected \$18.5 billion in FY 10. Revenues are projected to be \$19.05 billion in FY 11. Three elements are important to consider. The legislature increased the sales tax for FY 10 from 5% to 6.25% and applied it to sales of liquor. In November, Massachusetts voters will consider a ballot initiative that would reduce the sales tax to 3% and reinstate the exemption for the sale of liquor. If it passes, FY 11 revenue for the state will be reduced by \$1 billion, and FY 12 revenue will be reduced by \$2.5 billion, effectively doubling the deficit projected for that year. The state used its stabilization fund to maintain budgets in recent years, but that fund has now declined to \$607 million. The stabilization fund was \$2.1 billion at the beginning of FY 09. As we look toward FY 12, we must also recognize that the state had federal stimulus funds in FY 09 (\$1.3 billion), FY 10 (\$1.98 billion) and FY 11 (\$1.45 billion). There will be no stimulus funds available in FY 12. Health care costs continue to be an increasing expense for the state, which limits its capacity to assist local communities.

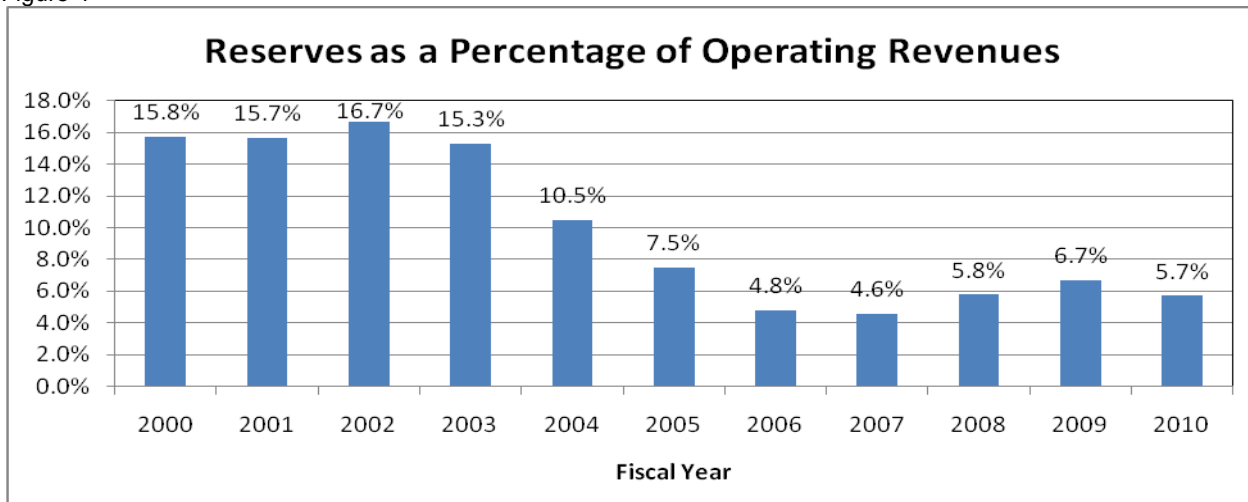
Though too early to project state aid for FY 12, it would be unwise to plan for an increase, and certainly not for an increase greater than 1.5%. Because of the uncertainty about state aid in FY 12, we need to carefully consider how we rebuild our own reserves and why we should adhere to the spending limits of this budget.

**Use of Reserves** The FY 11 budget can be supported without using any reserves. If there is a possibility to do so, the Town should increase its reserves in anticipation of future needs, starting with FY 12. 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 extraordinary expenses.” This goal is a widely accepted measure of good financial standing and a key factor in Amherst’s bond rating. As of July 1, 2009, last Fiscal Year, Amherst’s certified Free Cash was \$2,672,333 and the Stabilization Fund was \$1,380,604, for total reserves of \$4,052,937, 5.7% 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. As a result, the Town saved \$125,000 in interest expenses for bonds refinanced in December. The report recognized Amherst’s “Good financial management and good reserve levels heading into 2010”.

Given the uncertainty about state aid 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 the last two 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 reserves in FY 11 and desirable to increase reserves that are presently at the low end of the 5-15% range established by our policy.

Figure 4



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

Free cash and a stabilization fund permit greater financial flexibility and provide the Town with a safety net.

Between 2002 and 2007, Amherst’s reserves as a percentage of operating revenue declined substantially, but have rebounded slightly since then.

## FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

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**Spending.** The recommended expenditures from the general and enterprise funds for FY 11 are presented in the discussions of Articles 9-14, elsewhere in this report. These recommendations adopt budgets presented by the Town Manager, the Superintendent and the Library Director and reviewed by the Finance Committee, as explained above. The budgets were developed by the agreed process of the Budget Coordinating Group and adhering to the understandings established in that process. The amounts and the specific expenditures are reasonable, necessary and responsible.

**Excess levy capacity.** As noted above, the Budget Coordinating Group agreed that the Finance Committee would recommend budgets to Town Meeting that would allow the Town to levy taxes at an amount lower than the proposed new limit commensurate with any additional revenue or expense savings announced after the Select Board deadline for override ballot language. Therefore these spending recommendations, if adopted by Town Meeting, will allow the Town to levy taxes approximately \$500,000 below the permissible limit.

This adheres to the agreement made by the BCG and the understanding presented to voters. For reasons similar to the recommendation about reserves, it is also sound financial policy. The projections for FY 12 and our desire to achieve stability for the next three years suggest that Town Meeting should not increase any expenditure unless it is prepared to reduce expenditures elsewhere.

### Appreciation

The process of creating a spending plan within the limitation of available funds has been exceptionally challenging this year. A great many officials, both appointed and elected, have cooperated in the struggle. The conscientious effort of the Budget Coordinating Group to develop and adhere to a strict budget development calendar and process, and to present a responsible override proposal to the Select Board was essential. The Finance Committee respects the efforts of all of the people responsible for creating budgets; their job was, and still is, a difficult one. Town Manager Larry Shaffer has been generous to the Committee with his time and thoughtful ideas. So have Bonnie Isman, Library Director; former School Superintendent Alberto Rodriguez and Interim Superintendent Maria Geryk; and Robert Detweiler, Director of Finance and Operations for schools. The Select Board, Regional and Amherst School Committees and the Jones Library Trustees have had to force their desire to provide excellent services to fit within the confines of available resources. Many staff members representing all parts of Town government have given us their time and expertise. We thank them all. We especially appreciate the support of our staff liaison, Assistant Town Manager/Finance Director John Musante. He consistently gives us expert advice and provides us with a wealth of timely and useful information. Maria Racca has talents for data analysis and report publication that are indispensable to the Committee. Staff of the Town Manager's office helps keep us organized and up to date as new Town Meeting information becomes available.

This report has covered a number of topics and may raise additional questions for Town Meeting members as you prepare for the May 3 Annual Town Meeting. We invite you to submit questions in advance of the meeting to [fincom@amherstma.gov](mailto:fincom@amherstma.gov) and, if possible, we will respond before or during the session.

**Finance Committee Members:** We invite your questions and views about Town money matters.

Marilyn Blaustein	253-5963
Philip Jackson	549-2619
Kay Moran, Vice Chair	549-5767
Robert Saul	253-6631
Andrew Steinberg, Chair	549-6826
Douglas Slaughter	253-9920
Marylou Theilman	253-7980

## CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 11 General Fund	FY 11 Community Preservation Act	FY 11 Water Fund	FY 11 Sewer Fund
<b>REVENUES</b>				
Property Tax	38,435,530	370,000	0	0
Local Receipts	7,808,008	0	4,057,967	3,501,500
State Aid	13,743,259	116,560	0	0
Other Financing Sources	3,240,476	393,691	145,624	248,917
<b>TOTAL REVENUES</b>	<b>63,227,273</b>	<b>880,251</b>	<b>4,203,591</b>	<b>3,750,417</b>
<b>EXPENDITURES</b>				
<b><u>OPERATING BUDGET</u></b>				
Town	18,592,919	0	2,610,049	2,663,859
Elementary Schools	20,407,534	0	0	0
A-P Regional School District (Assessment)	13,112,795	0	0	0
Jones Library (Tax Support)	1,541,736	0	0	0
<b>Subtotal OPERATING BUDGET</b>	<b>53,654,984</b>	<b>0</b>	<b>2,610,049</b>	<b>2,663,859</b>
<b><u>CAPITAL BUDGET</u></b>				
Debt Service - Debt Exclusion	352,466	0	0	0
Debt Service - Current	872,564	66,411	703,716	325,284
Debt Service - Projected	85,314	0	0	0
Cash Capital (Tax Support)	1,340,135	0	0	0
<b>Subtotal Tax Funded Capital</b>	<b>2,650,479</b>	<b>66,411</b>	<b>703,716</b>	<b>325,284</b>
Community Preservation Act	0	302,100	0	0
Cash Capital (Non-Tax Support)	247,665	0	345,000	295,000
<b>Subtotal CAPITAL</b>	<b>2,898,144</b>	<b>368,511</b>	<b>1,048,716</b>	<b>620,284</b>
<b><u>MISCELLANEOUS</u></b>				
Assessment - Retirement System	3,190,355	0	133,210	141,583
Assessment - Regional Lockup Facility	31,323	0	0	0
Other	0	0	0	0
Reserve Fund	100,000	511,740	0	0
<b>Subtotal MISCELLANEOUS</b>	<b>3,321,678</b>	<b>511,740</b>	<b>133,210</b>	<b>141,583</b>
<b>Total APPROPRIATIONS</b>	<b>59,874,806</b>	<b>880,251</b>	<b>3,791,975</b>	<b>3,425,726</b>
<b><u>UNAPPROPRIATED USES</u></b>				
Reserve for Abatements & Exemptions	369,344	0	0	0
State Assessments (Cherry Sheet)	2,893,504	0	0	0
Cherry Sheet Offsets	74,388	0	0	0
Other Amounts to be Raised	15,231	0	411,616	324,691
<b>Subtotal UNAPPROPRIATED USES</b>	<b>3,352,467</b>	<b>0</b>	<b>411,616</b>	<b>324,691</b>
<b>TOTAL BUDGET PLAN</b>	<b>63,227,273</b>	<b>880,251</b>	<b>4,203,591</b>	<b>3,750,417</b>
<b>\$ Change from Prior year</b>	<b>1,445,953</b>	<b>253,677</b>	<b>(104,093)</b>	<b>27,259</b>
<b>% Change from Prior Year</b>	<b>2.3%</b>	<b>5.9%</b>	<b>-2.4%</b>	<b>0.7%</b>

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FINANCE COMMITTEE REPORT - FY 11

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

FY 11 Solid Waste Fund	FY 11 Transportation Fund	FY 11 COMBINED FUNDS (memo only)	FY 10 COMBINED FUNDS (memo only)	Change FY 10 - 11	Percent Change
0	0	38,805,530	36,435,006	2,370,524	6.5%
495,575	912,000	16,775,050	16,196,216	578,834	3.6%
0	0	13,859,819	14,406,656	(546,837)	-3.8%
36,699	55,833	4,121,240	4,856,301	(735,061)	-15.1%
<b>532,274</b>	<b>967,833</b>	<b>73,561,639</b>	<b>71,894,179</b>	<b>1,667,460</b>	<b>2.3%</b>
501,725	698,785	25,067,337	24,571,726	495,611	2.0%
0	0	20,407,534	20,381,768	25,766	0.1%
0	0	13,112,795	12,574,043	538,752	4.3%
0	0	1,541,736	1,468,029	73,707	5.0%
<b>501,725</b>	<b>698,785</b>	<b>60,129,402</b>	<b>58,995,566</b>	<b>1,133,836</b>	<b>1.9%</b>
0	0	352,466	400,837	(48,371)	-12.1%
0	71,032	2,039,007	2,021,867	17,140	0.8%
0	0	85,314	261,969	(176,655)	-67.4%
0	0	1,340,135	1,261,200	78,935	6.3%
<b>0</b>	<b>71,032</b>	<b>3,816,922</b>	<b>3,945,873</b>	<b>(128,951)</b>	<b>-3.3%</b>
0	0	302,100	646,574	(344,474)	-53.3%
0	75,000	962,665	960,200	2,465	0.3%
<b>0</b>	<b>146,032</b>	<b>5,081,687</b>	<b>5,552,647</b>	<b>(470,960)</b>	<b>-8.5%</b>
30,549	29,234	3,524,931	3,330,291	194,640	5.8%
0	0	31,323	31,323	0	0.0%
0	0	0	63,674	(63,674)	-100.0%
0	0	611,740	100,000	511,740	511.7%
<b>30,549</b>	<b>29,234</b>	<b>4,167,994</b>	<b>3,525,288</b>	<b>642,706</b>	<b>18.2%</b>
<b>532,274</b>	<b>874,051</b>	<b>69,379,083</b>	<b>68,073,501</b>	<b>1,305,582</b>	<b>1.9%</b>
0	0	369,344	332,415	36,929	11.1%
0	0	2,893,504	2,603,164	290,340	11.2%
0	0	74,388	72,139	2,249	3.1%
0	93,782	845,320	812,960	32,360	4.0%
<b>0</b>	<b>93,782</b>	<b>4,182,556</b>	<b>3,820,678</b>	<b>361,878</b>	<b>9.5%</b>
<b>532,274</b>	<b>967,833</b>	<b>73,561,639</b>	<b>71,894,179</b>	<b>1,667,460</b>	<b>2.3%</b>
<b>1,080</b>	<b>(20,190)</b>	<b>1,667,460</b>			
<b>0.2%</b>	<b>-2.0%</b>	<b>2.3%</b>			

## ANNUAL TOWN MEETING WARRANT ARTICLES

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**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 7-0.**

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**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.

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**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 7-0.**

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 10 to provide these tax exemptions, including the optional tax exemptions, was \$113,166 in foregone tax receipts. Reimbursement by the state for the base exemptions was \$39,754. The cost to the Town in FY 10 to provide the additional optional tax exemptions was \$42,141.

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

To see if the Town will accept the provisions of Chapter 44, Section 53F of the Massachusetts General Laws, 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 7-0.**

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.

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## ANNUAL TOWN MEETING WARRANT ARTICLES

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### ARTICLE 5. FY 2010 Budget Amendments (Finance Committee)

- A. To see if the Town will amend the budget voted under Article 22 of the 2009 Annual Town Meeting (FY 2010 Operating Budget) to transfer sums of money between General Government, Public Safety, Public Works, Planning, Conservation, and Inspections, Community Services, and Debt Service accounts to balance the 2010 Fiscal Year.
- B. To see if the Town will amend the action taken under Article 24 of the 2009 Annual Town Meeting (Reserve Fund) and appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund.

#### **RECOMMENDATION DEFERRED UNTIL 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. As this report is being written, it appears that there will be a motion for one transfer, from General Government to Public Safety. The Town was in negotiations with the union representing firefighters when the last budget was adopted. A retroactive increase in compensation was anticipated and funds were set aside for that purpose in a fund within the General Government budget. In February 2010 the Town and the Union agreed to a new contract. The motion to transfer the funds is now needed, since the compensation has been paid from the Public Safety budget.

Part B of this Article would appropriate a sum of money from free cash, if necessary, to supplement the \$100,000 that was appropriated to the Reserve Fund at the 2009 Annual Town Meeting under Article 24. 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. As this report is being written, it appears that there will be no deficit and that such a transfer will not be needed. In that event, the Finance Committee will move to dismiss Part B of this Article.

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### ARTICLE 6. Retirement Assessment (Select Board)

To see if the Town will raise and appropriate \$3,190,355 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 \$3,190,355 to be appropriated in this article is an increase of \$189,703 (6.3%) from the FY 10 assessment. In addition, the Enterprise Funds are allocated their share of the total assessment of \$3,540,835 in their respective budgets. It includes an annual payment of \$239,314 to fund the liability created by the Early Retirement Incentive program adopted by the Town in 2002 and 2003. The pension funding is still based upon the January 1, 2007 actuarial study which estimates, based on historical fund returns, the amount required to fully fund the accrued and current retirement liability by 2030. This calculation also includes actuarial estimates of retirement ages, longevity, and expected retirement salary packages. Proposed State legislation is designed to change the 2030 funding deadline for this retirement liability, to 2040 to relieve the anticipated burden of the new assessment calculation, due prior to 2012. The new assessment will incorporate the underperformance of the Hampshire County Retirement System fund in 2008 and 2009, and without the legislation this would cause retirement assessment expenses to grow substantially at a time when municipalities can least afford it.

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### ARTICLE 7. Regional Lockup Assessment (Select Board)

To see if the Town will raise and appropriate a sum of money 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 11 is the same as it was for FY 08, FY 09, and FY 10.

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## ANNUAL TOWN MEETING WARRANT ARTICLES

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**ARTICLE 8. Amherst-Pelham Regional School District Assessment Method  
(Amherst –Pelham Regional School Committee)**

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 2011 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 and to equalize local efforts toward financial support of schools throughout the Commonwealth. This formula never fit the Amherst-Pelham Region's circumstances well, as yearly differences sometimes produced sudden changes in individual towns' required support, which caused the per pupil cost to vary significantly from one 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 revert to the 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.

