

**TOWN OF AMHERST  
PROPOSED BUDGET  
FISCAL YEAR 2012**



**JULY 1, 2011 - JUNE 30, 2012**

# THE FY 12 BUDGET PROCESS

## SEPTEMBER – OCTOBER 2010

The Select Board hosts a joint meeting of the Select Board, Finance Committee, School Committee, and Library Trustees to review revenue and expense projections for the next several budget cycles.

The Amherst Budget Coordinating Group (BCG), comprised of representatives from the Select Board (2), School Committee (2), Library Trustees (2), Finance Committee (2), Regional School Committee Chair, Town Manager, Assistant Town Manager/Finance Director, Superintendent of Schools, School Business Manager, and Library Director will meet periodically throughout the budget development process to serve as a clearinghouse for budget information, to refine a master town/school/library budget development calendar, to review a long-range financial projection that includes prior years' results, current year approved budget, revenues/expenditures for the current and next three fiscal years, and reserves, and to develop a common understanding of issues related to budget priorities and of methods of sharing resources ultimately leading to a recommended course of action. The BCG will disseminate the group's recommendations and conclusions to the public, will take no votes, and work to achieve consensus.

## NOVEMBER – DECEMBER 2010

The Finance Committee recommends FY 12 spending guidelines to Town Manager, Select Board, School Committee, Superintendent of Schools, Library Trustees and Library Director.

## NOVEMBER 2010 – JANUARY 2011

Town Manager, Superintendent of Schools and Library Director develop proposed operating budgets and capital recommendations.

On January 16, as specified in section 5.1 of the Amherst Town Government Act, "the town manager shall submit to each member of the select board and finance committee a recommendation in writing of the appropriations for the town government for the ensuing fiscal year, ...showing specifically the amount recommended to be provided for each fund and department, ...[and]an estimate of the receipts of the current year and an estimate of the amount of income from all sources of revenue exclusive of taxes upon property in the ensuing year..."

The Superintendent of Schools submits to the School Committee a spending proposal for the elementary schools and a budget for the Regional School District that includes an estimate of revenues from all sources and an estimate of probable expenditures. Proposals are presented to the respective School Committees and to the Finance Committee.

The Library Director presents a budget to Library Trustees that includes estimates of revenues from all sources and proposed expenditures for the ensuing fiscal year. The proposal is presented to the Library Trustees and the Finance Committee.

## JANUARY - APRIL 2011

The Finance Committee reviews proposed FY 12 Capital and Operating Budgets and formulates its recommendations, which will be presented to Town Meeting. The Select Board will also review the Finance Committee's recommendations so that it can make recommendations to Town Meeting regarding the Finance Committee's recommendations. The public is invited to attend any of these meetings and to voice its opinions. The Finance Committee generally meets on Thursday evenings. The Select Board meets on selected Mondays. The Joint Capital Planning Committee (JCPC) reviews and formulates recommendations for capital spending in the next ensuing fiscal year. The JCPC generally meets on Thursdays at Noon. The Community Preservation Act Committee (CPAC) is charged with assessing the needs of the Town in those areas identified by the Act, and recommending relevant expenditures to Town Meeting. By state law, CPA funds are to be spent only "for the acquisition, creation and preservation of open space; for the acquisition, preservation, rehabilitation and restoration of historic resources; for the acquisition, creation and preservation of land for recreational use; for the acquisition, creation, preservation and support of community housing; and for the rehabilitation or restoration of open space, land for recreational use and community housing that is acquired or created." The Town's website [www.amherstma.gov](http://www.amherstma.gov) posts meeting agendas and minutes, the Town Manager's proposed budget document, and budget-related committee reports. If necessary to fund a balanced budget, the Select Board may schedule a referendum to override (increase) the Town's Proposition 2-1/2 property tax levy limit.

## APRIL - MAY 2011

Town Meeting considers the recommendations of the Finance Committee, Select Board, Joint Capital Planning Committee, and Community Preservation Act Committee for Town, school, and library operating and capital budgets and adopts a FY 12 Budget.

## JULY 2011 - JUNE 2012

Amendments to the budget may be made at any Town Meeting held during FY 12. Such amendments follow the same process of review by the Finance Committee, Select Board and Joint Capital Planning Committee where appropriate.

PLEASE RECYCLE

THIS BUDGET

**(IN ACCORDANCE WITH THE TOWN OF AMHERST'S  
"BUY RECYCLED" POLICY, THIS BUDGET HAS BEEN  
PRODUCED ON RECYCLED PAPER)**

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Town of



# AMHERST *Massachusetts*

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January 14, 2011

TO: Select Board  
Finance Committee

FROM: John P. Musante, Town Manager

CC: Department Heads

SUBJECT: Town Manager's Proposed FY 12 Municipal Budget

Consistent with the Amherst Town Government Act, Section 5.1, *Annual Operating Budget*, I am pleased to submit my very first proposed budget as Town Manager for the fiscal year beginning July 1, 2011 (FY 12). My recommended FY 12 Town of Amherst Municipal Budget includes the following:

• General Fund	\$18,591,919	0.0%
• Water Fund	4,101,543	-2.4%
• Sewer Fund	3,763,199	-0.3%
• Solid Waste Fund	549,716	+3.3%
• Transportation Fund	1,062,688	+9.8%

## Revenues

This budget is being prepared with the likelihood that the Commonwealth will reduce aid to towns and school districts for an unprecedented *fourth* consecutive year. Aid to Amherst has been cut by over \$4 million already since FY 08 and the Finance Committee and I conservatively (we hope) estimate an additional reduction of 12.5% in FY 12, or a cut of \$1.7 million, plus additional aid cuts directly to the Regional Schools. State aid to support Town and school services now comprises only 20% of annual operating revenues, its lowest level since the passage of Proposition 2 ½ in 1980. Conversely, the property tax is now at an all-time high, supporting 58% of the Town budget. *A state aid cut of -12.5% (-\$1.7 million) next year would effectively offset the entire property tax override increase of \$1.68 million approved by the voters in March 2010.* We must continue to work with our legislators to prioritize state aid for Town services, schools, and libraries in the context of the overall state budget.

It is assumed in this proposal that the Town will levy to the property tax levy limit allowed under Proposition 2 ½, or \$40.2 million. This includes the remaining \$427,000 of levy capacity not used in the current year following the passage of the \$1.68 million override last spring. New growth added to the levy is estimated by our assessors at only \$300,000, which is less than 50% of the 10-year average for new growth. Except for a modest increase in estimated revenues from local option hotel and meals taxes, local receipts are projected to be essentially unchanged from current levels. No reserves are utilized to support the budget.

### Proposed Spending Plan

Over the past three years, the Town has confronted the fiscal challenges facing us directly. A citizen-led Facilitation of Community Choices Committee appointed by the Select Board reviewed short-term and long-term fiscal issues and issued a comprehensive set of recommendations in December 2008 (see full report at [www.amherstma.gov/budget](http://www.amherstma.gov/budget)). They included a focus on reducing costs (or slowing their rate of growth) via regionalization or consolidation of services, containing health care costs for active and retired employees, eliminating services not defined as “core,” pursuing appropriate economic development consistent with the Town’s Master Plan to grow the tax base and reduce reliance on residential property taxes, adopting local option meals and lodging taxes, increasing user fees and financial support from UMass, Amherst, and Hampshire Colleges where possible, and passing a Proposition 2 ½ property tax override to support “core” services. Together, we have achieved full or partial progress on most of these initiatives, but there is more to do. The municipal workforce has been reduced by 25 positions, or 11.6%, over the past three years and some services have been reduced or eliminated.