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, an article like this one will be on each year's annual town meeting warrant in all four towns. The alternative to unanimous approval of the article is to revert to the state's formula, a change that could seriously disrupt financing of the schools.

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**ARTICLE 9. FY 2011 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.



## GENERAL FUND MUNICIPAL SUMMARY

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	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
General Government	\$ 5,627,681	5,989,728	5,708,397	5,905,708	6,037,195	131,487	2.2%
Public Safety	\$ 8,063,272	8,265,817	8,352,499	8,315,386	8,394,386	79,000	1.0%
Public Works	\$ 1,859,422	1,756,999	1,820,205	1,812,364	1,941,540	129,176	7.1%
Planning, Conservation & Inspections	\$ 802,423	859,656	859,004	818,578	745,073	(73,505)	-9.0%
Community Services	\$ 1,680,488	1,734,363	1,733,734	1,479,516	1,474,725	(4,791)	-0.3%
<b>TOTAL APPROPRIATION</b>	<b>\$ 18,033,287</b>	<b>18,606,563</b>	<b>18,473,838</b>	<b>18,331,552</b>	<b>18,592,919</b>	<b>261,367</b>	<b>1.4%</b>

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## CONSERVATION AND DEVELOPMENT

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### 1.5% OF GENERAL FUND OPERATING BUDGETS

		FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Conservation	\$	217,021	228,464	216,596	238,369	227,991	(10,378)	-4.4%
Planning	\$	286,381	286,094	295,471	258,255	211,876	(46,379)	-18.0%
Inspection Services	\$	299,021	345,098	346,937	321,954	305,206	(16,748)	-5.2%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>802,423</b>	<b>859,656</b>	<b>859,004</b>	<b>818,578</b>	<b>745,073</b>	<b>(73,505)</b>	<b>-9.0%</b>
Departmental Receipts	\$	74,416	62,800	71,968	68,400	68,400	0	0.0%
Licenses & Permits	\$	508,110	446,000	478,054	443,500	443,500	0	0.0%
Rental of Land	\$	4,165	0	4,640	2,500	2,500	0	0.0%
Grants	\$	8,000	8,000	8,000	8,000	8,000	0	0.0%
Water Fund	\$	14,370	15,028	15,028	16,433	16,865	432	2.6%
Transportation Fund	\$	5,723	5,532	5,532	4,903	0	(4,903)	-100.0%
Taxation	\$	449,189	468,898	478,765	447,688	395,402	(52,286)	-11.7%

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## CONSERVATION AND DEVELOPMENT

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### **RECOMMENDED by Finance Committee vote of 7-0.**

The recommended Conservation & Development budget of \$745,073 is a decrease of 9%, or \$73,505, from FY 10. There are 9.98 FTE employees in this functional area, a reduction of 0.85 FTEs from FY 10.

All of the prior year consolidation and efficiency measures have resulted in an overall budget reduction for FY 11. The departments will continue to look for efficiencies and cost savings from reorganization, as well as ways to leverage Community Development Block Grant (CDBG) and other grants to offset staff costs. CDBG funding will save the Conservation and Planning departments \$56,103 in FY 11. Just over 50% of the appropriation for Conservation & Development is funded by taxation, down 11.7% from FY 11.

The Conservation & Development functional area provides a wide range of services to monitor, protect, and enhance both the developed and undeveloped environments throughout the Town. This is accomplished through the protection of open space; long-range planning for an orderly and appropriate development process; implementation of the Master Plan; and the appropriate application of policies, regulations, state laws and local bylaws enacted to promote these goals.

### **FY 10 Budget Highlights**

The former Planning, Conservations and Inspections Departments were reorganized over the past two fiscal years. Inspections staff are now co-located on the second floor of Town Hall with Planning and Conservation staff. There is a central service counter for these three functions, and administrative staff from the three areas are cross-trained to work at the counter. A new MUNIS permit tracking software module was implemented, enabling information sharing, reducing staff time and increasing productivity for all Town permitting bodies. The personnel costs of a number of the planning and conservation staff were defrayed by Community Development Block Grant (CDBG) funding. The Community Development Director's position was entirely funded by CDBG in FY 10.

The Master Plan was formally adopted by the Planning Board in February 2010. This will facilitate more efficient planning, and a number of major economic development activities consistent with the plan's goals are under consideration, in progress or completed, including: New England Environmental, the Lord Jeffery Inn, the Boltwood Place project, the Patterson Property project and the UMass Gateway project.

An increase in electrical permit fees yielded approximately \$10,000 in new revenues. In light of current economic conditions, no plans are in place to raise fees in the near future.

An assistant planner is dedicated to identifying and pursuing grant funding. Seven grants totaling \$800,000 have been awarded to the town in the past two years, funding projects in water quality, historic preservation and economic development. Federal and state energy grants have been used by the Facilities Maintenance department to make energy improvements to town and school facilities resulting in \$250,000 of annualized savings to date. These savings are projected to save the town another \$2.5 million over the next ten years.

The Town continued to rely on private fundraising for maintenance and site management of Puffer's Pond.

Staff members in the three units provided support and coordination to many of the Town's boards and committees. Conservation supports seven committees including the Conservation Commission, Agricultural Commission, and Energy Task Force; Planning supports 10, including the Planning and Zoning Boards, and the Kendrick Park Committee; and Inspections supports four, including the Planning and Zoning Boards.

### **FY 11 Summary**

The Conservation budget decreases by \$14,321 from FY 10, due to funding 10% of director's and assistant's salaries from the Community Development Block Grant and other grants. The Town will continue to look for ways to fund the management of Puffer's Pond and other conservation areas by increasing its volunteer programs and seeking private funding. Taxation funds 86% of the appropriation for this budget. There are 3.63 FTEs, a decrease of 0.20 from FY 10.

The Planning budget decreases by 18% from FY 10, directly attributable to the use of CDBG funding to offset the costs of staff and administrative support. The Community Services director, who moved to the Planning & Development department in FY10, will be retiring in July 2010 and this position, funded by CDBG money, will not be filled; the former director will be hired as a part-time consultant when his unique expertise is needed. The department will continue to focus on ways to make community development fully sustainable through grant monies, as well as seeking ways to help the town prioritize projects. Taxation funds 94% of the appropriation for this budget. There are 3.35 FTEs, a decrease of 0.89 from FY 10.

The Inspections budget decreases by 5.2% due to staff turnover. This department is fully funded by permitting fees and requires no funding from taxation. There are 3.0 FTEs, unchanged from FY 10.

## PUBLIC WORKS

### 4% OF GENERAL FUND OPERATING BUDGETS

		FY 08	FY 09	FY 09	FY 10	FY 11	Change	Percent
		Actual	Budget	Actual	Budget	Fin Com	FY 10 - 11	Change
Public Works Administration	\$	238,588	256,589	251,731	266,646	306,421	39,775	14.9%
Highway	\$	542,838	554,016	524,374	575,505	547,936	(27,569)	-4.8%
Snow & Ice Removal	\$	286,777	189,410	285,733	240,410	252,410	12,000	5.0%
Street & Traffic Lights	\$	101,915	112,248	110,564	112,248	139,650	27,402	24.4%
Equipment Maintenance	\$	271,245	252,530	248,467	259,244	285,565	26,320	10.2%
Town Cemeteries	\$	17,250	18,773	15,571	19,957	21,263	1,306	6.5%
Parks, Commons & Downtown Maintenance	\$	263,893	250,166	267,473	265,639	296,240	30,601	11.5%
Tree Care & Pest Control	\$	136,917	123,267	116,292	72,715	92,056	19,341	26.6%
<b>TOTAL APPROPRIATION</b>	<b>\$</b>	<b>1,859,422</b>	<b>1,756,999</b>	<b>1,820,205</b>	<b>1,812,364</b>	<b>1,941,540</b>	<b>129,176</b>	<b>7.1%</b>
<b>SOURCES OF FUNDS</b>								
Departmental Receipts	\$	32,910	26,550	23,405	26,800	26,800	0	0.0%
Water Fund	\$	188,129	191,753	191,753	195,023	198,820	3,797	1.9%
Sewer Fund	\$	130,275	144,331	144,331	143,769	148,251	4,482	3.1%
Transportation Fund	\$	38,438	40,183	40,183	43,919	42,162	(1,757)	-4.0%
Taxation	\$	1,469,670	1,354,182	1,420,533	1,402,853	1,503,297	100,444	7.2%

## PUBLIC WORKS

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### **RECOMMENDED by Finance Committee vote of 7-0.**

This functional area provides maintenance for most of the outdoor facilities of the Town as well as a few buildings. The overall Public Works budget of \$1,941,540 increases by 7.1%. Public Works Administration oversees not only the General Fund public works activities and budgets, but also the activities and budgets of the Water, Sewer and Solid Waste Enterprise Funds. The Enterprise Funds make appropriate reimbursements for administrative costs to the General Fund. With the retirement of the Water Resources Director at the end of FY 10 the Town Manager is working with the staff of the Water Fund, Sewer Fund, and Department of Public Works to reorganize staffing and responsibilities within these areas. These changes increase the Public Works Administration budget in order to fund the personnel costs now borne by the General Fund instead of the Water and Sewer Enterprise Funds. The typical inflationary pressures, increases in operating and current staffing personnel costs, comprise the remainder of the increase in this budget.

The Highway budget provides personnel and supplies to maintain our existing roads (including line painting and road patching) and for small construction projects. Highway operating expenses are level funded. Four positions totaling about \$130,000 in this budget are funded from Chapter 90 or Capital project work during the construction season.

The Snow and Ice budget provides overtime pay for plowing and sanding performed outside of the normal workday or beyond the standard 40-hour week. (Plowing and sanding performed during the workday is charged to other Public Works budgets.) This budget also provides funds for melting agents, sand, vehicle maintenance items such as wiper blades, flashers, beacon lights, etc., and one snowplow setup that is part of the annual replacement schedule. This budget increases by \$12,000 to more closely reflect actual expenditures, thus reducing the need to reallocate money from other components of the budget during the fiscal year.

The Street and Traffic Lights budget provides funding to ensure the safety of people using public ways by maintaining Town owned street lights and pedestrian and traffic signals in operating condition. There are no personnel costs associated to this portion of the budget and all increases to it are to fund increases in the operating expenses, principally the increase in electricity costs. This budget is funded to maintain level services.

Equipment Maintenance includes a 3-person crew to maintain and repair all vehicles and equipment used by Highway, Parks, and Tree Care personnel as well as those of the Water, Sewer and Solid Waste Enterprise Funds (with appropriate reimbursements to the General Fund by each of the Enterprise Funds). There are no significant changes to the components of this budget, but increases to the operating expenses (primarily fuel costs and supplies for vehicle maintenance) are the main causes of change to this budget area.

The Parks, Commons & Downtown Maintenance budget provides funding for mowing and maintaining parks, commons, and other green spaces around the Town; for maintaining athletic fields (including those at the schools); for maintaining park buildings; for pool maintenance; and for daily trash collection for the curbside trash receptacles downtown. The increase in this budget is driven by operating expenses and is set to maintain level services.

The Tree Care budget line is a level services budget. Due to changes in the personnel who will be assigned to this budget, personnel services costs go up significantly. The same inflationary pressures on the operating expenses for the other components of the Public Works exert themselves on this budget line.

Public Works personnel provide assistance to many other departments across the Town. For example, the DPW does exterior maintenance for the North Amherst and Munson libraries, and occasionally does library vehicle maintenance; helps the Police and Fire departments with sawhorses when traffic needs to be diverted; assists with Leisure Services and school sports events; works cooperatively with the Facilities Maintenance Department in many ways; cooperates on projects and shares a land manager with the Conservation and Development Department, and helps with mowing; does site plan reviews for the Planning Department; sweeps school parking lots (which the schools pay for) and removes excess snow from school lots. Particular assistance varies from year to year but the level remains relatively constant.

In 2004 some positions within the department were shifted to project based funding in order to reduce the Department of Public Works budget. The expectation at the time was that this would be a temporary solution to get through a downturn in revenues. However, this funding scheme has remained in place since that time, continuing to reduce the department's direct costs, and additional personnel cuts have been made to the department. This has increasingly limited the ability of the department to accomplish some of its non-project based work. At this point we are very near the staffing level where additional reductions in the non-project funded workforce would trigger reductions in the project funded workforce due to the seasonal nature of the projects. (For example, if we pay four people over the six months of the construction season from project money, that is the equivalent of two people for the full year. Project money can only be used for project work.) This would significantly reduce the department's ability to meet its obligations and the Town's expectations.

Public works services are provided by 26.23 FTE employees, an increase of 0.33 from FY 10. Please note that the overall size of the Public Works staff has not increased, but this reflects a reallocation of a portion of the costs of the former Water Resource Director position to the General Fund from the Enterprise Funds.

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FINANCE COMMITTEE REPORT - FY 11

**PUBLIC SAFETY**

**16% OF GENERAL FUND OPERATING BUDGETS**

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Police Facility	\$ 197,894	181,996	198,787	210,791	187,520	(23,271)	-11.0%
Police	\$ 3,863,252	3,886,529	3,904,939	3,899,208	3,932,030	32,822	0.8%
Fire/EMS	\$ 3,430,105	3,583,493	3,613,303	3,601,839	3,667,145	65,306	1.8%
Communications Center	\$ 528,339	564,575	588,458	551,703	553,381	1,678	0.3%
Animal Welfare	\$ 43,682	49,223	47,013	51,845	54,310	2,465	4.8%

<b>TOTAL APPROPRIATION</b>	<b>\$ 8,063,272</b>	<b>8,265,817</b>	<b>8,352,499</b>	<b>8,315,386</b>	<b>8,394,386</b>	<b>79,000</b>	<b>1.0%</b>
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**SOURCES OF FUNDS**

Ambulance Receipts	\$ 1,505,790	1,798,030	1,798,030	2,005,275	2,020,162	14,887	0.7%
Departmental Receipts	\$ 163,582	143,800	164,023	151,720	152,600	880	0.6%
Educational Incentive	\$ 181,796	193,159	169,955	33,348	33,348	0	0.0%
Fines	\$ 122,360	140,000	149,273	140,000	140,000	0	0.0%
Licenses & Permits	\$ 11,451	8,000	9,010	8,000	8,000	0	0.0%
Umass Contribution	\$ 299,232	0	0	0	0	0	0.0%
Transportation Fund	\$ 4,932	4,939	4,939	5,170	5,366	196	3.8%
Taxation	\$ 5,774,129	5,977,889	6,057,269	5,971,873	6,034,910	63,037	1.1%

## PUBLIC SAFETY

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### **RECOMMENDED by Finance Committee vote of 7-0.**

The recommended FY 11 Public Safety overall budget is \$8,394,386, an increase of 1.0%, or \$79,000, over FY 10. It is the largest segment of the Town's General Fund operating budget. It provides police, fire, ambulance, emergency dispatch (communications center) and animal welfare services 24 hours a day, 365 days a year.

The Police Facility budget decreases 11% from FY 10, due to energy savings in fuel and electricity from the completed HVAC system upgrade. Savings would be even greater if the price of electricity were not increasing.

The Police budget is only 0.8% higher than FY 10, due to the police union's agreement to forego a cost-of-living increase. The authorized number of officers, 45, is the same as in FY 10 and five fewer than in FY 07. Over the past year, patrol districts have been reorganized, with specific officers assigned to each district to become more familiar with residents there; it is too early to tell whether this will produce cost savings. Amherst and University of Massachusetts police have held joint training sessions, splitting the cost, which saved Amherst some money. The two departments plan joint patrols during 10 weekends this spring. Offsetting revenue for FY 11 includes \$6,000 in licenses, fees and miscellaneous fines; \$135,000 in court fines; and \$21,600 in department receipts, all of which goes into the General Fund. For FY 10 the department won grants totaling \$62,915 earmarked for traffic enforcement, prevention and safety education programs, safety equipment and technology improvements. There will be additional grant applications in FY 11.

The Fire budget increases by 1.8%. Off-setting revenue for FY 11 is \$95,000 in departmental receipts and \$1,970,082 in ambulance receipts, which include payments from UMass and the towns of Pelham, Leverett, Shutesbury and Hadley. The five-year SAFER grant that funded a declining portion each year of the salaries of five additional firefighters ended with the FY 10 payment of \$30,000. FY 11 is the first year that the town bears the whole cost. The department's ability to respond to an increasing number of fire and EMS calls has improved due to the additional personnel, though 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. Other grants received in FY 10 were \$16,100 to teach fire safety in schools; \$5,000 to support equipment and responses for regional incidents; and \$36,000 in Federal stimulus funds to restore some overtime funding lost to budget cuts.

The Communications Center budget increases only slightly, by 0.3%. There are currently 12 funded dispatcher positions; for FY 11, one of those would be funded by a state grant, for a savings of \$35,994 plus benefits. In FY 10 the Director's position was eliminated and those duties taken over by police lieutenants, allowing on-duty dispatcher staffing to increase to 3 during busy evenings and weekends. Grants totaling \$197,890 in FY 09 and 10 are being used for a feasibility study of regionalizing dispatch services for approximately 10 participating agencies; if this happens, it could save Amherst considerable money in future years.

There are 106.5 FTE proposed employees providing service from the Police Facility and Central and North Fire Stations, a decrease of 1.0 from FY 10.

## COMMUNITY SERVICES

### 3% OF GENERAL FUND OPERATING BUDGETS

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Public Health	\$ 254,667	278,543	272,335	249,972	234,268	(15,704)	-6.3%
Senior Center	\$ 192,519	192,584	189,615	177,024	176,141	(883)	-0.5%
Community Development	\$ 89,514	83,161	77,613	0	0	0	0.0%
Veterans' Serv. & Benefits	\$ 193,139	171,388	215,455	168,339	203,404	35,065	20.8%
Leisure Services & S.E.	\$ 589,862	628,544	571,827	567,826	530,776	(37,050)	-6.5%
Pools	\$ 151,472	169,887	193,193	97,098	105,246	8,148	8.4%
Town Commemorations	\$ 1,405	875	1,156	875	875	0	0.0%
Golf Course	\$ 207,910	209,381	212,540	218,382	224,015	5,633	2.6%
<b>TOTAL APPROPRIATION</b>	<b>\$ 1,680,488</b>	<b>1,734,363</b>	<b>1,733,734</b>	<b>1,479,516</b>	<b>1,474,725</b>	<b>(4,791)</b>	<b>-0.3%</b>

#### SOURCES OF FUNDS

Departmental Receipts	\$ 622,633	647,681	643,899	837,548	820,677	(16,871)	-2.0%
Licenses & Permits	\$ 74,459	80,325	74,932	71,700	71,700	0	0.0%
Fines	\$ 1,375	4,000	1,450	4,000	4,000	0	0.0%
State Reimbursement	\$ 91,850	100,873	97,659	91,069	91,069	0	0.0%
Sewer Fund	\$ 2,000	2,000	2,000	2,000	2,000	0	0.0%
Taxation	\$ 940,306	917,804	957,107	798,801	795,279	(3,522)	-0.4%



## COMMUNITY SERVICES

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### **RECOMMENDED by Finance Committee vote of 7-0.**

Appropriation of \$1,474,725, a decrease of \$4,791, or 0.3%, from FY 10. The Community Services budget supports a variety of regulatory and service functions – Public Health, Veterans' Services, the Senior Center, and Leisure Services and Supplemental Education (LSSE) programming including the pools and Cherry Hill Golf Course. The administration of Community Development Block Grant (CDBG) and CDBG initiatives will be transferred to the Conservation and Development Department on July 1, coincidental with the retirement of the Community Services Director.

The Health Department has been reorganized. The outreach worker focused on the Cambodian community will be transitioned to a human services agency independent of the Town budget. The new Public Health Director is also a public health nurse. Therefore, the Public Health Nurse position can be reduced from 30 to 15 hours per week. The part-time sanitarian position is increased to full time, but that cost is more than offset by \$30,000 of new revenue from the City of Northampton. This is a new cost-sharing partnership and is part of a longer-term effort to regionalize public health services.

The Senior Center supports the health, welfare, and independence of seniors through a variety of essential programs at the Center and in the community that provide nutrition, access to health care and other services, and prevent isolation and neglect. Senior Center employee salaries and benefits are funded from taxation. Center activities will be funded entirely from grants and donations. Funding for a full-time administrative assistant, one of three paid staff positions, is preserved due to the passage of the \$1.68 million override.

Veterans' Services assures that veterans and their dependants in Amherst who need assistance receive financial benefits according to state law, provide other supportive services, and provide commemorations to honor their service. The budget increases to provide sufficient funding for benefits required by state law, which are reimbursed at 75% by the state. Effective in FY 10, Amherst became part of a regional Veterans' District which improved service and reduced cost.

In FY 10, some of the most significant changes in Community Services were with the programs of Leisure Services and Supplemental Education. Program fees were carefully reviewed and increased when appropriate. The costs and revenues for LSSE programs were monitored closely during the year. For FY 11, LSSE will make additional changes to align program revenues and costs. A position, Management Assistant for sports programs, was eliminated. Tax support for LSSE programming remains about 80% lower than it was in FY 08. In that year 22% of the total recreation operating budget including employee benefits was supported by taxation. In FY 11, 10% of the operating budget for LSSE, including benefits, will be tax supported. Almost all of the costs are generated by fees. LSSE is supporting programs that cost \$1,763,433 with only \$67,009 from taxation. The budget includes \$49,539 for program subsidies, tuition assistance to those with low income.

The Town did not operate the War Memorial pool during the summer of 2009. All four pools that were operated in the 2009 summer will again be open, including the Mill River pool and the wading pools at Mill River, War Memorial and Groff Park.

The Cherry Hill Golf Course is now self-sustaining and entirely supported by course revenue. No taxation is needed or provided for Cherry Hill.

## GENERAL GOVERNMENT

### 11.5% OF GENERAL FUND OPERATING BUDGETS

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Select Board/Town Manager	\$ 227,745	238,327	245,255	223,184	226,121	2,937	1.3%
Town Meeting/Finance Comm	\$ 628	800	448	800	800	0	0.0%
Finance Department	\$ 775,145	819,185	798,993	849,586	865,124	15,538	1.8%
Legal Services	\$ 171,414	95,000	142,307	95,000	110,000	15,000	15.8%
Human Resources/ Human Rights	\$ 201,115	197,008	186,551	152,626	157,217	4,591	3.0%
Information Technology	\$ 452,116	467,585	491,576	472,999	485,266	12,267	2.6%
Town Clerk's Office	\$ 147,262	152,829	158,551	162,069	170,441	8,372	5.2%
Elections & Registration	\$ 35,046	54,824	71,510	28,524	52,440	23,916	83.8%
Facilities Maintenance	\$ 436,354	461,297	474,154	458,596	432,349	(26,247)	-5.7%
General Services	\$ 368,733	405,361	374,468	410,321	380,721	(29,600)	-7.2%
<b>SUBTOTAL</b>	<b>\$ 2,815,558</b>	<b>2,892,216</b>	<b>2,943,813</b>	<b>2,853,705</b>	<b>2,880,479</b>	<b>26,774</b>	<b>0.9%</b>
Employee Pay/Benefits	\$ 2,812,123	3,097,512	2,764,584	3,052,003	3,156,716	104,713	3.4%
<b>TOTAL APPROPRIATION</b>	<b>\$ 5,627,681</b>	<b>5,989,728</b>	<b>5,708,397</b>	<b>5,905,708</b>	<b>6,037,195</b>	<b>131,487</b>	<b>2.2%</b>

#### SOURCES OF FUNDS

Ambulance Receipts	\$ 113,821	85,788	85,788	88,987	97,816	8,829	9.9%
Departmental Receipts	\$ 221,530	149,254	180,805	137,000	135,000	(2,000)	-1.5%
Interest From Taxes	\$ 142,909	144,000	143,255	129,000	129,000	0	0.0%
Investment Income	\$ 431,421	342,500	262,531	200,000	200,000	0	0.0%
Licenses & Permits	\$ 154,945	146,410	156,817	152,550	152,550	0	0.0%
State Aid-Elections	6,403	7,500	7,848	0	0	0	0.0%
Hours Reimbursement	\$						
Water Fund	\$ 165,931	161,017	161,017	165,647	178,619	12,972	7.8%
Sewer Fund	\$ 175,688	167,496	167,496	171,937	186,004	14,067	8.2%
Transportation Fund	\$ 33,892	33,316	33,316	36,950	40,290	3,340	9.0%
Taxation	\$ 4,395,130	4,752,447	4,509,524	4,823,637	5,002,916	179,279	3.7%

#### **RECOMMENDED by Finance Committee vote of 7-0.**

The recommended FY 11 budget of \$6,037,195 is an increase of 2.2%, or \$131,487, from FY 10. There are 28.88 FTE employees in this functional area, unchanged from FY 10. General Government represents one-third (34%) of the proposed FY 11 municipal budget, second only to Public Safety in the Town's operating budget. General Government includes:

- All of the Town's general administrative costs (excluding the four Enterprise Funds)
- All financial operations
- All benefits (excluding retirement) for all General Fund departments' employee
- Maintenance of public facilities, except police, fire and public works facilities
- Legal expenses and insurance costs

In FY 10 a cost savings of \$61,096 was achieved through the elimination of several staff positions, including an administrative assistant to the Town Manager and Select Board and a part-time clerical position. Increased automation, on-line access to information, and closing Town Hall to the public on Thursday mornings has made it possible for the Finance Department to operate with reduced staff. For FY 11, the Select Board/Town Manager line includes a slight increase in operating costs for professional membership fees for the Town Manager. Two administrative positions support the Town Manager, Select Board, Town Meeting, Finance Committee and Town Meeting Coordinating Committee. The Town Meeting/Finance Committee budget includes \$400 for dues and subscriptions, the Moderator's \$100 salary, and \$300 for Town Meeting Coordinating Committee activities, e.g., bus tour, mailings. Most of the costs of Town Meeting, e.g. printing materials, mailings to Town Meeting members, and staff time to attend Town Meeting, are disbursed throughout the municipal budget.

## GENERAL GOVERNMENT

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There is a modest increase in the Finance Department budget to cover personnel costs.

In FY 10 expenditures for legal services were better managed through the new contract with Kopelman & Paige, which includes a fixed fee plus an hourly rate for specialized services. The Town Manager also evaluates most requests for legal services in order to better control costs. The Legal Services budget increases by 15.8% for FY 11 in anticipation of legal services required for a number of unprecedented and large economic development projects.

Funding of the Human Resources consultant was transferred to the Health Care Trust Fund (HCTF) in FY 10, a cost savings of \$44,200. The Human Resources/Human Rights director shares an administrative assistant with the Town Manager. In FY 11 the Human Resources/Human Rights budget increases modestly due to personnel costs

The Information Technology Department was reorganized in FY 10, resulting in the elimination of the position of assistant director, a cost savings of \$64,612. A document imaging/management platform is helping to control costs. A modest increase in operating costs is proposed for FY 11 due to relicensing for software, maintenance and communications costs. A project estimated to cost \$20,000 to outsource the town's email system remains on hold. Although the budget supports the police department, public works, Town Hall, and 13 town buildings, including the pumping stations and the Cherry Hill golf course, consolidation and standardization of hardware and software will enable the department to effectively manage more without needing to increase staff.

There is a modest increase in the Town Clerk's Office budget for personnel costs. The department is presently understaffed and will face challenges due to a number of unfunded mandates relating to the Open Meeting Law, including new requirements for posting meeting announcements, and the need to document annual Ethics Law training/recertification for employees and members of boards and committees. The Elections & Registration line increases by 83.8% over what was budgeted for FY 10 because there are three scheduled elections in FY 11, requiring the hiring of part-time, non-benefitted staff and programming electronic voting equipment.

In FY 10, the Facilities Maintenance Department continued to reduce operating costs by sharing a facilities director (25%) with the schools, by using grants to fund work and by contracting out work previously done by staff members who have left. The Town contained and controlled its utilities costs by securing a better contract for natural gas and a favorable drop in electricity costs. The Town's investments in a number of improvements to various facilities will result in significant future savings. The department began work to establish the true costs of utilities in the schools in order to identify opportunities for savings. In FY 11 there is an overall decrease in the Facilities Maintenance budget as a result of a 14.3% reduction in operating expenses. This decrease is due to a 25.2% reduction (\$31,076) in budgeted electricity which will be achieved as a result of lower electricity costs at the Bangs Community Center and a profit-sharing contract with the Hampshire Council of Governments.

The General Services budget decreases due mainly to savings of \$24,000 due to the upgrade of the Town's telephone system using voice-over-IP (VOIP) service. The General Services area is responsible for centralized purchasing of services, supplies and equipment, contracts for maintenance of office equipment and general liability insurance. FY 10 was the last year of a five-year lease that upgraded the Town's telephone system to voice-over-IP (VOIP). The savings will be realized in FY 11. There was a substantial reduction in the number of photocopies (nearly 50,000), as a number of document types are now being scanned electronically rather than printed. Cost-savings (reduced paper and maintenance) have not been calculated.

The Town continued to realize savings in the area of employee pay and benefits in FY 10. The Health Care Trust Fund, which had been operating at a deficit, now boasts a \$3 million surplus, \$1.5 million of which is mandated as a reserve for unpaid bills. This can be attributed to an overhaul of health insurance plans, including the elimination of the most costly plans, introduction of an HMO option and increased co-payments. The Town is now better insured against large claims through its "stop loss" insurance, which mitigates the risk of large claims. The overall approach to risk management is also greatly improved and has addressed many of the issues that caused problems in prior years, including rising health care costs, waiting too long to raise premiums, not monitoring large claims and low employee co-pays. The Employee Pay/Benefits line increases by 3.4%, half the amount originally proposed in the Town Manager's budget. This is due to the cooperation of the Town's non-union employees and the Amherst police union, both of which opted not to collect their cost-of-living (COLA) payments in FY 11, as well as the ratification of a new three-year contract by the Amherst Firefighters union. The Town will continue to actively manage the balance of the Health Care Trust Fund to ensure adequate reserves are available to settle large claims.

## FINANCE COMMITTEE REPORT - FY 11

**GENERAL FUND INDEBTEDNESS**

	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Agricultural Pres. Restriction	\$ 8,003	0	0	0	0	0	0.0%
Bangs Community Center	\$ 21,413	0	0	0		0	0.0%
Bangs Community Center Roof/HVAC	\$ -	0	0	0	50,114		
Crocker Farm Renovation	\$ 282,000	272,188	277,500	272,000	266,000	(6,000)	-2.2%
Crocker Farm Renovation	\$ 0	0		0		0	0.0%
Deferred Teachers' Payroll	\$ 56,514	56,514	56,514	56,514	56,514	0	0.0%
High School Renovations	\$ 340,425	441,321	441,321	400,837	352,466	(48,371)	-12.1%
High School Roof	\$ 133,666	118,535	118,535	114,765	110,994	(3,771)	-3.3%
Interest on Temporary Debt	\$ 0	20,000	1,607	20,000	20,000	0	0.0%
Jones Library	\$ 62,326	58,547	58,547	55,549	47,179	(8,370)	-15.1%
Plum Brook Recreation Fields	\$ 64,898	64,140	57,934	62,120	55,520	(6,600)	-10.6%
Police Facility	\$ 130,298	0	0	0	0	0	0.0%
Portable Classrooms	\$ 0	0	0	0	8,800	8,800	100.0%
Sidewalks (2005)	\$ 86,238	79,138	79,138	77,188	75,075	(2,113)	-2.7%
Street Lights	\$ 0	0	0	0		0	0.0%
Town Center Sidewalks	\$ 0	0	0	0		0	0.0%
Town Hall Exterior	\$ 0	44,250	44,250	207,109	66,813	(140,296)	-67.7%
Town Hall Renovations Refunding (2005)	\$ 228,250	218,000	218,000	212,900	202,375	(10,525)	-4.9%
Wildwood Roof	\$ 75,548	73,728	73,728	66,885	64,905	(1,980)	-3.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 1,489,579</b>	<b>1,446,361</b>	<b>1,427,074</b>	<b>1,545,867</b>	<b>1,376,755</b>	<b>(169,112)</b>	<b>-10.9%</b>

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## GENERAL FUND INDEBTEDNESS

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

This budget appropriates \$1,376,755 in principal and interest payments for General Fund debt obligations. Within this appropriation, it is important to note that the High School addition and renovation is funded by a Proposition 2 1/2 debt exclusion which means annual debt service payments (Amherst's share for FY 11 is \$352,466) are added to the tax levy only until the debt is fully repaid in FY 18. The Regional School district also issued long-term bonds for the High School roof project in 2006. Amherst's FY 11 allocation equals \$110,994, and this debt will be retired in FY 15. Additionally, there is a \$56,514 payment for the Deferred Teacher's payroll. The Deferred Teachers' Payroll is for elementary school teachers' payroll liability accrued in FY 92 and FY 93 under a state authorized option to budget for only 10 of the 12 months of the teachers' payroll while continuing to pay them for the full amounts earned. The Town also uses funding from some earmarked sources to offset debt service payments for specific projects. Community Preservation Act funds have been committed to pay for 66% (\$36,643) of the debt service for the Plum Brook Athletic Fields. CPA funds also support \$29,768 of the debt service for exterior renovations at Town Hall. A grant from the Massachusetts School Building Authority funds \$64,905 of the debt service for the Wildwood School roof project. All other current debt service less: the temporary tax levy for the High School addition and renovation (\$352,466), the allocation for the Deferred Teachers Payroll (\$56,514), support from CPAC for the Plum Brook Fields (\$36,643) and the Town Hall renovations (\$29,768), and the MSBA funds for the Wildwood School roof project (\$64,905) is included in the Town's Capital plan using money from the General Fund. This includes full General Fund debt service support for the Bangs Community Center Roof, Sidewalks, Crocker Farm Renovation, and the Jones Library Refunding.

It is also important to note that the Town completed a successful \$3,080,000 bond sale and refunding (refinancing) dated December 15, 2009. This sale achieved a very low interest rate on the bonds. Budgetary savings from the refunding will total \$125,306. In the process, the Town also received an improved long-term bond rating of AA with a Stable outlook from Standard & Poor's. This represents an important achievement especially in the current fiscal climate.