*Despite the persistent fiscal challenges facing the Town as a result of the deepest and longest economic downturn in seventy years, the Town is poised to make significant progress in a number of critical areas in the coming year. My proposed budget is consistent with the level funding preliminary budget guidelines for the Town’s General Fund budget issued by the Finance Committee in November and responsive to the Select Board’s FY 12 Budget Policy Guidelines to the Town Manager dated November 3, 2010 (both documents are included in the Introduction section of the budget). Some budget highlights:*

- *Employee/retiree health insurance will be essentially level funded at \$2.6 million in FY 12, in contrast to a nearly +10% industry trend. This is the direct result of proactive multi-year efforts by the Town to stabilize employee health care costs by eliminating the costly indemnity plan, adding HMO’s and the option of purchasing lower cost Canadian prescription drugs, increasing employee contributions, and increasing premiums to appropriate levels to pay claims and restore reserve levels in the Health Claims Trust Fund to required levels. Plan design changes have generated estimated savings in excess of \$3 million since 2006. While these are positive indicators, employee benefits costs as a share of salaries and wages has still increased from 20% to 32% of the total over the past ten years (see “Financial Trend Monitoring Report, October 2010” at [www.amherstma.gov/budget](http://www.amherstma.gov/budget)). Control of health care costs remains the single biggest fiscal challenge facing the Town over the long term;*

- *Due to an aggressive multi-year capital investment program to promote energy conservation, the municipal utilities budget will be decreased in FY 12 by 4.3%, or \$34,000. Investments in more energy-efficient HVAC systems, interior lighting, streetlights, traffic signals, and lower bid prices for natural gas are all responsible. In FY 12, the Town hopes to contract with a private company to install one of the largest solar arrays in Massachusetts at the old landfill on Belchertown Road to dramatically reduce electricity costs to the Town and generate new tax base growth over the next two years. Bids have been received and are currently under review. My twin goals quite simply are for the Town of Amherst to be a leader in renewable energy and “green” best practices;*
- *Public Safety services (Police, Fire/EMS, Communications, Animal Welfare) remain at close to current service levels despite a 1.8% reduction in the recommended budget of \$8.44 million, although I am most concerned about my reluctant recommendation to reduce overtime funds to Police, Fire/EMS, and Communications by a total of \$51,000 to assist in achieving a level-funded overall municipal budget. I have included overtime funds on a prioritized list of budget restorations or additions if additional funds become available later in the budget process (see entire list later in this Introduction section of the budget). No reductions in personnel are recommended. Turnover in staff, particularly in Police and Fire, has generated savings that are utilized to preserve staffing levels despite a budget cut. In FY 12, the Town plans to proceed with pre-construction work entirely funded by a state 911 grant to begin to create a regional public safety dispatch center following the expected formal commitments from a number of area communities to this initiative later this winter. It is hoped that a regional facility could be operational in two years;*
- *Public Works services will be preserved at current levels, despite a reduction of 2.4% in a budget recommended at \$1.9 million, due to utilities and fuel savings and staff turnover. Parks, commons, and trees personnel are reorganized. On my priority list for budget additions if funds later become available, I have included an additional position to help maintain our parks, fields, and street inventory. The DPW will oversee the completion this year of \$4.5 million in road improvements on many of the Town’s most heavily travelled roads pursuant to the bond authorization approved by Town Meeting in November. This will begin to address a \$21 million backlog of road repairs and maintenance that has accumulated over many years due to inadequate state and local funding. It is critically important that the state legislature and governor double funding for local road improvements this spring by passing a three-year \$300-million-a-year Chapter 90 bond authorization;*
- *Conservation and Development budgets are recommended to increase by a modest \$35,944 (+4.8%) to a total of \$781,017 to replace one-time grant funds used in FY 11 to support staffing and to fund an increase from part-time to full-time for an administrative assistant. Conservation, planning, and inspections services staff are in their second full year operating as a consolidated functional area on the second floor at Town Hall. The department’s ability to timely and effectively support the many regulatory boards it staffs, complete MUNIS and other streamlined permitting initiatives, administer the Community Development Block Grant, and support inspectional services is compromised*



without adequate and basic administrative support. A major initiative in the coming year will be a multi-department coordinated effort, in collaboration with the university, to improve neighborhood quality of life focused on the neighborhoods closest to the university campus. I have included as my top priority on my prioritized list of budget restorations or additions, if additional funds become available later in the budget process, a new position of Housing/Code Enforcement Inspector that would focus on sanitary, housing, and zoning code compliance on rental properties. A more detailed proposal will be forthcoming later this spring;

- *I am recommending that Community Services budgets decrease by a net of 1.3%, or \$18,573, to a total of \$1.46 million. The Health Department is about to apply for state grant funds with other Hampshire County communities to explore the feasibility of merging and/or sharing services. This might entail an expansion of our successful sharing of a Sanitarian position with the City of Northampton implemented last year. I am grateful to the Friends of the Senior Center, a non-profit organization, for their decision to contribute \$4,000 to the Senior Center to prevent additional staffing and service reductions next year. My desire is for this to be a temporary solution until the Town is on more stable financial footing. The Veterans' Services budget is projected to increase by \$40,000 due to a rising caseload. These costs are eventually reimbursed 75% by the Commonwealth. The Town has made a successful transition to a new regional veterans' services district incorporating the City of Northampton and several smaller towns. The Leisure Services and Supplemental Education (LSSE) budget is recommended to decrease by an additional \$67,254, or -12.7%, to \$463,522 as LSSE continues a difficult, but I believe necessary, realignment of its program offerings and expenses with available tax support and user fees. A vacant Adult Education/Community Theater program coordinator is eliminated and the LSSE Community Theater program continues with the support of an incredibly talented and dedicated group of community members. LSSE continues to offer a diverse array of youth sports, camps, after school, and adult education programs. I am working with interim School Superintendent Maria Geryk, her staff, and LSSE Director Linda Chalfant on an initiative to improve after school programming for the 2011-2012 school year for all students, to be partially funded with CDBG funds. The 9-hole Cherry Hill Golf Course will continue to offer one of the best values in Western Massachusetts and expand its winter programming while continuing to cover its operating and employee benefits costs entirely from user fees;*
- *The Water Fund budget of \$4,101,543 is recommended to decrease by 2.4% and no water rate increase will be necessary for the second consecutive year. Major improvements to the Centennial Water Treatment Plant located in Pelham will be funded with a proposed bond authorization of \$4 million. This is an especially good time to issue debt for this project because of historically low interest rates and because previously authorized debt service for improvements to the Atkins Water Treatment Plant will be retired in FY12;*
- *The Sewer Fund budget of \$3,763,199 is recommended to decrease by 0.3% to support operating and capital expenses of the Town's sewer system. After no increase in the current fiscal year, the sewer rate is recommended to increase by \$0.10 to \$3.35 per 100 cubic feet, which would result in a \$12 annual increase (+3%) to the sewer bill of the*

*average four-person household in Amherst.* Town water and sewer rates remain well below many of our nearby communities and the state average;

- *The Solid Waste Fund budget of \$549,716 is recommended to increase by 3.3%. A major focus in the coming year will be the installation of a solar array at the old landfill, as described earlier in this transmittal letter. The Town continues to vigorously support recycling initiatives and the operation of the transfer station;*
- *The Transportation Fund budget of \$1,062,688 is recommended to increase by 9.8% and supports the operating and capital costs of the Town's public parking system and the Town's apportionment of costs for the PVTA bus system and outreach routes. The capital plan of \$110,000 will be funded from surplus funds. In FY 12, the Town plans to replace pay/display machines in a number of Town parking lots with more customer friendly machines that also accept credit cards.*

As you can see from my recommendations, Town staff has not let the fiscal constraints we are operating under become an excuse not to pursue opportunities to improve services and the quality of life in our community. In fact, at a recent Select Board meeting I offered "13 Reasons to Stay Positive in 2011" as the pace of economic recovery hopefully accelerates:

1. Regionalization of public safety dispatch – better service, lower cost;
2. Exploration of regionalized and/or shared services for public health services;
3. Kendrick Park – a new public park for Amherst;
4. \$4.5 M of road improvements;
5. Atkins Corner road improvements and Atkins Farms Market expansion begins;
6. Lord Jeffrey Inn to re-open by mid-year;
7. Boltwood Place, a mixed use development, breaks ground in January;
8. Possible creation of a privately-led Business Improvement District (BID) to enhance services and marketing of our downtown;
9. Gateway Project, a mixed use development linking the UMass campus and the downtown;
10. Neighborhood stabilization/code enforcement initiatives;
11. North Amherst and Atkins Corner rezoning;
12. Solar Energy at the old landfill to position the Town as a regional leader in renewable energy;
13. New website and many, many e-government initiatives.

This week marks the 50<sup>th</sup> anniversary of President John F. Kennedy's only inaugural address to the nation. In that speech, he rallied the country and the world with these words:

*"United, there is little we cannot do in a host of cooperative ventures. Divided, there is little we can do -- for we dare not meet a powerful challenge at odds and split asunder."*

As we continue our work in local government on behalf of the citizens of Amherst to provide basic services such as public safety, public works, public health, education, and services and programs for our youth and our seniors, let's remember President Kennedy's words.

### Acknowledgements

The development of the Town's budget plan is a team effort. I thank the Select Board for the opportunity to serve and for your support and guidance on Town priorities. I thank the Finance Committee for their tireless dedication and focus on the long term fiscal health of our Town. I want to thank every Town employee who contributes each day to make Amherst a great place to live and work. I want to acknowledge the creativity and "can do" attitude of our extraordinarily talented department heads who are embracing my call for the Town to try and be a leader in everything we do. Lastly, I want to acknowledge the amazing skills and work ethic of my two principal support staff in the production of this proposal: IT/Financial Analyst Maria Racca and Comptroller Sonia Aldrich. Their contributions were especially critical this year as I performed double duty as Finance Director temporarily after being appointed Town Manager on October 1.

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

## FY 12 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS

TOWN OF AMHERST - TOWN MANAGER'S PROPOSED FY 12 MUNICIPAL BUDGET							Date Last Revised: 14-Jan-2011		
FY 12 PRIORITIZED LIST OF BUDGET RESTORATIONS/ADDITIONS IF FUNDS AVAILABLE									
<i>DRAFT - For Discussion Purposes Only</i>									
Department	Description	# FTE	Personnel Services	Employee Benefits	Operating Expenses	\$ Total	Cumulative Restore/Add	Manager Budget	Change FY 11 - 12
								<b>18,591,919</b>	<b>0.0%</b>
								<b>Recommended</b>	
Inspections	Housing / Code Enforcement Inspector (new)	1.00	46,045	11,127		57,172	57,172		
Facilities Maintenance	East Street School O & M (from Schools)		12,000		22,200	34,200	91,372		
Veterans Services	Veterans Benefits (75% reimbursed by State)				50,000	50,000	141,372		
Conservation & Dev'p	Replace CDBG \$ for Staff Support with Town \$		30,000			30,000	171,372		
Police	Overtime		20,000			20,000	191,372		
Fire/EMS	Overtime		20,000			20,000	211,372		
Communications Center	Overtime		11,000			11,000	222,372		
Public Works	Parks, Commons, Rec Area Supervisor (new)	1.00	45,325	11,127		56,452	278,824		
Senior Center	1.75 hours Admin Assistant (Friends Grant)		4,000			4,000	282,824		
Employee Benefits	Health Insurance Co-Pays			52,000		52,000	334,824		
Conservation & Dev'p	Energy / Sustainability Coordinator (new)	1.00	45,000	11,127		56,127	390,951		
Information Technology	Backup Internet Services				2,520	2,520	393,471	<b>18,985,390</b>	<b>2.1%</b>

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## CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	FY 12 General Fund	FY 12 Community Preserv. Act	FY 12 Water Fund
<b>REVENUES</b>			
Property Tax	40,177,649	TBD	0
Local Receipts	7,787,722	0	3,857,000
State Aid	11,949,005	TBD	0
Other Financing Sources	3,203,413	TBD	244,543
<b>TOTAL REVENUES</b>	<b>63,117,789</b>		<b>4,101,543</b>
<b>EXPENDITURES</b>			
<b><u>OPERATING BUDGET</u></b>			
Town	18,592,919	0	2,689,762
Elementary Schools	TBD	0	0
A-P Regional School District (Assessment)	TBD	0	0
Jones Library (Tax Support)	TBD	0	0
<b>Subtotal OPERATING BUDGET</b>		<b>0</b>	<b>2,689,762</b>
<b><u>CAPITAL BUDGET</u></b>			
Debt Service - Debt Exclusion	305,688	0	0
Debt Service - Current	800,210	TBD	703,688
Debt Service - Projected	584,805	0	0
Cash Capital (Tax Support)	863,764	0	0
<b>Subtotal Tax Funded Capital</b>	<b>2,554,467</b>	<b>0</b>	<b>703,688</b>
Community Preservation Act	0	TBD	0
Cash Capital (Non-Tax Support)	97,000	0	150,000
<b>Subtotal CAPITAL</b>	<b>2,651,467</b>		<b>853,688</b>
<b><u>MISCELLANEOUS</u></b>			
Assessment - Retirement System	3,256,793	0	142,525
Assessment - Regional Lockup Facility	31,323	0	0
Other	0	0	0
Reserve Fund	100,000	TBD	0
<b>Subtotal MISCELLANEOUS</b>	<b>3,388,116</b>	<b>0</b>	<b>142,525</b>
<b>Total APPROPRIATIONS</b>		<b>0</b>	<b>3,685,975</b>
<b><u>UNAPPROPRIATED USES</u></b>			
Reserve for Abatements & Exemptions	398,720	0	0
State Assessments (Cherry Sheet)	2,864,893	0	0
Cherry Sheet Offsets	70,096	0	0
Other Amounts to be Raised	15,231	0	415,568
<b>Subtotal UNAPPROPRIATED USES</b>	<b>3,348,940</b>	<b>0</b>	<b>415,568</b>
<b>TOTAL BUDGET PLAN</b>			<b>4,101,543</b>
<b>\$ Change from Prior year</b>			<b>(102,048)</b>
<b>% Change from Prior Year</b>			<b>-2.4%</b>

## CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

FY 12 Sewer Fund	FY 12 Solid Waste Fund	FY 12 Transportation Fund	FY 12 COMBINED FUNDS (memo only)	FY 11 COMBINED FUNDS (memo only)
0	0	0	TBD	36,435,006
3,524,800	537,000	940,000	16,646,522	16,196,216
0	0	0	TBD	14,406,656
238,399	12,716	122,688	TBD	4,856,301
<b>3,763,199</b>	<b>549,716</b>	<b>1,062,688</b>		<b>71,894,179</b>
2,618,182	514,954	760,402	25,176,219	24,571,726
0	0	0	TBD	20,381,768
0	0	0	TBD	12,574,043
0	0	0	TBD	1,468,029
<b>2,618,182</b>	<b>514,954</b>	<b>760,402</b>		<b>58,995,566</b>
0	0	0	305,688	400,837
316,576	0	67,763	1,888,237	2,021,867
0	0	0	584,805	261,969
0	0	0	863,764	1,261,200
<b>316,576</b>	<b>0</b>	<b>67,763</b>	<b>3,642,494</b>	<b>3,945,873</b>
0	0	0	TBD	646,574
336,000	0	110,000	693,000	960,200
<b>652,576</b>	<b>0</b>	<b>177,763</b>		<b>5,552,647</b>
169,409	34,762	31,880	3,635,369	3,330,291
0	0	0	31,323	31,323
0	0	0	0	63,674
0	0	0	100,000	100,000
<b>169,409</b>	<b>34,762</b>	<b>31,880</b>	<b>3,766,692</b>	<b>3,525,288</b>
<b>3,440,167</b>	<b>549,716</b>	<b>970,045</b>		<b>68,073,501</b>
0	0	0	398,720	332,415
0	0	0	2,864,893	2,603,164
0	0	0	70,096	72,139
323,032	0	92,643	846,474	812,960
<b>323,032</b>	<b>0</b>	<b>92,643</b>	<b>4,180,183</b>	<b>3,820,678</b>
<b>3,763,199</b>	<b>549,716</b>	<b>1,062,688</b>		<b>71,894,179</b>
<b>12,782</b>	<b>17,442</b>	<b>94,855</b>		
<b>0.3%</b>	<b>3.3%</b>	<b>9.8%</b>		