## LIBRARY SERVICES

### 4% OF GENERAL FUND OPERATING BUDGETS

EXPENDITURES		FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11* Fin Com	Change FY 10 - 11	Percent Change
Public Services	\$	1,044,776	1,076,136	1,064,136	1,023,846	1,053,896	30,050	2.9%
Special Collections	\$	117,255	123,086	122,586	123,128	127,748	4,620	3.8%
English as a Second Language	\$	35,573	36,069	36,069	37,064	38,186	1,122	3.0%
Munson Library	\$	88,377	87,857	87,357	87,125	86,950	(175)	-0.2%
North Amherst Library	\$	85,659	83,651	83,151	84,881	85,083	202	0.2%
Technical Services	\$	234,011	243,929	239,929	237,115	242,811	5,696	2.4%
Administration	\$	238,669	241,749	240,382	240,236	263,594	23,358	9.7%
Building Maintenance	\$	248,217	250,870	247,870	268,011	283,149	15,138	5.6%
<b>TOTAL BUDGET</b>	<b>\$</b>	<b>2,092,537</b>	<b>2,143,347</b>	<b>2,121,480</b>	<b>2,101,406</b>	<b>2,181,417</b>	<b>80,011</b>	<b>3.8%</b>

SOURCES OF FUNDS		FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11* Fin Com	Change FY 10 - 11	Percent Change
<b>Public funds</b>								
Tax support	\$	1,457,770	1,490,385	1,487,673	1,468,029	1,541,736	73,707	5.0%
Town Trust Funds	\$	0	1,200	-	0	0	-	0.0%
State Aid to Libraries	\$	104,244	100,000	100,000	85,229	101,451	16,222	19.0%
Subtotal	\$	1,562,014	1,591,585	1,587,673	1,553,258	1,643,187	89,929	5.8%
<b>Private Funds</b>								
Jones Inc support	\$	456,262	472,412	459,457	441,326	438,230	(3,096)	-0.7%
Annual Fund Drive & Bk Fds	\$	46,250	53,700	53,700	53,000	60,000	7,000	13.2%
Friends Donation	\$	15,000	9,500	9,500	21,000	20,000	(1,000)	-4.8%
Jones Inc. Memorial & ESL Gifts, Room Rentals	\$	13,011	16,150	11,150	32,822	20,000	(12,822)	-39.1%
Subtotal		530,523	551,762	533,807	548,148	538,230	(9,918)	-1.8%
<b>TOTAL</b>	<b>\$</b>	<b>2,092,537</b>	<b>2,143,347</b>	<b>2,121,480</b>	<b>2,101,406</b>	<b>2,181,417</b>	<b>80,011</b>	<b>3.8%</b>

\* The FY 11 budget is still subject to change by the Library Trustees.

## LIBRARY SERVICES

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### **RECOMMENDED by Finance Committee vote of 7-0.**

The Finance Committee recommends approval of \$1,541,736 in Town tax support for the library budget.

Our recommended appropriation of \$1,541,736 provides 70.7% of the library budget, up from 70.1% in FY 10 and 69.7% in FY09. Town tax support for FY 11 increases 5.0% as compared to FY 10. The larger proportional increase for the Library relative to other tax supported operations is the result of deliberations by the Budget Coordinating Group prior to the override vote whereby the BCG set a policy of providing a larger allocation of the override-derived revenues to the Library budget. This level of tax support exceeds the State's Minimum Appropriation Requirement (MAR). The State requires municipalities to fund their libraries at 2.5% above the average of the preceding three years' municipal appropriations in order for the libraries to be certified without obtaining a waiver and to continue to receive state aid. This appropriation meets that requirement. Last year, the Town was unable to fund the library at the MAR level and, along with 96 other municipalities, the Town applied for, and received, a MAR waiver from the State Board of Library Commissioners. This allowed the Library to receive \$33,535.94 in State Aid to be spent in FY 10.

Library services are provided at the Jones Library, the North Amherst Library and Munson Library in South Amherst. The mission of the libraries is to provide access to materials to assist people in their quest for information, to preserve the history of this region and to serve as a meeting place for the community's educational and cultural pursuits. The libraries offer information in the form of print, audiovisual, and electronic media. The Jones Library holds collections of historical and literary significance related to the Town and its residents. The Libraries also offer programs to encourage children to read, and to help people whose native language is not English to learn English.

The Jones Library building is owned by Jones Library, Inc. which is governed by the Library Trustees. The Town owns the Munson building and the North Amherst Library building. The Library pays the Town annual rent of \$6,500 for space in the Munson building, which includes heat and utilities. The costs of interior and exterior maintenance at Munson and exterior maintenance at the Town-owned 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.

In FY 11, the Library will be performing some significant capital improvements to the heating-ventilation-air conditioning system, the elevator, and the insulation. The Town's capital plan proposes support of \$115,000 for these projects. Additional support for the Library's capital program is outlined in the CPAC appropriations.

The total library budget for FY 11 is projected to be \$2,181,417, a 3.8% increase over FY 10. This number is still subject to change by the Library Trustees. It relies on a fund-raising projection of \$100,000 which will not be known exactly until June 30, 2010. This fund-raising projection at 7% below last year's total, is appropriately conservative. In addition to fund raising, other resources used to fund the 3.8% increase in the budget come from the additional tax support from the Town as well as the endowment. As of March 31, 2010, the endowment had moved back over the \$8 million mark after bottoming near \$6 million a year earlier. The Trustees have voted to use 5.4% of the endowment based upon the average value of the last three-year period. This equals an endowment contribution to the budget of approximately \$430,000. This 5.4% rate of support is still above the 5% level usually recommended as sustainable, and there is some concern from the Finance Committee that the Trustees should consider dropping support levels down to 5% in the years to come. The library's FY 11 budgeted revenue includes \$36,451 of state aid previously received plus \$65,000 of FY 11 state aid. Beginning in FY 08, library trustees began an unsustainable practice of using all state aid previously received plus a portion of state aid anticipated in the current fiscal year. FY 11 is the last year such "spending forward" will be possible. Some of the more notable changes in this budget include the absence of cost of living increases for professional staff that saves \$22,275; a \$21,400 increase in endowment management fees attributable to the new "active" management of the endowment by the library's new financial management firm, Gage Wiley; and a \$6,197 decrease in fees paid for regional library services. It is important to note that in FY 10, the Library's materials budget was cut by 30%, but lending thus far in FY 10 is off by only 1%. The State funded inter-library loan system has filled the gap by giving the Amherst system access to materials from other libraries that it may not have been able to purchase. The increased expense associated with this higher volume of inter-library lending is expected to continue into FY 11.

The current recessionary economic conditions continue to generate higher demand for the Library's services. Most notably, in 2010, electronic access to Library resources is up dramatically, and electronic lending rates exceed walk-in lending by a 4 to 3 margin. Unfortunately, as with the cuts to the materials budgets, past budget cuts have had consequences. For example, the Library was forced to cut computer classes that taught people to use the internet as a borrowing resource. Personnel at the reference desk now fill in this function on an ad hoc basis which puts additional burdens on a limited staff.

There are 26.4 FTEs in this budget, down 0.2 from FY 10.

## AMHERST ELEMENTARY SCHOOLS

### 39% OF GENERAL FUND OPERATING BUDGETS

	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Original Budget	FY 10 Current Budget	FY 11 Finance Committee	Difference
<b>PAYROLL ACCOUNTS:</b>							
Salaries							
Regular Education	5,696,896	5,700,395	5,654,088	5,514,196	5,585,392	5,801,930	287,734
English Learner Education	810,256	823,224	837,156	879,713	866,076	900,552	20,839
Special Education	3,859,087	3,973,783	4,134,794	4,379,711	4,228,832	4,488,515	108,804
Student Services	580,080	592,946	638,938	587,733	617,942	634,606	46,873
Support Services	325,667	286,806	414,553	286,276	274,625	273,916	(12,360)
School Administration	921,175	965,865	1,023,623	855,510	875,332	886,535	31,025
Central Administration	463,425	496,581	475,791	397,380	460,358	445,076	47,696
Information Systems	200,404	192,911	148,632	160,210	165,165	167,272	7,062
Facilities	697,842	680,192	731,856	720,620	714,528	743,807	23,187
Transportation	162,137	156,198	181,733	183,681	183,681	191,600	7,919
<b>Total Salaries</b>	<b>13,716,968</b>	<b>13,868,900</b>	<b>14,241,164</b>	<b>13,965,030</b>	<b>13,971,931</b>	<b>14,533,809</b>	<b>568,779</b>
Substitutes	165,971	186,527	169,064	187,812	188,745	189,246	1,434

### EXPENSE ACCOUNTS:

Regular Education	58,039	52,871	129,692	45,454	45,454	43,513	(1,941)
English Learner Education	4,998	6,163	6,726	7,584	7,584	7,582	(2)
Special Education	173,727	217,485	172,958	235,096	251,154	219,460	(15,636)
Other Programs	140,526	98,873	210,663	288,037	333,578	472,897	184,860
Student Services	50,431	51,382	4,885	8,098	8,098	8,071	(27)
Support Services	28,323	16,249	16,019	23,497	23,497	23,254	(243)
Program & Staff Development	178,392	120,584	152,676	142,801	142,634	137,067	(5,734)
School Administration	55,781	46,211	49,101	52,144	53,061	52,144	-
Central Administration	74,866	77,868	121,206	88,534	88,534	88,534	-
Information Systems	153,403	78,445	142,375	130,698	130,698	130,695	(3)
Facilities	155,200	152,422	213,558	125,286	125,286	125,286	-
Utilities	441,171	523,728	500,155	583,211	583,211	507,741	(75,470)
Transportation	64,445	53,188	355,392	415,714	415,714	461,676	45,962
Food Service	73,859	74,368	35,602	43,300	43,300	43,300	-
Health Insurance	2,573,783	3,016,742	3,018,694	3,263,589	3,315,055	3,589,635	326,046
Other Insurance & Benefits	1,030,466	803,404	788,919	629,187	636,251	648,355	19,168
Control Accounts	123,772	10,346	1,000	156,387	17,983	174,154	17,767

<b>LEVEL SERVICES TOTAL</b>	<b>19,264,119</b>	<b>19,455,755</b>	<b>20,329,847</b>	<b>20,391,459</b>	<b>20,381,768</b>	<b>21,456,419</b>	<b>1,064,960</b>
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Level Services Increase		1.0%	4.5%	0.3%		5.3%	
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Additions and Cuts	-	-	-	(9,691)	-	(1,048,885)	(1,039,194)
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<b>BUDGET TOTAL</b>	<b>19,264,119</b>	<b>19,455,755</b>	<b>20,329,847</b>	<b>20,381,768</b>	<b>20,381,768</b>	<b>20,407,534</b>	<b>25,766</b>
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Budget Increase		1.0%	4.5%	0.3%		0.1%	
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## AMHERST ELEMENTARY SCHOOLS

**RECOMMENDED by Finance Committee vote of 6-0, with 1 abstaining.** (One member abstained from any discussion or vote on the school budget because he is an employee of the schools.)

The Finance Committee recommends an appropriation of \$20,407,534. The FY 11 budget is a 0.1% increase from FY10, and \$1,048,885 (5%) below a level services budget.

Last year, the Amherst School Committee voted to reorganize the schools and made the difficult decision to close Marks Meadow after the 2009-10 school year to help to close the ever-increasing budget gap. To allow for a smooth transition, \$700,000 in one-time funds from Town reserves was allocated to the Elementary Schools in anticipation of savings in FY 11. This made it possible for Marks Meadow to remain open for an additional year, and for the schools to have sufficient time to develop a plan for the closure, including redistricting the three remaining schools. Next year, students will be assigned to one of the three remaining schools. There will be some staffing increases at the remaining elementary schools to accommodate the increase in the number of students. A net saving of \$840,554 results from the closure. (The Capital Budget, Article 13 includes \$95,000 in one-time costs associated with consolidating four schools to three.) The number of classrooms will be reduced from 66 to 62, and average class size will increase by 1 from 19 to 20, with the largest class size projected at 24.

The FY 11 budget was presented to and voted by the School Committee on April 7, 2010. A zero based budget process was used to develop the FY 11 budget and define the core. It is anticipated that FY 11 staffing will be 18.30 FTEs below the FY 10 levels. In addition to the savings realized from closing Marks Meadow, there will be reductions of \$650,005 which include a combination of savings from reduced staff FTEs (5.75) primarily associated with special education services, and \$124,300 in savings due to a reduction in health insurance plan enrollment and a lower than expected increase in health insurance premiums -- 3% rather than a 6% rate increase.

Proposed additions to the budget total \$441,674 and 7.30 FTEs. Included are 1) three pre-kindergarten classrooms (3.0 FTEs) which are aimed at expanding early learning opportunities for children from low income families, and to reduce the achievement gap; 2) a summer enrichment program that will serve approximately 100 struggling students; 3) introduction of a pilot program in world language that will be incorporated in the specials rotation; 4) restoration of academic intervention, instrumental music, and instructional technology teachers that were cut in FY10; and 5) the hiring of a new curriculum director (.50 FTE) to be shared with the Region.

The elementary schools budget is the largest expenditure within the Town's operating budget and represents 39% of the total.

Amherst Schools Student Enrollment Summary				
Grade	FY 10 Projected	FY 10 Actual	FY 11 Projected	Increase/ (Decrease)
Pre-School	71	71	70	(1)
K	184	173	165	(8)
1	175	179	170	(9)
2	187	181	178	(3)
3	183	176	182	6
4	174	183	174	(9)
5	205	195	178	(17)
6	201	185	197	12
In-House	1,380	1,343	1,314	(29)
Choice, Charter	67	64	87	23
<b>Totals</b>	<b>1,447</b>	<b>1,407</b>	<b>1,401</b>	<b>(6)</b>

## AMHERST ELEMENTARY SCHOOLS

Amherst Public Schools Staffing Summary (Full Time Equivalents)						
	FY 10 Current		FY 11 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	11.72	-	11.22	-	(0.50)	-
Teachers	150.27	0.72	144.77	0.72	(5.50)	-
Paraprofessionals	76.24	9.03	68.24	9.03	(8.00)	-
Clerical/Media/Other	17.77	0.05	15.27	0.05	(2.50)	-
Maint./Cust./Trans.	13.00	-	11.50	-	(1.50)	-
Nurses	3.80	-	2.80	-	(1.00)	-
Information Systems	1.25	-	1.25	-	-	-
<b>Totals:</b>	<u>274.05</u>	<u>9.8</u>	<u>255.05</u>	<u>9.8</u>	<u>(19.00)</u>	<u>-</u>

Amherst Public Schools Staffing Summary (Full Time Equivalents)						
	FY 09 Current		FY 10 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	11.62	0.13	11.25	-	(0.37)	(0.13)
Teachers	160.51	0.70	148.41	0.55	(12.10)	(0.15)
Paraprofessionals	80.11	11.24	75.83	11.22	(4.28)	(0.02)
Clerical/Media/Other	21.77	0.10	17.90	-	(3.87)	(0.10)
Maint./Cust./Trans.	17.00	-	16.00	-	(1.00)	-
Nurses	3.50	-	3.50	-	-	-
Information Systems	2.22	-	1.25	-	(0.97)	-
<b>Totals:</b>	<u>296.73</u>	<u>12.17</u>	<u>274.14</u>	<u>11.77</u>	<u>(22.59)</u>	<u>(0.40)</u>

Amherst Public Schools Staffing Summary (Full Time Equivalents)						
	FY 08 Current		FY 09 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	14.14	-	14.20	-	0.06	-
Teachers	164.98	1.66	163.00	3.50	(1.98)	1.84
Paraprofessionals	82.20	7.27	82.30	10.30	0.10	3.03
Clerical/Media/Other	18.98	0.15	18.90	0.20	(0.08)	0.05
Maint./Cust./Trans.	16.85	-	16.80	-	(0.05)	-
Nurses	3.20	-	2.20	-	(1.00)	-
Information Systems	2.69	-	2.40	-	(0.29)	-
<b>Totals:</b>	<u>303.04</u>	<u>9.08</u>	<u>299.8</u>	<u>14</u>	<u>(3.24)</u>	<u>4.92</u>