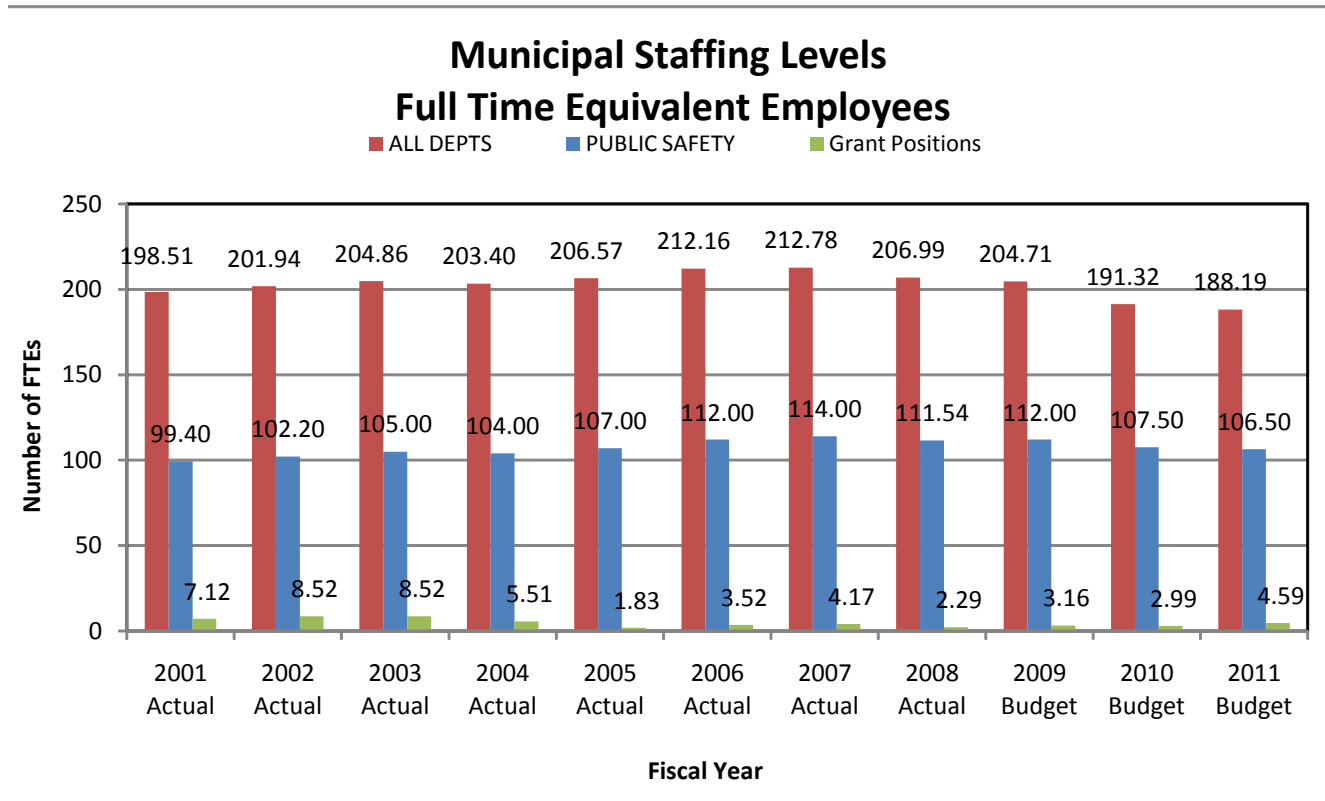
## POSITIONS IN FULL TIME EQUIVALENTS

Department	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Budget	FY 12 Manager	Change FY 11 - 12
<b>MUNICIPAL BUDGET</b>						
Select Board/Town Manager	3.00	3.00	2.50	2.50	2.50	0.00
Finance	13.00	13.00	13.00	13.00	13.00	0.00
Human Resources/Human Rights	2.00	2.00	1.50	1.50	1.50	0.00
Information Technology	4.50	4.50	4.00	4.00	4.00	0.00
Town Clerk	3.00	3.00	3.00	3.00	3.00	0.00
Elections/Registration	0.05	0.05	0.00	0.00	0.00	0.00
Facilities Maintenance	5.83	5.83	4.88	4.88	4.88	0.00
<b>TOTAL GENERAL GOVERNMENT</b>	<b>31.38</b>	<b>31.38</b>	<b>28.88</b>	<b>28.88</b>	<b>28.88</b>	<b>0.00</b>
Police Facility	1.00	1.00	1.00	1.00	1.00	0.00
Police	50.54	51.00	47.50	47.50	47.50	0.00
Fire/EMS	46.00	46.00	46.00	46.00	46.00	0.00
Communications Center	13.00	13.00	12.00	11.00	11.00	0.00
Animal Welfare	1.00	1.00	1.00	1.00	1.00	0.00
<b>TOTAL PUBLIC SAFETY</b>	<b>111.54</b>	<b>112.00</b>	<b>107.50</b>	<b>106.50</b>	<b>106.50</b>	<b>0.00</b>
Public Works Administration	3.40	3.40	3.40	3.73	3.73	0.00
Highway	13.00	13.00	13.00	13.00	13.00	0.00
Equipment Maintenance	3.00	3.00	3.00	3.00	3.00	0.00
Town Cemeteries	0.50	0.50	0.50	0.50	0.00	-0.50
Parks and Commons	4.50	4.50	4.50	4.50	0.00	-4.50
Tree Care and Pest Control	2.50	2.50	1.50	1.50	0.00	-1.50
Tree and Ground Maintenance					6.50	6.50
<b>TOTAL PUBLIC WORKS</b>	<b>26.90</b>	<b>26.90</b>	<b>25.90</b>	<b>26.23</b>	<b>26.23</b>	<b>0.00</b>
Conservation	3.72	3.72	3.83	3.63	3.63	0.00
Planning Department	5.00	5.00	4.00	3.35	3.80	0.45
Inspections	5.64	4.00	3.00	3.00	4.00	1.00
<b>TOTAL CONSERVATION &amp; DEVELOPMENT</b>	<b>14.36</b>	<b>12.72</b>	<b>10.83</b>	<b>9.98</b>	<b>11.43</b>	<b>1.45</b>
Public Health	5.50	5.43	4.34	4.00	4.00	0.00
Senior Center	3.54	3.54	3.00	3.00	3.00	0.00
Community Development	0.68	0.20	0.00	0.00	0.00	0.00
Veterans' Services & Benefits	1.00	1.00	0.60	0.60	0.00	(0.60)
Leisure Services & Supplemental Education	10.79	10.05	8.82	7.95	6.45	(1.50)
Pools	0.35	0.44	0.00	0.20	0.20	0.00
Golf Course	0.95	1.05	1.05	1.05	1.35	0.30
<b>TOTAL COMMUNITY SERVICES</b>	<b>22.81</b>	<b>21.71</b>	<b>17.81</b>	<b>16.80</b>	<b>15.00</b>	<b>-1.80</b>
<b>TOTAL GENERAL FUND</b>	<b>206.99</b>	<b>204.71</b>	<b>190.92</b>	<b>188.39</b>	<b>188.04</b>	<b>-0.35</b>
Water Supply and Distribution	14.83	15.08	15.08	16.69	17.19	0.50
<b>TOTAL WATER FUND</b>	<b>14.83</b>	<b>15.08</b>	<b>15.08</b>	<b>16.69</b>	<b>17.19</b>	<b>0.50</b>
Sewer Maintenance	2.50	2.00	2.00	2.00	2.00	0.00
Wastewater Treatment Plant	15.25	15.50	15.50	14.83	15.33	0.50
<b>TOTAL SEWER FUND</b>	<b>17.75</b>	<b>17.50</b>	<b>17.50</b>	<b>16.83</b>	<b>17.33</b>	<b>0.50</b>
Sanitary Facilities	3.60	3.60	3.60	4.00	4.00	0.00
<b>TOTAL SOLID WASTE FUND</b>	<b>3.60</b>	<b>3.60</b>	<b>3.60</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>
Parking Facilities	4.00	4.00	4.00	4.12	4.20	0.08
<b>TOTAL TRANSPORTATION FUND</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.12</b>	<b>4.20</b>	<b>0.08</b>
<b>TOTAL</b>	<b>247.17</b>	<b>244.89</b>	<b>231.10</b>	<b>230.03</b>	<b>230.76</b>	<b>0.73</b>