## AMHERST-PELHAM REGIONAL SCHOOLS

FY 11 BUDGET REVENUES						
	FY 08	FY 09	FY 10	FY 11	DIFF	
Revenue						
Chapter 70	9,793,582	9,883,632	9,685,959	9,298,521	(387,438)	-4.0%
Chapter 70 to Stabilization	(150,000)	(150,000)	(90,000)	(90,000)	0	
SUBTOTAL: available from Ch 70	9,643,582	9,733,632	9,595,959	9,208,521	(387,438)	
Transportation Reimbursement	888,130	817,841	447,336	502,414	55,078	
Medicaid Reimbursement	150,000	120,000	95,000	95,000	0	
Charter Reimbursement	108,518	100,000	108,733	-	(108,733)	
Choice Revenues	500,000	710,000	650,000	650,000	0	
Indirect Cost Reimbursement	38,000	34,000	15,000	25,000	10,000	
Interest Revenue	230,203	220,000	120,000	95,000	(25,000)	
E&D for budget support	-	100,000	280,000	255,000	(25,000)	
E&D for contingency	-	280,000	280,000	280,000	0	
Assessments	16,008,567	16,005,522	16,184,324	16,851,972	667,648	
<b>Total Revenue</b>	<b>27,567,000</b>	<b>28,120,995</b>	<b>27,776,352</b>	<b>27,962,907</b>	<b>186,555</b>	
<b>Total Expense</b>	<b>27,567,000</b>	<b>28,120,995</b>	<b>27,776,352</b>	<b>27,962,907</b>	<b>186,555</b>	<b>0.7%</b>
Revenue less Expense	0	0	0	0	0	
Assessments						
Amherst	12,385,188	12,395,375	12,574,043	13,112,795	538,752	4.3%
Pelham	997,627	1,024,307	1,061,837	1,127,285	65,448	6.2%
Leverett	1,151,898	1,130,932	1,142,105	1,197,275	55,170	4.8%
Shutesbury	1,473,854	1,454,908	1,406,339	1,414,617	8,278	0.6%
	16,008,567	16,005,522	16,184,324	16,851,972	667,648	4.1%

## AMHERST-PELHAM REGIONAL SCHOOLS

### 25% OF GENERAL FUND OPERATING BUDGETS

	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Original Budget	FY 10 Current Budget	FY 11 Finance Committee	Difference
<b>PAYROLL ACCOUNTS:</b>							
Salaries							
Regular Education	6,705,840	6,449,964	6,893,719	6,379,877	6,290,558	6,761,301	381,424
English Learner Education	302,742	271,608	312,057	361,642	352,397	374,635	12,993
Special Education	3,393,303	3,412,315	4,022,291	4,208,104	4,134,756	4,402,893	194,789
Other Programs	298,393	305,884	321,309	282,053	278,872	283,720	1,667
Student Services	897,414	925,097	922,829	856,427	956,823	1,004,133	147,706
Support Services	242,466	267,178	375,818	278,333	267,042	276,123	(2,210)
School Administration	1,170,730	1,187,221	1,384,880	1,222,759	1,274,366	1,191,473	(31,286)
Central Administration	498,249	582,658	535,319	460,232	486,282	494,141	33,909
Information Systems	206,064	191,117	204,408	202,985	220,167	222,546	19,561
Facilities	763,148	777,203	791,460	757,463	755,022	785,118	27,655
Transportation	475,321	491,747	430,703	490,230	490,230	457,763	(32,467)
<b>Total Salaries</b>	<b>14,953,671</b>	<b>14,861,992</b>	<b>16,194,792</b>	<b>15,500,105</b>	<b>15,506,515</b>	<b>16,253,846</b>	<b>753,741</b>
Substitutes	145,371	137,860	160,573	151,997	151,997	153,490	1,493
<b>EXPENSE ACCOUNTS:</b>							
Regular Education	185,810	274,395	136,519	127,484	126,024	127,484	0
English Learner Education	5,664	4,454	9,566	5,265	5,265	5,265	0
Special Education	826,157	1,155,996	1,253,131	1,336,772	1,336,622	1,536,583	199,811
Other Programs	1,466,123	1,238,691	1,346,839	1,367,053	1,521,829	1,502,644	135,591
Student Services	15,351	36,819	26,548	16,144	25,644	16,144	0
Support Services	166,397	216,580	134,259	163,767	168,027	163,767	0
School Administration	73,668	80,255	51,897	70,446	67,796	70,446	0
Central Administration	177,578	206,112	199,827	162,037	161,849	162,037	0
Information Systems	388,012	445,531	354,665	333,960	333,960	333,960	0
Facilities	576,394	742,088	310,710	268,691	268,691	268,691	0
Utilities	899,381	1,069,647	988,985	1,032,679	989,640	1,003,570	(29,109)
Transportation	1,267,588	1,327,609	898,673	930,240	930,240	1,027,129	96,889
Food Service	35,198	63,213	108,551	66,000	66,000	66,000	0
Health Insurance	3,626,699	3,886,137	3,916,706	4,286,321	4,174,204	4,556,384	270,063
Other Insurance & Benefits	1,651,504	1,509,502	1,470,991	1,526,294	1,427,937	1,526,972	678
Control Accounts	227,919	1,000	1,000	159,136	234,112	148,709	(10,427)
Contingency funding from E&D	0	0	0	280,000	280,000	280,000	0
<b>LEVEL SERVICES TOTAL</b>	<b>26,688,485</b>	<b>27,257,882</b>	<b>27,564,232</b>	<b>27,784,391</b>	<b>27,776,352</b>	<b>29,203,121</b>	<b>1,418,730</b>
Level Services Increase	5.2%	2.1%	1.1%	0.8%		5.1%	
Additions and Cuts	0	0	0	(8,039)	0	(1,240,214)	(1,232,175)
<b>BUDGET TOTAL</b>	<b>26,688,485</b>	<b>27,257,882</b>	<b>27,564,232</b>	<b>27,776,352</b>	<b>27,776,352</b>	<b>27,962,907</b>	<b>186,555</b>
Budget Increase	5.2%	2.1%	1.1%	0.8%		0.7%	

## AMHERST-PELHAM REGIONAL SCHOOLS

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

This is an appropriation of \$13,112,795 for the Amherst assessment to support the Regional School District budget of \$27,962,907. The Amherst assessment increases by 4.3% from the current year, while the overall Regional budget increases by \$186,555 or 0.67%.

On April 13 the Regional School Committee voted a budget of \$27,962,907 for FY 11, an amount that reflects what revenues are available and not what is needed to provide the same services as in FY 10. Although the Regional budget increased by \$186,555, the net cuts from a level-services budget total \$1,240,214.

Reductions in revenue include a 4% decrease in Chapter 70 funding and a \$25,000 loss in Interest Revenue. To offset decreased revenues, some money will be used from the Excess and Deficiency funds (similar to the Town's Free Cash) to support the budget. In addition, the secondary teachers voted to "give back" \$175,000 from contract agreements, which is included in the net cuts total above. The override approved by voters March 23 provided another \$678,141 to the budget, preventing further cuts from level services.

Some staff positions will be eliminated, some will move from year round to school year only, and some will be reduced from full to part-time. Supplies continue to be reduced. Redesigning bus routes has cut transportation costs. Utility costs have been reduced as a result of energy savings. Money for graduation at the Mullins Center has been cut by \$10,000. An alternative program currently housed in the East Street School will move to the South Amherst Campus, which will be reconfigured to accommodate that program as well as another alternative program already housed there. Putting both programs in one building will result in estimated annual savings of \$178,000 in staff and other costs. Over a period of years, the Regional Schools will reimburse the Town for up to \$100,000 spent to reconfigure the South Amherst Campus interior (to be considered in Article 14).

As a result of the override and savings, further reductions in teachers and staff that the Regional District would have been required to make will not occur. Areas supported by the override and savings at the Middle School include some staffing for the Academic Teams, Music, World Languages, Math Plus, Physical Education and the Library. At the High School some of the areas include English, Social Studies, Science, Math, Business, Family & Consumer, Performing Arts, Arts, Physical Education/Health and Guidance. With the restoration of some electives, the mandatory requirement for two study halls is being revised to allow more flexibility for students who prefer one study hall.

The Superintendent, staff and Regional School Committee continue to review the \$27,962,907 budget and adjust the line items as appropriate.

Amherst-Pelham Regional School District Student Enrollment Summary				
Grade	FY 10 Projected	FY 10 Actual	FY 11 Projected	Increase/ (Decrease)
7	261	252	239	(13)
8	242	242	252	10
9	315	294	242	(52)
10	299	280	294	14
11	312	287	280	(7)
12	305	278	287	9
In-House	1,734	1,633	1,594	(39)
Choice, Charter, Voc.	117	121	107	(14)
<b>Totals</b>	<b>1,851</b>	<b>1,754</b>	<b>1,701</b>	<b>(53)</b>

## AMHERST-PELHAM REGIONAL SCHOOLS

Amherst-Pelham Regional School District Staffing Summary (Full Time Equivalents)						
	FY 10 Current		FY 11 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	11.83	-	12.23	-	0.40	-
Teachers	164.26	14.79	159.66	14.79	(4.60)	-
Paraprofessionals	65.90	14.38	65.90	14.38	-	-
Clerical/Media/Other	22.42	1.13	19.82	1.13	(2.60)	-
Maint./Cust./Trans.	33.37	-	32.37	-	(1.00)	-
Nurses	2.20	-	2.20	-	-	-
Information Systems	2.75	-	2.75	-	-	-
<b>Totals:</b>	<b>302.73</b>	<b>30.30</b>	<b>294.93</b>	<b>30.3</b>	<b>(7.80)</b>	<b>-</b>
Amherst-Pelham Regional School District Staffing Summary (Full Time Equivalents)						
	FY 09 Current		FY 10 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	13.83	0	11.33	0	(2.50)	-
Teachers	180.77	16.09	164.37	13.33	(16.40)	(2.76)
Paraprofessionals	70.08	12.74	69.58	12.74	(0.50)	-
Clerical/Media/Other	29.56	1.25	26.72	1.09	(2.84)	(0.16)
Maint./Cust./Trans.	33.99	0	32.99	0	(1.00)	-
Nurses	2.50	0	2.50	0	-	-
Information Systems	2.75	0	2.75	0	-	-
<b>Totals:</b>	<b>333.48</b>	<b>30.08</b>	<b>310.24</b>	<b>27.16</b>	<b>(23.24)</b>	<b>(2.92)</b>
Through Tier 2						
Amherst-Pelham Regional School District Staffing Summary (Full Time Equivalents)						
	FY 08 Current		FY 09 Proposed		Increase / (Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	15.58	0.24	16.6	0.15	1.02	(0.09)
Teachers	171.23	16.65	179.9	15.1	8.67	(1.55)
Paraprofessionals	65.73	14.74	67.73	15.3	2.00	0.56
Clerical/Media/Other	24.05	0.62	24	0.55	(0.05)	(0.07)
Maint./Cust./Trans.	37	0	37	0	-	-
Nurses	1	0.8	2.5	0.8	1.50	-
Information Systems	3	0	3	0	-	-
<b>Totals:</b>	<b>317.59</b>	<b>33.05</b>	<b>330.73</b>	<b>31.9</b>	<b>13.14</b>	<b>(1.15)</b>

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FINANCE COMMITTEE REPORT - FY 11

**WATER FUND**

SOURCES OF FUNDS	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Operating Revenues	\$ 3,794,994	3,914,006	4,129,830	3,862,000	4,001,967	139,967	3.6%
Interest	\$ 80,739	60,000	53,326	60,000	56,000	(4,000)	-6.7%
State Grants	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 107,453	250,000	250,000	215,684	145,624	(70,060)	-32.5%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
<b>TOTAL</b>	<b>\$ 3,983,186</b>	<b>4,224,006</b>	<b>4,433,156</b>	<b>4,137,684</b>	<b>4,203,591</b>	<b>65,907</b>	<b>1.6%</b>

EXPENDITURES	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Operating Budget	\$ 2,316,391	2,473,336	2,472,918	2,564,680	2,743,259	178,579	7.0%
General Fund Services	\$ 385,742	385,111	385,111				
Debt Service	\$ 724,991	920,559	920,559	811,988	703,716	(108,272)	-13.3%
Capital Program	\$ 425,000	445,000	445,000	536,600	345,000	(191,600)	-35.7%
Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 3,852,124</b>	<b>4,224,006</b>	<b>4,223,588</b>	<b>3,913,268</b>	<b>3,791,975</b>	<b>(121,293)</b>	<b>-3.1%</b>
Indirect Costs Appropriated in General Fund	\$			394,416	411,616	17,200	4.4%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,852,124</b>	<b>4,224,006</b>	<b>4,223,588</b>	<b>4,307,684</b>	<b>4,203,591</b>	<b>(104,093)</b>	<b>-2.4%</b>

**RECOMMENDED by Finance Committee vote of 7-0.**

This budget provides funds for the development, treatment, and distribution of the potable water supply for the Town. It is a completely self-supporting enterprise fund. Although the regular inflationary pressures of salary step increases, health insurance costs, and energy costs continue to increase the personnel and operating budgets, the Town Manager will recommend no water rate increase to the Select Board for FY 11. Our current rate of \$3.30 per 100 cubic feet is sufficient to generate an appropriate amount of revenue to sustain the Water Fund and remains below the state and regional averages. Reductions in the debt service burden, due to a refinancing of Town debt in December to significantly lower interest rates, and lower capital project needs were the significant factors in reducing the budget for the Water Fund by 2.4%.

There are 15.21 FTE positions providing services in this Fund, no change from FY 10. With the retirement of the Water Resources Director at the end of FY 10 the Town Manager is working with the staff of the Water Fund, Sewer Fund, and Department of Public Works to reorganize staffing and responsibilities within these areas. These changes have no budgetary impact on the Water Fund.

Debt Service covers the principal and interest payment for the Atkins Treatment Facility (\$703,716).

Capital Program expenditures are:  
\$340,000 for Baby Carriage Brook Improvements  
\$5,000 for DPW Facility Improvements

As a reminder, due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report will be the same as it was for FY 10. However, this differs from previous years reporting of these costs. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs.

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FINANCE COMMITTEE REPORT - FY 11

**SEWER FUND**

SOURCES OF FUNDS	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Operating Revenues	\$ 3,601,451	3,614,647	3,695,472	3,459,500	3,459,500	0	0.0%
Interest	\$ 72,813	31,000	57,861	31,000	42,000	11,000	35.5%
Grants	\$ 0	25,000	0	0	0	0	0.0%
Surplus Funds	\$ 0	0	0	232,658	248,917	16,259	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
<b>TOTAL</b>	<b>\$ 3,674,264</b>	<b>3,670,647</b>	<b>3,753,333</b>	<b>3,723,158</b>	<b>3,750,417</b>	<b>27,259</b>	<b>0.7%</b>

EXPENDITURES	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Operating Budget	\$ 2,375,817	2,621,912	2,507,929	2,709,610	2,805,442	95,831	3.5%
General Fund Services	\$ 296,400	302,264	302,264				
Transfers to Trust Funds	\$ 0	0	0	0	0	0	0.0%
Debt Service	\$ 348,478	341,471	336,158	333,804	325,284	(8,520)	-2.6%
Capital Program	\$ 462,000	405,000	405,000	373,600	295,000	(78,600)	-21.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 3,482,695</b>	<b>3,670,647</b>	<b>3,551,351</b>	<b>3,417,014</b>	<b>3,425,726</b>	<b>8,711</b>	<b>0.3%</b>
Indirect Costs Appropriated in General Fund				306,144	324,691	18,547	6.1%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,482,695</b>	<b>3,670,647</b>	<b>3,551,351</b>	<b>3,723,158</b>	<b>3,750,417</b>	<b>27,259</b>	<b>0.7%</b>

**RECOMMENDED by Finance Committee vote of 7-0.**

The budget for this enterprise fund pays for the collection, treatment and discharge of the Town's wastewater. It is a completely self supporting enterprise fund. No rate increase is necessary for FY 11 to sustain the fund balance. Our current rate of \$3.25 per 100 cubic feet of water usage remains below the state and regional averages. The increase in the operating budget results from increases in employee pay and benefits (step increases, cost of living adjustments, health insurance costs, and retirement assessment), as well as electricity, fuel, and materials costs. These increases are offset by reductions in debt service and capital expenditures resulting in a 0.7% increase in the operating budget for FY 11.

There are 17.50 FTE positions providing services in this Fund a change of 0.17 FTE from FY 10. With the retirement of the Water Resources Director at the end of FY 10 the Town Manager is working with the staff of the Water Fund, Sewer Fund, and Department of Public Works to reorganize staffing and responsibilities within these areas. These changes have no budgetary impact on the Sewer Fund.

Debt service is for the Middle Street sewer extension project, \$205,533, and for the Chapel Road/Mechanic Street sewer extension, \$119,751.

Capital expenditures are as follows:  
 \$200,000 for Collection System Improvements  
 \$90,000 for Grit Screw Replacement  
 \$5,000 for DPW Facility Improvements

As a reminder, due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report will be the same as it was for FY 10. However, this differs from previous years reporting of these costs. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs.