## POSITIONS IN FULL TIME EQUIVALENTS

### Municipal Staffing Levels

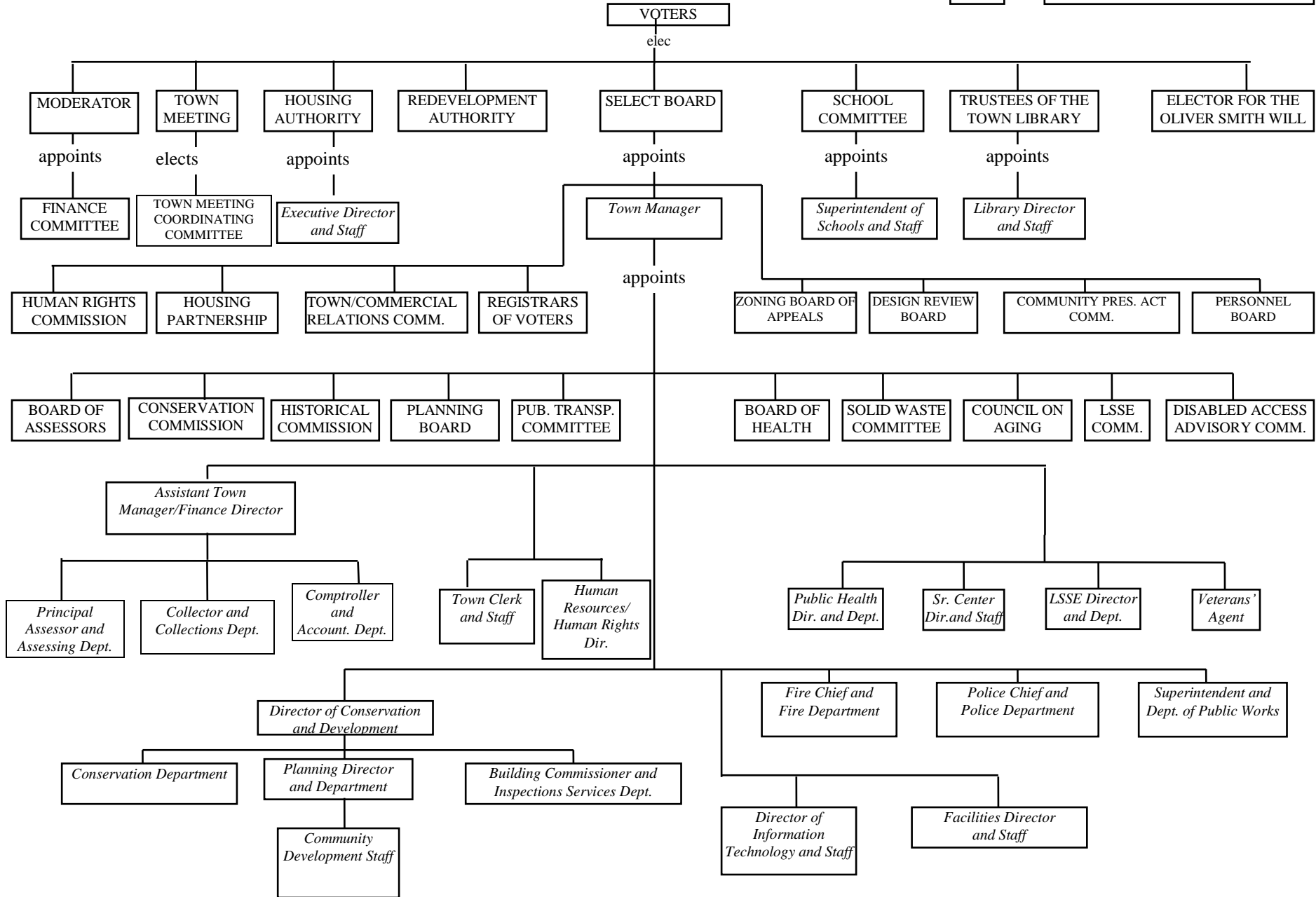


Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 24.59 positions since FY 07, or 11.6%. Public Safety personnel have decreased by 7.5 FTEs, or 6.6%, while non-public safety positions have been reduced by 17.09 FTEs, or 17.5%. Since FY 01, there has been a net staffing decrease of 10.32 FTEs, or 5.2%.

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

Staff  
ELECTED AND APPOINTED BOARDS,  
COMMISSIONS AND COMMITTEES





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Town Hall  
4 Boltwood Avenue  
Amherst, MA 01002

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

To: John Musante, Town Manager  
From: Stephanie O’Keeffe, Select Board Chair  
Date: November 3, 2010  
Re: FY12 Budget Policy Guidelines

At our Monday, November 1, 2010 meeting, the Select Board unanimously approved the following Budget Policy Guidelines for FY12.

**OVERALL PHILOSOPHY FOR FY12:** Fiscal sustainability continues to be the budget goal, so FY12 revenue and expenditure plans must be viewed in a multi-year context. The Select Board recognizes that further reductions in service scope across many or all departments will be necessary to balance the FY12 budget, and we consider broad reductions across departments preferable to elimination of any specific program categories. We consider intense evaluation of the current range of municipal services and their delivery methods to be critical for making decisions with the highest budget impact and lowest citizen impact. We are again willing to consider distribution of cuts across the Town, School and Library budgets in other than the traditional “equal” distribution, if we believe the identified gains and losses would better serve the community. We recognize the necessity of including long-term obligations, such as the enormous cost of retiree health care, as part of our fiscal sustainability planning, and we look forward to recommendations in this challenging area as we go forward.

**PRIORITIZATION AND FEEDBACK:** Following two particularly challenging years of identifying core services, cutting back to that core and working to protect it going forward, the current (FY11) budget represents the best approximation of minimally-acceptable service levels for our community. Facing this fourth year of reductions in State Aid, on the heels of our carefully-crafted and successful override last spring, the Select Board needs to be able to weigh in on the cuts that will be necessary to balance the FY12 budget. We no longer have the luxury of identifying beforehand particular programs or service sectors for either protection or acceptable reduction, because that approach is too broad for this stage of now-annual budget cutting. We need an opportunity to respond to the Town Manager’s recommendations. To ensure the budget is one we can support at Town Meeting, it must reflect our best estimate of the community’s priorities in current circumstances, with due consideration given to what would be kept or lost at different levels of levy capacity and overall available revenues. The Select Board supports continuing the model of the Town Manager presenting a prioritized list of expenditures at different revenue levels, allowing the Select Board and community to consider the recommended prioritization and relative necessity.

**EXPENSE REDUCTION:** The Select Board continues to support appropriate regionalization and reorganization when such initiatives would reduce costs and realize efficiencies. We also continue to support reassigning services outside of the general fund where responsible, and with due consideration of the implications of funding loss, mindful of sections B-4 and B-8 of the Town's "Financial Management Policies & Objectives."\* We recognize that without new revenue, broad-based cuts to programs and services are necessary. *We consider the negotiation of labor contracts that the Town can afford and sustain to be of highest priority.*

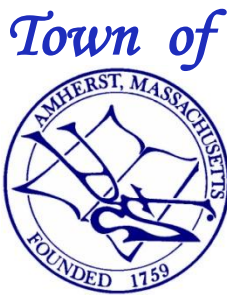
**ECONOMIC DEVELOPMENT:** We recognize that our most reliable revenue source is property tax, and that growing our property tax base in net-positive ways is critical. We strongly support pursuing responsible and appropriate expansion of our commercial sector. We strongly support pursuing residential sector growth through private student housing, senior housing and mixed-use development. It is important to clearly articulate to the Select Board and the wider community the cost-benefit analysis of such pursuits, as well as their consistency with the Master Plan.

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

**CAPITAL:** The Select Board recognizes the perils of inadequate investment in capital improvements, and remains committed to trying to incrementally increase the percentage of the property tax levy allocated to capital over time to achieve a goal of 10%, per section C-7 of the Town's "Financial Management Policies & Objectives."\* But we believe that the extenuating circumstances of the current financial situation will likely not allow for any increase this year. Additionally, we believe prudence requires that there be no decrease from the FY11 percentage. The Select Board continues to support funding capital investments by means other than the capital budget where possible, including through the use of Community Preservation Act funds, through shared purchasing and ownership with other towns or entities, and through bonding or borrowing for large long-term projects.

**RESERVES:** The Select Board opposes reserve use to fund ongoing expenses. We support careful and strategic reserve use only as a bridge to either anticipated revenue or a planned expense reduction. We support maintaining a responsible reserve balance, as outlined in section B-3 of the Town's "Financial Management Policies & Objectives."\*

\* Town of Amherst "Financial Management Policies & Objectives," adopted January 2008; this document is available on the FY12 Budget page of the Town web site.



# AMHERST *Massachusetts*

November 15, 2010

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

From: Finance Committee

Re: Preliminary Fiscal Year 2012 Budget Guidelines

Amherst faces another challenging year for the development of a budget. While our community supports the vital services provided by the Town, schools and library, as evidenced by the vote on the property tax levy override last year, we face the extraordinary reality that the state will once again reduce local aid to cities and towns. Consequently, we are asking you to develop operating budgets with the same amount of town appropriation as provided in FY 11. Because of the formula that allocates assessments among the four towns, Amherst's assessment will increase by an estimated 3% to achieve a level budget for the Regional Schools.

At the Four Boards Meeting on October 14, we learned that when estimates of FY 12 income are combined with the increased cost of providing the same level of services as those provided in FY 11, the Town will confront a projected deficit for FY 12 of \$2,168,166. Assuming that taxes are levied to the full amount allowed by the 2010 override vote, total municipal revenues are expected to increase by \$320,140. Some appropriations must increase, most notably the Assessment for the Retirement System. As a result, even if we restrain expenditures for the Capital Budget to 5.64% of the property tax levy, level-funded operating budgets for FY 12 will still leave us with a projected deficit of \$301,893. These estimates are responsible, cautious, and preliminary.

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

While local property taxes have been predictable and stable, state aid has been unpredictable and varies from year to year. In prior periods when state revenue declined, we could use reserves to supplement that revenue source. We did so through FY 09. We used a small amount of reserves in FY 10 and none in FY 11. In any event, reserves remain at a level that is near the low end of our identified range. This is an unprecedented period. With the expectation of further reductions in FY 12 we will have experienced four years of successive state aid reductions.

Massachusetts voters recognized that the state must have revenues to support the state and local services that provide education, safety, enrichment, and the desired quality of life. On November 2, they rejected Question 3 which would have substantially cut the sales tax and required a draconian cut in state aid to municipalities. But even without the loss of that revenue, the state confronts an estimated deficit of at least \$2 billion, and it has neither the reserves nor the additional stimulus funds to continue to provide local aid at the present level.

While there is consensus that local aid will again be reduced in FY 12, the estimates vary about the amount of that reduction. At a meeting of the Local Government Advisory Committee on November 9, the Secretary for Administration and Finance, the Governor's chief budget officer, declined to estimate the amount of the reduction, while the Massachusetts Taxpayers Foundation estimated that a reduction of 5-10% would be likely. The MTF previously projected a 12.5% reduction, which is the estimate used for these guidelines. The October 2010 state revenue collections are 9.5% greater than in the previous year. State tax revenues are exceeding the year-to-date benchmark by \$413 million which is an encouraging trend that may help to shrink the estimated deficit of \$2 billion. However, there are tremendous pressures on the state from Medicaid funding needs, the depletion of the "rainy day" reserve fund, and the certainty, after the November 2 Congressional elections, that we can expect no new federal stimulus. Furthermore, as previously noted, these guidelines still leave us with a projected deficit of \$301,893. A 12.5% reduction in state aid is a realistic "worst-case" estimate.

### **The Capital Budget**

The Town's Financial Policy specifies that the annual budget should include a Capital Program that includes debt service obligations and cash-funded capital projects funded from current revenues equal to at least 10% of the estimated property tax levy. This policy recognizes that it is essential to maintain and improve our infrastructure, including our school, town and library buildings and the equipment required to provide services, as well as to invest in recreation fields and facilities, open space, and other Town priorities. When the policy was adopted in 2008, only 7.2% of the tax levy was allocated to that purpose. Since then the allocation has decreased. In FY 11, it is 5.64%. This is a matter of great concern because at some point the deterioration of our infrastructure will be so great that the Town will confront very steep costs to correct the problems.

Nevertheless, the baseline assumptions that create the foundation for these preliminary estimates and guidelines again allocate 5.64% of the estimated property tax levy for capital. The 5.64% allocation is not the amount that was originally proposed for capital expenditures in FY 11 and budgeted by the Joint Capital Planning Committee. JCPC had allocated \$120,000 for the acquisition of easements for what has been referred to as "the Patterson property." After former Town Manager Larry Shaffer withdrew that request for FY 11, those funds were not reallocated for other capital purposes, which reduced the allocation from 6% to 5.64%.

We would like to be clear, that if revenue is greater than the "worst case" scenario from preliminary estimates, the first priority for additional expenditures should be to restore the allocation to capital to at least 6% of the estimated property tax levy, which is the true level funding from FY 11.

### **Reserve funds**

The Department of Revenue notified the Town last month that it had certified the "free cash balance" on July 1, 2010 at \$3,330,986, an approximate \$700,000 increase from the previous year. Together with a Stabilization fund of \$1,421,401 the reserve funds total \$4,752,387, about 7% of revenues. The Town Financial Policy is to maintain Reserves at 5-15% of general fund operating revenues.

It would not be wise to use any reserves to supplement operating budgets in FY 12. While the Massachusetts economy is beginning to recover from the recession, as evidenced by the increase in the latest State tax revenue collections, projected increases for State aid in FY 13 and FY 14 are likely to be in the range of 1.5-2.5%. Reserves are close to the bottom of the targeted range, and it is unlikely that there will be much capacity to increase them. The Town will have other challenges, including addressing the backlog of capital needs and funding the OPEB Trust Fund. The Finance Committee will develop a policy for the future use of reserves that is likely to be similar to the policy adopted for the FY 10 budget process. That policy limited the use of reserves to implement bona fide plans to move toward models of service provision that will provide net

savings to the town in the future while providing acceptable levels of service, and to leverage outside revenue in order to maintain existing core services. That policy enabled us to use reserves to support the orderly closing of the Marks Meadow elementary school and provide a bridge to new revenue from optional meals and lodging taxes.

### **Requested budget information**

The Finance Committee wants to understand the policy choices you are making in submitting a budget for level funding. A budget always reflects changes in programs, services and staffing, which can be a combination of reductions and additions. We therefore ask that you provide a prioritized list of expenditures. This will help us: 1) understand the budget, 2) determine whether we can recommend it, and 3) explain it to Town Meeting. If there is additional revenue that enables some operating budgets to increase in FY 12, this information will be essential for discussing the overall priorities at the Budget Coordinating Group and to permit the Finance Committee to make appropriate decisions.

**PLEASE NOTE:** In response to requests from Town Meeting, the Finance Committee is implementing a new process for the development and presentation of the 2012 budget. The Finance Committee will present each operating budget with a 6 part budget narrative:

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

The Finance Committee recognizes that it has not been possible to define “full-time-equivalent” in a uniform manner that works well for all budget areas. It is more important that we achieve year-to-year uniformity within each budget area and explain the projected change for the next year. For example, if the work force consists of salaried and hourly employees, the employee count for the present year might be projected as the number of FTE benefited staff and the number of hours of part-time staff. For FY 12, the budget might envision a change in each, which we want to understand and present to Town Meeting.