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FINANCE COMMITTEE REPORT - FY 11

**SOLID WASTE FUND**

SOURCES OF FUNDS	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Operating Revenues	\$ 410,286	486,300	416,059	476,000	485,575	9,575	2.0%
Interest	\$ 31,205	30,000	11,134	31,000	10,000	(21,000)	-67.7%
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	\$ 42,951	189,224	189,224	24,194	36,699	12,505	51.7%
<b>TOTAL</b>	<b>\$ 484,442</b>	<b>705,524</b>	<b>616,417</b>	<b>531,194</b>	<b>532,274</b>	<b>1,080</b>	<b>0.2%</b>

EXPENDITURES	FY 08 Actual	FY 09 Budget	FY 09 Actual	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Operating Expenditures	\$ 519,113	617,524	573,680	531,194	532,274	1,080	0.2%
General Fund Services	\$ 0	0	0				
Debt Service	\$ 0	0	0	0	0	0	0.0%
Capital Program	\$ 0	88,000	88,000	0	0	0	0.0%
Transfer to Trust Funds	\$ 0	0	0	0	0	0	0.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 519,113</b>	<b>705,524</b>	<b>661,680</b>	<b>531,194</b>	<b>532,274</b>	<b>1,080</b>	<b>0.2%</b>
Indirect Costs Appropriated in General Fund				0	0	0	0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 519,113</b>	<b>705,524</b>	<b>661,680</b>	<b>531,194</b>	<b>532,274</b>	<b>1,080</b>	<b>0.2%</b>

**RECOMMENDED by Finance Committee vote of 7-0.**

This budget funds the costs of solid waste management facilities and activities of the Town. These include monitoring 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.

The closed landfill on the northeast side of Belchertown Road remains a significant capital asset, the Fund has a substantial fund balance, and the Town has long-term obligations to maintain the cap and perform environmental monitoring of that site as well as the older landfill site on the southwest side of the road. A solid waste transfer and recycling operation continues to operate at the newer landfill.

All wages and benefits payable to the employees performing the services in this Fund continue to be paid from the Fund. The 0.2% increase in the operating budget results from the reduction in personnel services, due to the retirement of a senior staff person whose replacement has a lower salary, nearly offsetting the increase in operating expenses. Due to the state of the economy, the cell phone tower rental income and methane gas credits have not materialized and are not budgeted for FY 11. As a result, the tipping fees and sticker fees for use of the transfer station will be increased to help boost revenue in order to meet the obligations of the Fund.

There are 4.00 FTE positions providing services in this Fund, an increase of 0.4 FTE from FY 10.

As a reminder, due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report will be the same as it was for FY 10. However, this differs from previous years reporting of these costs. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs. Since this fund no longer generates sufficient revenue to compensate the General Fund for services provided, the indirect costs are listed as \$0.

## FINANCE COMMITTEE REPORT - FY 11

## TRANSPORTATION FUND

SOURCES OF FUNDS	FY 08	FY 09	FY 09	FY 10	FY 11	Change	Percent
	Actual	Budget	Actual	Budget	Fin Com	FY 10 - 11	Change
Operating Revenues	\$ 871,423	892,000	925,443	891,700	902,000	10,300	1.2%
Interest	\$ 11,725	20,000	8,012	12,000	10,000	(2,000)	0.0%
Surplus Funds	\$ 11,098	98,754	98,754	84,323	55,833	(28,490)	0.0%
<b>TOTAL</b>	<b>\$ 894,246</b>	<b>1,010,754</b>	<b>1,032,209</b>	<b>988,023</b>	<b>967,833</b>	<b>(20,190)</b>	<b>-2.0%</b>
<hr/>							
EXPENDITURES	FY 08	FY 09	FY 09	FY 10	FY 11	Change	Percent
	Actual	Budget	Actual	Budget	Fin Com	FY 10 - 11	Change
Operating Budget	\$ 706,425	756,349	731,298	764,328	728,019	(36,309)	-4.8%
General Fund Services	\$ 88,949	90,117	90,117				
General Fund Loan Repayment	0	0	0	0	0	0	0.0%
Debt Service	\$ 98,874	79,288	79,288	76,788	71,032	(5,756)	-7.5%
Capital Program	\$ 0	85,000	85,000	50,000	75,000	25,000	50.0%
<b>TOTAL APPROPRIATION</b>	<b>\$ 894,247</b>	<b>1,010,754</b>	<b>985,703</b>	<b>891,116</b>	<b>874,051</b>	<b>(17,065)</b>	<b>-1.9%</b>
Indirect Costs Appropriated in General Fund	\$			96,907	93,782	(3,125)	-3.2%
<b>TOTAL EXPENDITURES</b>	<b>\$ 894,247</b>	<b>1,010,754</b>	<b>985,703</b>	<b>988,023</b>	<b>967,833</b>	<b>(20,190)</b>	<b>-2.0%</b>

**RECOMMENDED by Finance Committee vote of 7-0.**

This budget funds activities related to the parking and public transportation system. Operating revenues come from parking violations, parking fines, parking meter fees and parking permit fees. This fund is fully self-supporting.

For FY 11, the town's entire share of the estimated PVTA assessment, \$183,894 (a decrease of 11.2%, from FY 10), is funded within the Transportation Fund. Also funded are the outreach routes, which are not part of PVTA service; they are provided via a direct contract between the Town and UMass Transit. For FY 11, outreach route costs are budgeted at \$114,900 (up from the FY 10 actual cost billed to us of \$110,576).

The Transportation Fund operating budget for FY 11 decreases by 2.0% from FY 10. The primary component of this decrease is due to reduced operating expenses. Additionally, personnel services costs decrease due to employee turnover which mitigates the contractual employee pay increases and the Transportation Fund's share of increases to employee health insurance costs and retirement assessments.

There are 4.12 FTE positions providing services in this Fund, no change from FY 10.

Debt service is for the Parking Garage, \$71,032.

Capital expenditures are as follows:  
\$50,000 for Parking Lots/Meter Equipment  
\$25,000 for Garage Storage Room

As a reminder, due to changes required by the state regarding the method of reporting the indirect costs incurred by enterprise funds, the Town Meeting motion as well as the presentation of these costs in this report will be the same as it was for FY 10. However, this differs from previous years reporting of these costs. There has been no change in our enterprise fund operations, merely a change in the accounting methods used to report the indirect costs.

## ANNUAL TOWN MEETING WARRANT ARTICLES

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### ARTICLE 10. Reserve Fund (Finance Committee)

To see if the Town will raise and appropriate \$100,000 for the Reserve Fund for FY 2011.

#### **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 11 is the standard amount we have requested for many years.

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### ARTICLE 11. 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 6-0, 1 absent.**

This is the first of four articles dealing with capital spending as recommended by the Joint Capital Planning Committee. Please be sure to read their 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 \$538,000. Of that, \$38,000 is the first of two installments for lease/purchase of an asphalt recycler, which will produce material for pothole repairs without the expense of buying and transporting new asphalt from out-of-town asphalt plants. The remaining \$500,000 is to resurface roads falling into disrepair. Identification of roads to be improved is assisted by the Public Works Department's computerized tracking system for road condition and maintenance. Even with annual road maintenance spending of about this amount, there remains a \$4.3 million backlog of projects. Article 13 includes an additional \$100,000 from the General Fund for road resurfacing to start addressing this backlog.

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### ARTICLE 12. Capital Program - Equipment (Joint Capital Planning Committee)

To see if the Town will appropriate a sum of money 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 6-0, 1 absent.**

This article appropriates \$675,300 from taxation and \$190,000 from Ambulance Reserves to fund equipment purchases. (Appropriation of \$38,000 in Chapter 90 funds for road repair equipment is handled in Article 11.) Below is the list of recommended capital items. For a more complete description, see the JCPC Report to Town Meeting.

\$123,000	Town information systems: replace/upgrade computers and network equipment
\$ 35,000	Integrated system for on-line bill paying and paperless employment record-keeping
\$105,000	Three police cruisers (replacements)
\$ 10,000	Two in-cruiser video systems (replacements)
\$190,000	One ambulance (replacement)
\$ 95,000	Rehabilitation of the Fire Department's 1988 aerial ladder truck
\$ 15,000	Thermal imaging camera (replacement)
\$ 14,000	Replace fuel dispensing system at North Fire Station
\$ 5,000	Replacement equipment for Town parks
\$ 20,000	Library information systems: replace/upgrade computers and network equipment
\$ 5,000	Library photocopier (replacement)
\$ 85,000	School bus (replacement)
\$ 50,000	School kitchen equipment at Fort River and Wildwood schools (replacements)
\$ 4,000	School telecommunications equipment (replacements/upgrade)

## ANNUAL TOWN MEETING WARRANT ARTICLES

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\$ 23,000	School copiers (replacements)
\$ 75,000	School information systems: replace/upgrade computers and network equipment
\$ 11,300	School multimedia-audio/visual equipment

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**ARTICLE 13. Capital Program - Buildings & Facilities  
(Joint Capital Planning Committee)**

To see if the Town will appropriate a sum of money 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 6-0, 1 absent.**

This article appropriates \$544,835 from taxation and \$57,665 in unexpended capital appropriations from previous years for building repairs and renovations and for facilities. (Appropriation of \$500,000 from Chap. 90 funds for road repairs is handled in Article 11, and \$180,000 to be borrowed for repairs and renovations at the South Amherst School is handled in Article 14.)

Below is the list of recommended capital items. For a more complete description, see the JCPC Report to Town Meeting.

\$ 5,000	Energy management improvements at Munson Memorial Building
\$ 5,000	Interior maintenance at the police station
\$ 5,000	Improvements/repairs at Public Works Garage
\$ 50,000	Jones Library HVAC improvements
\$ 50,000	Jones Library elevator repairs
\$ 15,000	Jones Library insulation upgrade
\$ 30,000	New security equipment at all elementary schools
\$ 95,000	Restructuring, moving costs for consolidating to three elementary schools
\$ 30,000	Energy management improvements for elementary schools
\$ 5,000	Ongoing asbestos removal at all elementary schools
\$ 8,500	Exterior door repair at Fort River School
\$ 8,500	Exterior door repair at Wildwood School
\$ 25,000	Reconstruction of front-entrance walkway at Wildwood School
<u>\$332,000</u>	TOTAL BUILDINGS
\$ 12,500	Continued replacement of street trees
\$ 15,000	Downtown wayfinding sign system
\$ 30,000	Sidewalk repairs around town
\$ 30,000	Traffic light repair parts
\$100,000	Road maintenance/improvements, to supplement Chap. 90 funds
\$ 18,000	Electric upgrade for Town Common
\$ 50,000	Resurface 1970s tennis courts at Mill River Recreation Area
\$ 15,000	Install irrigation well at Cherry Hill Golf Course
<u>\$270,500</u>	TOTAL TAX-FUNDED FACILITIES

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**ARTICLE 14. Capital Program – Bond Authorization  
(Joint Capital Planning Committee)**

To see if the Town will appropriate a sum of money to pay costs of roof repairs, other extraordinary repairs, and an addition to the South Amherst School building, including the payment of any and all costs incidental and related thereto, and to determine whether this amount shall be raised by taxation, by transfer from available funds, by borrowing or by any other lawful means.

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

This would authorize borrowing of \$80,000 to replace the 25-year-old rubber section of roof and \$100,000 for interior partitions and renovations at the South Amherst School. The roof replacement must be done to protect this Town-owned building. The building is used by the Regional School District for an alternative high school program, and the interior renovations are needed to accommodate a second alternative program moving from the East Street School. Consolidating the two programs will save the Regional Schools operating budget an estimated \$178,000 annually. Final renovation cost may be less than \$100,000, and if so, the actual cost will be borrowed. The Regional School Committee has agreed to reimburse the town for the interior renovations

## ANNUAL TOWN MEETING WARRANT ARTICLES

over a negotiated period of years; those reimbursements will offset the cost of the debt service. Approval of Article 14 requires a 2/3 majority vote.

### **ARTICLE 15. Acceptance of Massachusetts General Laws Chapter 43D (Select Board)**

To see if the Town will accept the provisions of Chapter 43D of the Massachusetts General Laws, as amended pursuant to Section 11 of Chapter 205 of the Acts of 2006, and to approve the filing of an application with the Interagency Permitting Board for designation as a Priority Development Site an area on Sunderland Road which includes the following properties: Assessors' Map 1D-1, 2C-2, 2C-3, 2C-9, and 2C-30.

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

This the first of two articles that Town Meeting will consider regarding the proposal, known as the Patterson Project, that the Town take an active role to develop property in North Amherst into a significant office or research facility. This article proposes to accept the provisions of Chapter 43D of the Massachusetts General Laws and to approve the filing of an application to designate the area encompassed by this property as a priority development site according to the provisions of that section of the state law. Doing so will provide a transparent and efficient process for municipal permitting, guarantee that permitting decisions are made within 180 days, and increase visibility for Amherst and the Patterson Project.

The Finance Committee considered the Patterson Project at two separate meetings, two weeks apart, and had the opportunity to review all of the information including the proposed option agreements during the intervening period. The committee considered the need for economic development and the significance of this opportunity, which will be presented in the discussion of this Article, and the known and potential costs to pursue the project, which will be discussed in the section of this report regarding Article 16.

The introduction of this report describes the Town's current financial condition. Since 1980, the growth in property tax alone has been insufficient to address the normal annual increases in the cost to provide essential Town services. In 2008 the committee supported the creation of a separate citizens committee, appointed by the Select Board, to consider Town's financial condition and make recommendations for a long term financial plan. That committee found that there is a structural deficit and recommended a course of action that included: (1) reducing expenses by identifying the essential core services; (2) seeking an override after cutting the services that are not core; (3) controlling the increase in personnel costs; and (4) that the Town pursue economic development – noting that this would not have an immediate impact. While there were additional recommendations we refer to the first three here because they have received the most public attention during the past two years. The Patterson proposal is one of the most significant opportunities to address the fourth of these recommendations. If it is successful, it could generate \$1.6 million in additional annual taxes, the amount of the override approved by the voters in March.

The Patterson Project property has been zoned as Professional Research Park for decades and remains undeveloped. The purchase of an option (Article 16) will only be warranted if there is a realistic likelihood that it will be developed as a significant office or research facility. There needs to be a catalyst to make this happen. Additionally, some people suggest that Amherst has gained a reputation, whether or not it is warranted, as being unfriendly to developers and therefore too costly and time-consuming to move a project forward. Accepting Chapter 43D and designating this property will create a more efficient process and provide access to funds to address infrastructure needs that are essential to development and are likely to have inhibited prior efforts. It will also demonstrate that Amherst is friendly to development and address the perception, if it does exist. Agreeing to a 180-day limit will still assure prospective developers of prompt action. Six months are sufficient to assure a transparent, thorough public process.

### **ARTICLE 16. Patterson Property – Option Agreement (Select Board)**

To see if the Town will vote to authorize the Town Manager to enter into an option agreement with Bruce H. Patterson, Trustee of the Patterson Nominee Trust, and accept an option granting the Town and its assignees the right, to be exercised in the Town's, or its assignee's, sole discretion, to lease three (3) parcels of land on Montague Road and further described below, which option agreement shall be for a term not in excess of three (3) years and contain such other terms and conditions as the Town Manager deems in the best interest of the Town, and further to raise and appropriate, transfer from available funds, or borrow a sum of money for consideration to be paid for the option and any expenses related thereto, said parcels of land being a portion of the property described in a deed recorded with the Hampshire Registry of Deeds in Book 6217, Page 146, and described as follow:

- (a) a parcel identified by the Assessors as Lot 2C-3, containing 38.97 acres, more or less,

## ANNUAL TOWN MEETING WARRANT ARTICLES

- (b) a parcel identified by the Assessors as Lot 2C-9, containing 21.5 acres, more or less, and  
 (c) a parcel identified by the Assessors as Lot 2C-30 containing 0.165 acres;

excluding from said option the portions of the parcels shown as "Excluded" on a plan on file with the Town Clerk's Office, entitled "Excluded Option Parcels."

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

The discussion of Article 15 explains the basic proposal for the Patterson Project and the reasons why it is sound financial policy to consider it. This Article will authorize the Town Manager to enter into annual option agreements for up to three years and to convey the property to an entity that will develop the property, if one can be found. Should a developer be found, then the authorization to assign the option would have to come before a future Town Meeting. Article 16 also authorizes the Town to raise and appropriate the funds needed for that option. The Joint Capital Planning Committee set aside \$120,000 for that purpose. That committee's report, in the section regarding Facilities, explains this action and recommendation.

The Finance Committee considered this aspect of the proposal for the Patterson Project carefully. Under any circumstance, the allocation of \$120,000 is significant; even more so in our present circumstances. If the project is successful, this one-time investment to increase our tax base by \$100,000,000 and our annual tax revenue by \$1,600,000 will have been sound. However, there is no assurance of success. The committee concluded that it is an appropriate investment for these reasons:

1. This is a series of three one-year options and the investment can be limited to \$40,000 or \$80,000 if it is not appearing to be likely to succeed
2. During the first year, the Town Manager and the Conservation and Development Department will assess the infrastructure needs, availability of other funds, and marketability of the property for this type of development.
3. The Finance Committee has supported the allocation of funds to the Town Manager to pursue development and an increase in the Town's nonresidential tax base when appropriate. This is the first significant request. It is an appropriate and sound proposal consistent with the town's Master Plan.
4. This is an attractive location for a significant office or research park. It is in Amherst, which is a recognized and respected location, close to the University of Massachusetts campus, and 6 miles from Interstate 91 from South Deerfield, only 10 minutes along Route 116. It is impossible to guarantee the success of any project. The Town is pursuing several projects and we anticipate that we will achieve some of them. It is wise to pursue all reasonable ones to enlarge the opportunities that we can increase the Town's nonresidential tax base, assure long-range financial stability, and continue the quality schools, library, and town services that make this a good place to live.