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

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

### **Schedule**

The Finance Committee requests that you submit budgets according to the Budget Coordinating Group’s Budget Development Calendar. We ask that the Town Manager present his executive budget to the Finance Committee no later than Tuesday, January 18. The Amherst Town Government Act specifies that this budget should be presented to the Finance Committee by January 16, which will be the Saturday of a holiday weekend in 2011. We ask that the executive budgets for the Schools (Region and elementary) and the library be submitted to us by January 27.

**Conclusion**

The Finance Committee values the quality schools, libraries, and municipal services that the Town provides, and we would clearly like to have more resources to support them. Regrettably for all of us who volunteer in Town government or work for the Town, and most importantly for the people who rely on the Town for these services, our resources continue to be affected by the recession and long-term structural challenges. We project that the revenues will improve modestly after FY 12, but only modestly. The challenge to find creative new approaches to economically provide quality services will be with us for the foreseeable future.

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

Gary Abbott 775-813-8339

Philip Jackson 549-2619

Kay Moran, Vice Chair 549-5767

Robert Saul 253-4059

Douglas Slaughter 253-9920

Andrew Steinberg, Chair 549-6826

Marylou Theilman 253-7980



TOWN OF AMHERST, MASSACHUSETTS  
FINANCIAL PROJECTIONS - GENERAL FUND

DRAFT For Discussion Purposes Only  
4-Nov-2010

FY 12 Preliminary Guidelines - Finance Committee

	FY 10 Budget	FY 10 Actual	FY 11 Budget	FY 11 Recap	FY 12 Projected	\$ Chg	% Chg	FY 13 Projected	% Chg	FY 14 Projected	% Chg	Assumptions
<b>REVENUES</b>												
<b>PROPERTY TAX</b>												
Base Levy	34,439,142	34,439,142	35,666,757	35,666,757	38,595,867	2,929,110	8.2%	39,860,764	3.3%	41,257,283	3.5%	
2.5% Allowable Increase	860,979	860,979	891,669	891,669	964,897	73,228	8.2%	996,519	3.3%	1,031,432	3.5%	
Estimated New Growth	366,636	366,636	350,000	357,000	300,000	(57,000)	-16.0%	400,000	33.3%	400,000	0.0%	FY 12 est only \$300,000; FY 00 - 08 avg \$600,000/year
General Override	0	0	1,680,441	1,680,441	0	(1,680,441)	-100.0%	0		0		FY 11: Override approved by voters March 2010
Levy Limit	35,666,757	35,666,757	38,588,867	38,595,867	39,860,764	1,264,897	3.3%	41,257,283	3.5%	42,688,715	3.5%	
Debt Exclusion	400,837	400,837	352,466	352,466	305,688	(46,778)	-13.3%	259,373	-15.2%	213,522	-17.7%	High School debt.
Maximum Allowable Levy	36,067,594	36,067,594	38,941,333	38,948,333	40,166,452	1,218,119	3.1%	41,516,656	3.4%	42,902,237	3.3%	
Excess Levy Capacity	(8,588)	0	(505,803)	(415,212)	0	0	0.0%	0		0		FY 11: Budgets adopted by Town Meeting will not require entire \$1.68M tax increase in the first year.
<b>Subtotal PROPERTY TAX</b>	<b>36,059,006</b>	<b>36,067,594</b>	<b>38,435,530</b>	<b>38,533,121</b>	<b>40,166,452</b>	<b>1,633,331</b>	<b>4.2%</b>	<b>41,516,656</b>	<b>3.4%</b>	<b>42,902,237</b>	<b>3.3%</b>	
<b>LOCAL RECEIPTS</b>												
Motor Vehicle Excise	1,350,000	1,355,180	1,350,000	1,350,000	1,350,000	0	0.0%	1,383,750	2.5%	1,418,344	2.5%	FY 10+: negatively impacted from economic downturn
Hotel/Motel and Meals Excise	370,000	343,042	600,000	465,000	540,000	75,000	16.1%	553,500	2.5%	567,338	2.5%	FY 11: first full year of increase; FY 12: Lord Jeffrey Inn reopens
Penalties and Interest	132,000	179,980	132,000	132,000	132,000	0	0.0%	135,300	2.5%	138,683	2.5%	Continued strong collections of delinquent taxes (tax title)
PILOT	918,458	937,568	918,458	918,458	918,458	0	0.0%	941,419	2.5%	964,955	2.5%	Enterprise Fund reimbursements to Gen Fund
Rentals	56,500	57,732	56,500	56,500	56,500	0	0.0%	56,500	0.0%	56,500	0.0%	
Departmental Revenue	1,193,768	1,292,870	1,175,767	1,175,767	1,175,767	0	0.0%	1,205,161	2.5%	1,235,290	2.5%	FY 10: LSSE fee increases
Licenses and Permits	790,550	808,840	790,550	790,550	790,550	0	0.0%	810,314	2.5%	830,572	2.5%	FY 10+: negatively impacted from economic downturn
Special Assessments	669,517	855,146	705,929	705,929	692,954	(12,974)	-1.8%	710,278	2.5%	728,035	2.5%	PVTA assessment contributions from UMass/5 College Inc
Fines and Forfeits	169,000	178,086	169,000	169,000	169,000	0	0.0%	173,225	2.5%	177,556	2.5%	
Investment Income	200,000	159,206	200,000	150,000	150,000	0	0.0%	150,000	0.0%	150,000	0.0%	Lower interest rates
Miscellaneous	1,523,223	1,535,615	1,709,804	1,596,680	1,915,925	319,245	20.0%	2,011,721	5.0%	2,112,307	5.0%	Amherst College, Charter/Choice reimbursements (APS)
<b>Subtotal LOCAL RECEIPTS</b>	<b>7,373,016</b>	<b>7,703,266</b>	<b>7,808,008</b>	<b>7,509,884</b>	<b>7,891,154</b>	<b>381,271</b>	<b>5.1%</b>	<b>8,131,169</b>	<b>3.0%</b>	<b>8,379,579</b>	<b>3.1%</b>	
<b>STATE AID</b>												
Chapter 70	6,141,373	6,141,373	5,895,718	5,782,594	5,059,770	(722,824)	-12.5%	5,135,666	1.5%	5,212,701	1.5%	FY 12: MA Taxpayers Foundation estimates -12.5% cut if Sales Tax Rollback Q.3 fails; -30% if passes!
Charter Tuition Assessment Reimbursement	320,491	323,191	324,886	279,365	235,000	(44,365)	-15.9%	235,000	0.0%	235,000	0.0%	A & F est. -6.5% if Q.3 fails; -18% if passes Per charter school funding formula
Lottery												
Additional Assistance												
Unrestricted General Govt Aid	7,417,544	7,417,544	7,120,842	7,120,842	6,230,737	(890,105)	-12.5%	6,324,198	1.5%	6,419,061	1.5%	Formerly Lottery Aid & Additional Assistance
Police Career Incentive	33,348	33,796	33,348	16,788	16,788	0	0.0%	16,788	0.0%	16,788	0.0%	FY 10: State reimb. cut. Net Town cost increase +\$133,000
Veterans Benefits	91,069	120,555	91,069	152,021	152,021	0	0.0%	155,822	2.5%	159,717	2.5%	
Exempt: Vets, Blind, Surv. Spouses, Elderly	39,754	38,335	39,754	38,266	38,266	0	0.0%	38,266	0.0%	38,266	0.0%	
State Owned Land	163,254	163,254	163,254	146,327	146,327	0	0.0%	146,327	0.0%	146,327	0.0%	
Offset Receipts												
School Lunch	6,866	6,866	6,866	6,018	6,018	0	0.0%	6,018	0.0%	6,018	0.0%	
Public Libraries	65,273	65,273	67,522	64,078	64,078	0	0.0%	64,078	0.0%	64,078	0.0%	
<b>Subtotal STATE AID</b>	<b>14,278,972</b>	<b>14,310,187</b>	<b>13,743,259</b>	<b>13,606,299</b>	<b>11,949,005</b>	<b>(1,657,294)</b>	<b>-12.2%</b>	<b>12,122,163</b>	<b>1.4%</b>	<b>12,297,956</b>	<b>1.5%</b>	FY 12: if 30% cut, then reduction of \$3.7M
<b>OTHER FINANCING SOURCES</b>												
Ambulance Fund	2,094,262	2,094,262	2,307,878	2,307,878	2,303,473	(4,405)	-0.2%	2,395,612	4.0%	2,491,436	4.0%	FY 11 & 12: includes capital purchases
Reserve for Debt Service - WW Roof	49,990	49,990	44,844	44,844	44,844	0	0.0%	41,107	-8.3%	0	-100.0%	MSBA grant for Wildwood School Roof for FY 10-13 debt
Community Preservation Act (debt service only)	83,774	83,774										FY 11+ CPA accounted for in separate fund
Enterprise Fund Reimbursements	797,467	797,467	830,089	830,089	854,992	24,903	3.0%	880,641	3.0%	907,061	3.0%	
Overlay Surplus	0	0	0	0	0	0	0.0%	0		0		
Miscellaneous	0	0	57,665	57,665	0	(57,665)	-100.0%	0		0		FY 11: Old capital article balances reallocated to new projects
Free Cash	1,044,833	1,044,833	0	0	0	0	0.0%	0		0		FY 11+: No use of reserves for operating budget
Stabilization Fund	0	0	0	0	0	0	0.0%	0		0		
<b>Subtotal OTHER FINANCING SOURCES</b>	<b>4,070,326</b>	<b>4,070,326</b>	<b>3,240,476</b>	<b>3,240,476</b>	<b>3,203,309</b>	<b>(37,167)</b>	<b>-1.1%</b>	<b>3,317,360</b>	<b>3.6%</b>	<b>3,398,497</b>	<b>2.4%</b>	
<b>TOTAL REVENUES</b>	<b>61,781,320</b>	<b>62,151,373</b>	<b>63,227,273</b>	<b>62,889,780</b>	<b>63,209,919</b>	<b>320,140</b>	<b>0.5%</b>	<b>65,087,348</b>	<b>3.0%</b>	<b>66,978,269</b>	<b>2.9%</b>	
\$ Change from Prior year					(17,354)			1,877,428		1,890,921		