The major additional cost will be the time of the Town Manager and the Conservation and Development Department staff. This is part of their ongoing responsibilities and a sound use of this valuable staff time. The additional unknown is the cost for the infrastructure improvements that will be needed to develop this property. Those costs are likely to be paid by the developer, if one is found, or by grants.

### **ARTICLE 17. Community Preservation Act (Community Preservation Act Committee)**

A. To see if the Town will appropriate a sum of \$352,100, for Community Preservation Purposes recommended by the Community Preservation Act Committee and that the following amounts (items 1 – 9) be appropriated or reserved from Community Act Preservation Funds as follows:

	<b>Project</b>	<b>Total Appropriation</b>	<b>Source of Appropriation</b>
	<b>AFFORDABLE HOUSING</b>		
1	Habitat for Humanity	\$50,000	\$50,000 from CPA FY 11 Estimated Revenues
	<b>Total Affordable Housing</b>	<b>\$50,000</b>	
	<b>HISTORIC PRESERVATION</b>		
2	Amherst History Museum	\$45,000	\$45,000 from CPA FY 11 Estimated Revenues

## ANNUAL TOWN MEETING WARRANT ARTICLES

3	Jones Library Roof Restoration	\$40,000	\$40,000 from CPA FY 11 Estimated Revenues
4	North Amherst Library Rehabilitation	\$12,000	\$12,000 from CPA FY 11 Estimated Revenues
5	Jones Library HVAC Special Collections Climate Control	\$75,000	\$75,000 from CPA FY 11 Estimated Revenues
6	Kimball House Historic Preservation - 575 North East Street (year 4 of 5)	\$25,600	\$25,600 from CPA FY 11 Estimated Revenues
7	Archival Material Conservation & Restoration: Town Clerk - Special Collections Jones Library Special Collections	\$20,000	\$20,000 from CPA FY 11 Estimated Revenues
<b>Total Historic Preservation</b>		<b>\$217,600</b>	
<b>OPEN SPACE</b>			
8	Open Space Surveys and Appraisals	\$15,000	\$15,000 from CPA FY 11 Estimated Revenues
<b>Total Open Space</b>		<b>\$15,000</b>	
<b>ADMINISTRATIVE</b>			
9	To Fund CPC Administrative Expenses.	\$1,500	\$1,500 from CPA FY 11 Estimated Revenues
<b>Total Administrative</b>		<b>\$1,500</b>	
<b>Total</b>		<b>\$284,100</b>	

**RECOMMENDED by Finance Committee vote of 7-0 as an appropriate expenditure of CPA funds. The appropriation we recommend is \$284,100. (The dollar amount printed in the warrant was incorrect.)**

Article 17, Parts A, B, C and D, appropriates money derived from a 1.5% surcharge on the property tax, after the first \$100,000 of the value of each owner-occupied home is excluded. The state first provided a 100% match of the amount collected by Amherst, but has matched less than a third for the past two years and will match only an estimated 31% in FY 11. The slump in real estate sales cut the amount of money going into the state CPA fund (which comes from a tax on real estate transfers). And as the pie shrinks, more municipalities are seeking a share of it.

Each of the requests in this article is explained in the Community Preservation Act Committee's written report to Town Meeting. The Community Preservation Act Committee chooses which projects to recommend for open space, historical preservation, community housing, and recreation purposes. Town Meeting can only appropriate CPA funds for projects recommended by the CPA Committee. Town Meeting could reject but cannot go beyond CPAC's recommendations.

1. Habitat for Humanity, \$50,000, a contribution toward construction of the fourth Habitat home on Stanley Street. In return, the Town receives a long-term affordable housing restriction on the deed.

**Total Affordable Housing, \$50,000**

2. Amherst History Museum, \$45,000 for roof repairs, electrical updates and rewiring, and window frame repair at the 250-year-old Strong House, which is owned by the Amherst Historical Society. In return, the Town receives a historic-preservation restriction on the deed.

## ANNUAL TOWN MEETING WARRANT ARTICLES

3. Jones Library roof restoration, \$40,000 for repairs to the slate roof of the original library section constructed in 1925. These repairs are recommended in a study done with CPA funds appropriated last spring. In return, the Town receives a historic-preservation restriction on the deed. The building is owned by Jones Library Inc.
4. North Amherst Library rehabilitation, \$12,000 for restoring the historic exterior paint. Constructed in 1893, this is a town-owned building.
5. Jones Library HVAC Special Collections climate control, \$75,000 to control humidity and temperature where historic documents are stored. These improvements are recommended in a study done partially with CPA funds appropriated last spring.
6. Kimball House historic preservation, \$25,600. This is the fourth of five annual payments to the state Department of Agriculture in compensation for the release of APR property as part of a larger land swap that preserved the privately owned 1815 farmhouse and its immediate surroundings at 575 North East St.
7. Archival material conservation & restoration of historic documents in the Town Clerk's office and Jones Library Special Collections, \$20,000.

**Total Historic Preservation, \$217,600**

8. Open space surveys and appraisals, \$15,000, as described in the CPAC report.

**Total Open Space, \$15,000**

9. To fund CPC administrative expenses, \$1,500, as described in the CPAC report.

**Total Administrative, \$1,500**

**Total for Article 18, Part A, \$284,100**

B. To see if the Town will appropriate a sum of \$500,000 from CPA Fund Balance for the purposes of Open Space, Recreation and Community Housing, recommended by the Community Preservation Act Committee, for the purchase of the Hawthorne property (Map 11B, Parcel 54), including the payment of any and all costs incidental and related thereto, and to determine whether this amount shall be raised by taxation, by transfer from available funds, by borrowing or by any other lawful means.

**RECOMMENDED by Finance Committee vote of 7-0, as an appropriate expenditure of CPA funds.**

This appropriation would authorize the town to borrow \$500,000 to purchase the 6+ acre Hawthorne property at 235 East Pleasant St., as described in the CPAC report. Debt service would be paid from future CPA funds. Authorization to borrow requires a two-thirds majority vote.

C. To see if the Town will appropriate a sum of \$350,000 from CPA Fund Balance for Community Housing purposes, recommended by the Community Preservation Act Committee, in aid of the Amherst Housing Authority to pay costs of capital improvements to 22 units of low-income housing under the care and custody of the Amherst Housing Authority, including the payment of any and all costs incidental and related thereto, and to determine whether this amount shall be raised by taxation, by transfer from available funds, by borrowing or by any other lawful means.

**RECOMMENDED by Finance Committee vote of 7-0, as an appropriate expenditure of CPA funds.**

This appropriation would authorize the town to borrow \$350,000 for capital improvements to Amherst Housing Authority low-income housing, as described in the CPAC report. Debt service would be paid from future CPA funds. Authorization to borrow requires a two-thirds majority vote.

D. To see if the Town will appropriate a sum of \$18,000 for open space purposes recommended by the Community Preservation Act Committee for the purchase of land in North Amherst (Map 4B Parcel 14) and to: 1) authorize the Select Board to acquire by gift or negotiated purchase the fee interest in said parcel to be managed and controlled by the Amherst Conservation Commission in accordance with M.G.L. c. 40, § 8C for conservation and passive recreation purposes which parcel is located on Meadow Street and contains a total of 7.79 acres, more or less, all as shown on a plan entitled "Meadow Street Conservation Land Plan," and 2) authorize the Select Board, the Town Manager, and/or the Conservation Commission, as they deem appropriate, to enter into all agreements and execute any and all instruments, including the conveyance of a perpetual conservation restriction on the parcel in accordance with M.G.L. c. 184 as required by Section 12(a) of M.G.L. c. 44B, as may be necessary on behalf of the Town to effectuate said purchase.

**RECOMMENDED by Finance Committee vote of 7-0, as an appropriate expenditure of CPA funds.**

This appropriation would authorize purchase for conservation purposes of a 7.8-acre property on the northwest corner of the intersection of Route 116 and Meadow Street, as described in the CPAC report. Authorization to purchase land requires a two-thirds majority vote.



## ANNUAL TOWN MEETING WARRANT ARTICLES

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**ARTICLE 18. Olympia Drive – Disposition of Property  
(Housing Partnership – Fair Housing Committee)**

To see if the Town will vote to authorize the Select Board to convey or lease, for term not in excess of ninety-nine (99) years, a certain parcel of land located on Olympia Drive, which parcel contains 13 acres, more or less, and is a portion of the parcel identified on Assessors Map 8D as Parcel 20 and the land described in the Order of Taking recorded in the Hampshire Registry of Deeds in Book 3018, Page 309, together with any easements appurtenant thereto, for affordable housing purposes on such terms and conditions as the Select Board deems appropriate, provided such conveyance or lease shall be subject to an affordable housing restriction requiring at least 25% of the units constructed on said parcel be sold or rented to low and/or moderate income individuals or households, and further to authorize the Select Board to accept such affordable housing restriction and sign any instruments to effectuate the forgoing; or take any other action relative thereto.

**RECOMMENDED by Finance Committee vote of 7-0.**

These 13.5 acres have been intended for affordable housing since the late 1980s, when the Town acquired them as part of a larger parcel. (The rest of the parcel is conservation land.) Volunteers and Town staff have spent considerable time and effort over the years to bring this project to the point where it will attract a private developer, and Town Meeting has previously appropriated \$190,000 in Community Preservation Act money for pre-development work (\$40,000 in 2004 and \$150,000 in 2008). This article takes the next step by authorizing the Select Board to negotiate with a developer. Adding new affordable housing to Amherst's inventory is especially important now, as privately owned housing elsewhere in town could soon lose that designation.

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**ARTICLE 19. Petition – Hire Energy Facilitation Outreach Worker  
(Collins)**

Whereas: the elderly, poor and disabled are being forced out of their homes by high heating bills in the town of Amherst.  
Be it resolved: that Amherst Town Meeting raise and appropriate \$55,000 for the purpose of hiring an energy facilitation outreach worker to help bring energy incentives to Amherst residents and businesses in order to reduce long term energy costs and make Amherst more affordable.

**NOT RECOMMENDED by Finance Committee vote of 7-0.**

To cope with decreases in state aid of 21.5% for FY 10 and 4% for FY 11, and to reduce the structural deficit between revenues and expenses, the Town eliminated 13.76 full-time equivalent positions in FY 10. The proposed FY 11 operating budget, which we reviewed and analyzed beginning in January, eliminates another 2.92. The cumulative effect of these cuts is decreased services to Amherst residents. While it would be nice to have a Town staff member exclusively devoted to energy outreach, the Town cannot afford to add a new position. Such outreach is already being done actively by other government agencies and private utilities. For instance, Western Massachusetts Electric Co. included in its April bill to customers a notice with contact information for MassSAVE, which is funded by utility companies and supported by the state Department of Energy Resources. MassSave offers free home energy audits and other energy-saving incentives. Finally, to the extent that such outreach is needed in Amherst, it is needed everywhere; providing it in just one town is neither efficient nor appropriate.

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**ARTICLE 20. 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 2011 Budget.

**RECOMMENDATION DEFERRED UNTIL TOWN MEETING.**

The budget proposal as brought forth by the Finance Committee recommends no use of reserves. We advise Town Meeting that it should not adopt any amendments to increase the amount to be spent in FY 11. Therefore, our current thinking is to dismiss this article. However, our final recommendation depends on what actions, if any, Town meeting takes that affects whether reserves will be needed to balance the budget.

## ANNUAL TOWN MEETING WARRANT ARTICLES

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**ARTICLE 21.     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 2011 Budget.

**RECOMMENDATION DEFERRED UNTIL TOWN MEETING.**

The budget proposal as brought forth by the Finance Committee recommends no use of reserves. We advise Town Meeting that it should not adopt any amendments to increase the amount to be spent in FY 11. Therefore, our current thinking is to dismiss this article. However, our final recommendation depends on what actions, if any, Town meeting takes that affects whether reserves will be needed to balance the budget.

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**ARTICLE 22.     Accept Massachusetts General Laws chapter 40U, Collection of Unpaid Municipal Fines  
                  (Select Board)**

To see if the Town will vote to accept Massachusetts General Laws Chapter 40U, An Act Relative to the Collection of Unpaid Municipal Fines.

**RECOMMENDED by Finance Committee vote of 7-0.**

The Governor signed a new law in February 2010 that provides towns with an option to implement hearing and fines collection procedures for violation of noncriminal by-laws regulating housing, sanitary, and snow and ice removal requirements. Towns that exercise that option must appoint a hearing officer and must provide several opportunities for property owners to challenge the alleged violation. A property owner or manager may submit a challenge by mail or appear in person. By requesting review or a hearing before the municipal hearing officer, the alleged violator retains the right to challenge the violation in court. If someone fails to request a hearing or pay a fine, the Town can attach the fees and penalties to the tax bill and place a lien on the real estate.

Exercising this option will provide a simple procedure for homeowners, property owners and property managers who wish to contest these noncriminal housing violations, which are like tickets. But it will also provide mechanisms to assure that these fines are paid. The effect will be to encourage compliance with these by-laws that were enacted to protect the health and safety of residents and visitors. It will also reduce the time of Town employees pursuing multiple violations. The procedures are not costly for the Town (or alleged violators who challenge the violation but are not just refusing or neglecting to pay legitimate fines.) While all fines collected go to the Town's General Fund, this alone is not a reason to exercise this option.

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**ARTICLE 23.     Zoning Amendment – Master Plan Compliance  
                  (Planning Board)**

To see if the Town will amend Article 1, and Sections 10.38, 11.1, and 11.24, by deleting the ~~lined-out~~ language and adding the language in ***bold italics***, as follows:

**A.           Amend Article 1, Purpose, by adding the language shown:**

**ARTICLE 1 PURPOSE**

This Zoning Bylaw is enacted pursuant to, and under the authority of, Chapter 40A of the General Laws as amended, for the purpose of promoting the health, safety, convenience and general welfare of the inhabitants of the Town of Amherst, ***and to encourage the most appropriate use of land throughout Amherst. This Zoning Bylaw is in accordance with the recommendations of the Master Plan adopted by the Planning Board and is consistent with the comprehensive plan of the regional planning agency.***

**B.           Amend Section 10.38, Specific Findings Required, by adding the language shown:**

10.398 The proposal is in harmony with the general purpose and intent of this Bylaw, ***and the goals of the Master Plan.***

**C.           Amend Section 11.1, Execution, by deleting and adding the language, as shown:**

## ANNUAL TOWN MEETING WARRANT ARTICLES

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### SECTION 11.1 EXECUTION

The Building Commissioner shall enforce the provisions of this Bylaw as hereinafter provided. No building shall be constructed, altered, moved, or changed in use in the Town without a permit from the Commissioner. Such permit shall be withheld unless such construction, alteration or proposed use is in conformity with all provisions of this Bylaw. Where a ~~Special Permit from the Board of Appeals~~ **or Site Plan Review approval** is required (pursuant to the provisions of this Bylaw), or where an appeal or petition involving a variance is pending, the Building Commissioner shall issue no such permit except in accordance with ~~the~~ **the** written decision of said ~~the appropriate~~ **the appropriate** Board.

**D. Amend Section 11.24, Review Criteria/Guidelines, by adding the language shown:**

11.2400 Conformance with all appropriate provisions of the Zoning Bylaw **and the goals of the Master Plan.**

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

This article amends the Zoning Bylaw and acknowledges the recommendations of the Master Plan. The Master Plan will help to guide future changes in the Bylaw to be voted by Town Meeting.

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### ARTICLE 24. Zoning Amendment – Non-Profit Uses (Planning Board)

To see if the Town will amend Section 3.330 of the Zoning Bylaw, by deleting the ~~lined-out~~ language, adding the language in **bold italics**, and reorganizing it as follows:

3.330 ***Non-profit Uses***

***3.330.0*** Non-profit educational institution, including any educational use on land owned or leased by the Commonwealth or any of its agencies, subdivisions, or bodies politic, or by a religious sect or denomination.

Standards & Conditions

See Sections ~~2.22~~ **2.04** and 3.21.

R-O														
R-LD	R-N	R-VC	R-G	R-F	B-G	B-L	B-VC	B-N	COM	OP	LI	PRP	FPC	
SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	SPR	

***3.330.1 Non-profit human service use.***

Standards & Conditions

***Uses under this section may include administrative offices and human service facilities providing services directly to members of the community on or from the premises, including facilities used as staging areas for off-site service delivery and facilities reasonably necessary for the safe, secure, and appropriate operation of the use.***

***A use under this section may offer a wide range of services on or from the premises, including but not limited to, counseling and therapy, training for employment and other life skills, distribution of food and clothing, provision of meals, and/or restrooms/shower facilities.***

***Other uses, such as retail sales, health services, personal care services, or similar uses, may be permitted, but shall be operated in a manner and during such limited hours as to render them clearly accessory and incidental to the principal non-profit human service use.***

***Non-profit human service uses involving overnight shelter or other residential activity shall be regulated under Section 3.336.1.***

R-O															
R-LD	R-N	R-VC	R-G	R-F	B-G	B-L	B-VC	B-N	COM	OP	LI	PRP	FPC		
SP	SP	SP	SP	SP	SP	SPR	SPR	SPR	SP	SPR	SPR	SPR	SP		SP

## ANNUAL TOWN MEETING WARRANT ARTICLES

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### **NO RECOMMENDATION.**

This Article proposes to add a use category to the Zoning Bylaw for nonprofit uses that are not educational or religious in nature. It is unclear what, if any, financial impact this amendment would have on the Town.

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### **ARTICLE 25. Zoning Amendment – University Drive Rezoning (Planning Board)**

To see if the Town will vote to amend the Official Zoning Map to change the zoning designation of Map 13B, Parcel 33, from Office Park (OP) to Limited Business (B-L)

### **RECOMMENDED by Finance Committee vote of 6-0 with 1 absent.**

This article would change the zoning designation of this parcel from Office Park (OP) to Limited Business (B-L). This would allow for a greater number of uses for this property including business, residential and retail and could potentially increase the tax base. Rezoning is consistent with recommendations of the Master Plan. Other properties on University Drive, including the adjacent one, have the B-L designation.

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### **ARTICLE 26. Petition – Zoning Amendment – Four Unrelated Persons Definition (Melick)**

To see if the Town will amend Section 12.142 of the Zoning Bylaw by deleting the ~~lined out~~ language:

12.142 A group of unrelated individuals, ~~not to exceed 4~~, residing cooperatively in one dwelling unit. In this instance, an accessory use as described in Sections 5.010 and 5.011 is not permitted.

### **NO RECOMMENDATION.**

This petition article seeks to amend the Zoning Bylaw provision that limits the number of unrelated persons who can reside together in a single dwelling unit. The Planning Board proposes to refer this Article to the Planning Board and the Board of Health. It is unclear what, if any, financial impact the Zoning Bylaw amendment would have on the Town.

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### **ARTICLE 27. Charge Amendment-Public Transportation and Bicycle Committee (Select Board)**

To see if the Town will amend the charge of the Public Transportation & Bicycle Committee, by replacing the entire current charge with the following language:

**Name: PUBLIC TRANSPORTATION & BICYCLE COMMITTEE**

**Appointing authority: Select Board**

**Type: Committee**

**Town Bylaw: no**

**Number of voting members: 9**

**Member appointment: 3 yrs**

**Voting members to include (where possible): One member to represent the perspective of handicapped citizens and two members to represent the town's cyclists. Otherwise a spread of geographical areas in town is desirable.**

**Non-voting liaison:**

**Committee charge summary:**

## ANNUAL TOWN MEETING WARRANT ARTICLES

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The Committee advises the Select Board and the Town Meeting on policy concerning transportation, pedestrian and bicycle issues. Its explicit purposes include:

- 1) reviewing all proposals concerning public transportation safety,
- 2) advising the Select Board and the town's representative to the Pioneer Valley Transit Authority,
- 3) reporting to Town Meeting on any article that concerns public transportation,
- 4) reviewing Town bylaws and other laws that affect bicycling and making recommendations regarding these laws and their enforcement,
- 5) fostering public awareness of the rules for safe bicycling,
- 6) reviewing plans for subdivision or development of land, and construction or reconstruction of sidewalks, roads, and intersections within the Town,
- 7) advocating and promoting alternatives to private automobile ownership and use,
- 8) recommending designation and development of commuter and recreational routes for bicycle and for pedestrians, as well as parking facilities for bicycles within the town,
- 9) advising on transportation safety and accessibility for persons with disabilities.

This Committee was established by vote of the Annual Town Meeting of April 1995. (The initial Public Transportation Committee was established by a vote of the 1975 Annual Town Meeting.)

### **NO RECOMMENDATION.**

This Article proposes to change the Charge of the Public Transportation and Bicycle Committee. It is unclear what, if any, financial impact this amendment would have on the Town.

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### **ARTICLE 28. General Bylaw Amendment – Open Containers (Select Board)**

To see if the Town will vote to amend the General Bylaws, Article II, General Regulations, Conduct in or on Public Ways and Places, #7, Open Containers of Alcohol, by deleting the words "not more than \$50.00" in the second paragraph, and inserting in their place "\$300".

### **RECOMMENDED by Finance Committee vote of 7-0.**

Increasing the fine to \$300 would bring in more revenue to offset the increased costs of enforcement since the \$50 fine was set in 1986. The higher fine could also be an increased deterrent to illegal behavior.

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### **ARTICLE 29. General Bylaw Amendment – Unlawful Noise (Select Board)**

To see if the Town will vote to amend the General Bylaws, Article II, General Regulations, Prohibitions, #3, Unlawful Noise, by deleting the first three sentences of Section 3. Penalties: "The first violation of this By-Law shall be punished by a fine of not less than one hundred dollars (\$100.00). The second violation of this by-law within 12 months after the first violation shall be punished by a fine of not less than two hundred dollars (\$200.00). Further violations within 12 months after the last violation shall be punished by a fine of three hundred dollars (\$300.00)", and inserting in their place the following sentence: "Any person who violates this by-law shall be punished by a fine of \$300 for each violation."

### **RECOMMENDED by Finance Committee vote of 7-0.**

Setting a single fine of \$300 per offense would bring in more revenue to offset the increased costs of enforcement since the \$50 fine was set in 1987. Eliminating the tiered fine structure would simplify enforcement. The higher fine could also be an increased deterrent to illegal behavior.

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### **ARTICLE 30. General Bylaw Amendment – Keg Licensing (Select Board)**

To see if the Town will vote to amend the General Bylaws, Article II, General Regulations, Prohibitions, #6, Keg Licensing, by deleting the words "\$200 for a first offense and \$300 for a second or subsequent offense" in Section 6. Penalties, and inserting in their place "\$300 for each violation."

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## ANNUAL TOWN MEETING WARRANT ARTICLES

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**RECOMMENDED by Finance Committee vote of 7-0.**

Setting a single fine of \$300 per offense would bring in more revenue to offset the increased costs of enforcement since the \$50 fine was set in 1991. Eliminating the tiered fine structure would simplify enforcement. The higher fine could also be an increased deterrent to illegal behavior.

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**ARTICLE 31. Authorize the Select Board to Accept Right of Way on University Drive  
(Select Board)**

To see if the Town will vote to authorize the Select Board to acquire, by gift, purchase or eminent domain, the fee in parcels of land from the owners described below:

To acquire from Amherst Shopping Center Association LLC the fee in a parcel or parcels of land and related easements, all as shown on the plans entitled "Reconstruction and related work on University Drive," prepared by Stantec Engineering, dated April 1, 2010 which are on file with the office of the Town Clerk.

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

Approval of this article allows the Select Board to accept a strip of land from the Big Y store property (6,400 sq. ft.) at no cost to the Town. This would allow for reconstruction of the intersection including a new sidewalk, new traffic signals, and handicapped access curb cuts for the crosswalk. This would be a major improvement to a dangerous intersection.

## APPENDICES

A54  
FINANCE COMMITTEE REPORT - FY 11

APPENDIX A

**DEBT OBLIGATIONS FY 2011 - FY 2018**

	Last Payment	FY 11 Payments	FY 12 Payments	FY 13 Payments	FY 14 Payments	FY 15 Payments	FY 16 Payments	FY 17 Payments	FY 18 Payments	Future Periods
<b>GENERAL FUND</b>										
<b>LONG TERM DEBT</b>										
Town Hall Refunding	FY 16	202,375	196,600	185,000	178,600	167,200	156,000	-		0
Jones Library Refunding	FY 11	47,179								
Wildwood School Roof	FY 13	64,905	62,925	61,013						
Crocker Farm (1)	FY 19	266,000	259,500	252,000	244,000	236,000	228,000	220,000	212,000	204,000
Sidewalks (2005)	FY 14	75,075	72,800	70,200	67,600					
Plum Brook Recreation Fields	FY 15	55,520	53,400	51,840	50,160	48,720				0
Town Hall Exterior (General Fund)	FY 20	37,045	35,280	34,370	33,390	32,550	31,815	31,150	30,380	58,100
Town Hall Exterior (CPA)	FY 20	29,768	28,350	27,619	26,832	26,157	25,566	25,032	24,413	46,688
Bangs Community Center Roof/HVAC	FY 20	50,114	47,608	46,421	40,219	39,274	56,244	55,069	53,708	102,713
		<u>827,981</u>	<u>756,463</u>	<u>728,463</u>	<u>640,801</u>	<u>549,901</u>	<u>497,625</u>	<u>331,251</u>	<u>320,501</u>	<u>411,501</u>
<b>SHORT TERM DEBT</b>										
Portable Classrooms		8,800								
		<u>8,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>DEBT PAID BY OVERRIDES</b>										
High School Roof	FY 15	110,994	107,341	103,689	99,918	96,148				0
Regional High School Renovations	FY 18	352,466	305,688	259,373	213,522	171,480	125,377	83,238	37,329	0
		<u>463,460</u>	<u>413,029</u>	<u>363,062</u>	<u>313,440</u>	<u>267,628</u>	<u>125,377</u>	<u>83,238</u>	<u>37,329</u>	<u>0</u>
<b>MISCELLANEOUS DEBT OBLIGATIONS</b>										
Temp. Interest/Borrowing costs		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	40,000
Deferred Teachers Payroll	FY 11	56,514								
		<u>76,514</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>
<b>TOTAL GENERAL FUND DEBT</b>		<u>1,376,755</u>	<u>1,189,492</u>	<u>1,111,525</u>	<u>974,241</u>	<u>837,529</u>	<u>643,002</u>	<u>434,489</u>	<u>377,830</u>	<u>451,501</u>
<b>ENTERPRISE FUNDS</b>										
<b>LONG TERM DEBT</b>										
<b>WATER FUND</b>										
Atkins Treatment Facility Refunding	FY12	703,716	703,688							
		<u>703,716</u>	<u>703,688</u>	<u>0</u>	<u>0</u>	<u>0</u>				<u>0</u>
<b>SEWER FUND</b>										
Chapel Road Sewer Ext.	FY 14	119,751	117,313	114,500	111,500					
Middle Street Extension	FY 13	205,533	199,263	193,206						
		<u>325,284</u>	<u>316,576</u>	<u>307,706</u>	<u>111,500</u>	<u>0</u>				<u>0</u>
<b>TRANSPORTATION FUND</b>										
Parking Garage Refunding	FY 20	71,032	67,763	65,975	59,125	57,625	56,313	55,125	48,825	93,375
		<u>71,032</u>	<u>67,763</u>	<u>65,975</u>	<u>59,125</u>	<u>57,625</u>	<u>56,313</u>	<u>55,125</u>	<u>48,825</u>	<u>93,375</u>
<b>TOTAL ENTERPRISE FUNDS DEBT</b>		<u>1,100,032</u>	<u>1,088,027</u>	<u>373,681</u>	<u>170,625</u>	<u>57,625</u>	<u>56,313</u>	<u>55,125</u>	<u>48,825</u>	<u>93,375</u>
<b>TOTAL DEBT</b>		<u>2,476,787</u>	<u>2,277,519</u>	<u>1,485,206</u>	<u>1,144,866</u>	<u>895,154</u>	<u>699,315</u>	<u>489,614</u>	<u>426,655</u>	<u>544,876</u>



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FINANCE COMMITTEE REPORT - FY 11**

**APPENDIX B**

**FY 11 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS  
ALLOCATED TO DEPARTMENTS**

	FY 08 Budget	FY 09 Budget	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Select Board/Town Manager	\$ 279,130	279,773	260,767	266,604	5,837	2.2%
Town Meeting/Finance Committee	\$ 800	800	800	800	-	0.0%
Finance Department	\$ 936,425	992,420	1,001,257	1,014,505	13,248	1.3%
Legal Services	\$ 110,000	95,000	95,000	110,000	15,000	15.8%
Human Resources/ Human Rights	\$ 226,722	231,729	160,955	173,360	12,405	7.7%
Information Technology	\$ 499,139	529,000	507,911	534,465	26,554	5.2%
Town Clerk's Office	\$ 158,867	172,394	174,055	181,783	7,728	4.4%
Elections & Registration	\$ 42,325	54,824	28,524	52,440	23,916	83.8%
Facilities Maintenance	\$ 501,768	519,997	555,587	489,274	(66,313)	-11.9%
General Services	\$ 434,861	405,361	410,321	380,721	(29,600)	-7.2%
SUBTOTAL	\$ 3,190,037	3,281,299	3,195,177	3,203,951	8,774	0.3%
Employee Pay/Benefits	\$ 318,611	362,175	235,212	269,246	34,034	14.5%
<b>TOTAL APPROPRIATION</b>	<b>\$ 3,508,648</b>	<b>3,643,474</b>	<b>3,430,389</b>	<b>3,473,197</b>	<b>42,808</b>	<b>1.2%</b>

	FY 08 Budget	FY 09 Budget	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Police Facility	\$ 177,014	183,285	216,418	193,316	(23,102)	-10.7%
Police	\$ 4,367,704	4,588,001	4,597,460	4,649,135	51,675	1.1%
Fire/EMS	\$ 4,267,628	4,285,123	4,266,346	4,632,899	366,553	8.6%
Communications Center	\$ 668,975	691,747	664,635	647,589	(17,045)	-2.6%
Animal Welfare	\$ 51,460	55,038	57,472	60,106	2,634	4.6%
<b>TOTAL APPROPRIATION</b>	<b>\$ 9,532,781</b>	<b>9,803,195</b>	<b>9,802,331</b>	<b>10,183,045</b>	<b>380,715</b>	<b>3.9%</b>

	FY 08 Budget	FY 09 Budget	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Public Works Administration	\$ 327,027	329,648	325,239	364,489	39,250	12.1%
Highway	\$ 676,757	716,397	763,876	721,120	(42,756)	-5.6%
Snow & Ice Removal	\$ 182,210	189,410	240,410	252,410	12,000	5.0%
Street & Traffic Lights	\$ 105,887	112,248	112,248	139,650	27,402	24.4%
Equipment Maintenance	\$ 273,965	274,098	279,127	301,234	22,107	7.9%
Town Cemeteries	\$ 29,991	25,727	26,686	27,895	1,209	4.5%
Parks, Commons & Downtown Maintenance	\$ 285,663	296,059	324,778	349,954	25,176	7.8%
Tree Care & Pest Control	\$ 171,660	153,373	126,632	113,887	(12,745)	-10.1%
<b>TOTAL APPROPRIATION</b>	<b>\$ 2,053,160</b>	<b>2,096,960</b>	<b>2,198,995</b>	<b>2,270,638</b>	<b>71,643</b>	<b>3.3%</b>

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**FINANCE COMMITTEE REPORT - FY 11**

**APPENDIX B**

**FY 11 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS  
ALLOCATED TO DEPARTMENTS**

	FY 08 Budget	FY 09 Budget	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Conservation	\$ 258,522	272,451	287,462	284,112	(3,350)	-1.2%
Planning	\$ 337,529	334,306	342,660	263,715	(78,946)	-23.0%
Inspection Services	\$ 469,840	413,577	395,674	354,744	(40,930)	-10.3%
<b>TOTAL APPROPRIATION</b>	<b>\$ 1,065,891</b>	<b>1,020,333</b>	<b>1,025,797</b>	<b>902,571</b>	<b>(123,226)</b>	<b>-12.0%</b>

	FY 08 Budget	FY 09 Budget	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
Public Health	\$ 400,256	377,632	407,929	319,393	(88,537)	-21.7%
Senior Center	\$ 277,842	272,984	279,732	247,822	(31,911)	-11.4%
Community Services	\$ 84,440	97,069	0	0	-	0.0%
Veterans' Serv. & Benefits	\$ 150,618	184,722	194,427	218,602	24,175	12.4%
Leisure Services & S.E.	\$ 736,751	718,553	664,158	635,325	(28,833)	-4.3%
Pools	\$ 110,152	169,887	97,154	105,246	8,092	8.3%
Town Commemorations	\$ 875	875	875	875	-	0.0%
Golf Course	\$ 221,681	220,879	229,765	236,205	6,440	2.8%
<b>TOTAL APPROPRIATION</b>	<b>\$ 1,982,615</b>	<b>2,042,601</b>	<b>1,874,041</b>	<b>1,763,468</b>	<b>(110,573)</b>	<b>-5.9%</b>

	FY 08 Budget	FY 09 Budget	FY 10 Budget	FY 11 Fin Com	Change FY 10 - 11	Percent Change
General Government	\$ 3,508,648	3,643,474	3,430,389	3,473,197	42,808	1.2%
Public Safety	\$ 9,532,781	9,803,195	9,802,331	10,183,045	380,715	3.9%
Public Works	\$ 2,053,160	2,096,960	2,198,995	2,270,638	71,643	3.3%
Planning, Conservation & Inspections	\$ 1,065,891	1,020,333	1,025,797	902,571	(123,226)	-12.0%
Community Services	\$ 1,982,615	2,042,601	1,874,041	1,763,468	(110,573)	-5.9%
<b>TOTAL APPROPRIATION</b>	<b>\$ 18,143,095</b>	<b>18,606,563</b>	<b>18,331,552</b>	<b>18,592,919</b>	<b>261,367</b>	<b>1.4%</b>

APPENDIX C

**GLOSSARY**

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**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

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**GLOSSARY**

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**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**

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**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.