TOWN OF AMHERST, MASSACHUSETTS  
FINANCIAL PROJECTIONS - GENERAL FUND

DRAFT For Discussion Purposes Only  
4-Nov-2010

EXPENDITURES												
OPERATING BUDGET												
Town	18,331,553	18,219,153	18,592,919	18,592,919	18,592,919	0	0.0%	19,150,707	3.0%	19,725,228	3.0%	
Elementary Schools	20,381,768	20,349,445	20,407,534	20,294,410	20,294,410	0	0.0%	20,903,242	3.0%	21,530,340	3.0%	FY 11: Reduced by \$113,124 fed grant offset per 11/8/10 STM
A-P Regional School District (Assessment)	12,574,043	12,574,043	13,112,795	13,112,795	13,506,179	393,384	3.0%	14,316,550	6.0%	15,175,543	6.0%	Does not include federal stimulus funds
Jones Library (Tax Support)	1,468,029	1,467,093	1,541,736	1,541,736	1,541,736	0	0.0%	1,587,988	3.0%	1,635,628	3.0%	FY 11: MAR estimate = \$1,521,879
<b>Subtotal OPERATING BUDGET</b>	<b>52,755,393</b>	<b>52,609,734</b>	<b>53,654,984</b>	<b>53,541,860</b>	<b>53,935,244</b>	<b>393,384</b>	<b>0.7%</b>	<b>55,958,487</b>	<b>3.8%</b>	<b>58,066,738</b>	<b>3.8%</b>	
CAPITAL BUDGET												
Debt Service - Debt Exclusion	400,837	400,837	352,466	352,466	305,688	(46,778)	-13.3%	259,373	-15.2%	213,522	-17.7%	ARHS debt funded via debt exclusion. Earmarked prop tax.
Debt Service - Current	799,287	799,287	872,564	872,564	800,210	(72,354)	-8.3%	770,319	-3.7%	680,781	-11.6%	Per JCPC 5-Year Capital Plan - October 2010 Estimates
Debt Service - Projected	261,969	69,195	85,314	85,314	584,805	499,491	585.5%	575,125	-1.7%	565,444	-1.7%	FY 12+: includes 10-year \$4.5M road improvements bond
Cash Capital (Tax Support)	1,261,200	1,261,200	1,340,135	1,220,135	863,132	(357,003)	-29.3%	1,129,993	30.9%	1,315,098	16.4%	
<b>Subtotal Tax Funded Capital</b>	<b>2,723,293</b>	<b>2,530,519</b>	<b>2,650,479</b>	<b>2,530,479</b>	<b>2,553,835</b>	<b>23,356</b>	<b>0.9%</b>	<b>2,734,810</b>	<b>7.1%</b>	<b>2,774,845</b>	<b>1.5%</b>	
<b>Tax Capital Less Debt Excl</b>	<b>2,322,456</b>	<b>2,129,682</b>	<b>2,298,013</b>	<b>2,178,013</b>	<b>2,248,147</b>	<b>70,134</b>	<b>3.2%</b>	<b>2,475,437</b>	<b>10.1%</b>	<b>2,561,323</b>	<b>3.5%</b>	
<b>% Net Tax Levy</b>	<b>6.51%</b>	<b>5.97%</b>	<b>5.96%</b>	<b>5.64%</b>	<b>5.64%</b>			<b>6.00%</b>		<b>6.00%</b>		JCPC: phase in restoration to 10% of levy over 5 years
Community Preservation Act (debt service only)	83,774	83,774	-	-	-	0		-		-		FY 11+ CPA accounted for in separate fund
Cash Capital (Non-Tax Support)	0	0	247,665	247,665	97,000	(150,665)	-60.8%	0	-100.0%	0	#DIV/0!	FY11: Ambulance Fund, old articles; FY 12: Ambulance
<b>Subtotal CAPITAL</b>	<b>2,807,067</b>	<b>2,614,293</b>	<b>2,898,144</b>	<b>2,778,144</b>	<b>2,650,835</b>	<b>(127,309)</b>	<b>-4.6%</b>	<b>2,734,810</b>	<b>3.2%</b>	<b>2,774,845</b>	<b>1.5%</b>	
MISCELLANEOUS												
Assessment - Retirement System	3,000,652	3,190,355	3,190,355	3,190,355	3,445,583	255,228	8.0%	3,721,230	8.0%	3,851,473	3.5%	FY 12 & 13: worst case scenario; new funding schedule soon
Assessment - Regional Lockup Facility	31,323	31,323	31,323	31,323	31,323	0	0.0%	31,323	0.0%	31,323	0.0%	
Other	63,674	0	0	0	0	0		0		0		
Reserve Fund	100,000	100,000	100,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
<b>Subtotal MISCELLANEOUS</b>	<b>3,195,649</b>	<b>3,321,678</b>	<b>3,321,678</b>	<b>3,321,678</b>	<b>3,576,906</b>	<b>255,228</b>	<b>7.7%</b>	<b>3,852,553</b>	<b>7.7%</b>	<b>3,982,796</b>	<b>3.4%</b>	
<b>Total APPROPRIATIONS</b>	<b>58,758,109</b>	<b>58,545,705</b>	<b>59,874,806</b>	<b>59,641,682</b>	<b>60,162,985</b>	<b>521,303</b>	<b>0.9%</b>	<b>62,545,849</b>	<b>4.0%</b>	<b>64,824,378</b>	<b>3.6%</b>	
UNAPPROPRIATED USES												
Reserve for Abatements & Exemptions	333,200	332,415	369,344	369,344	398,608	29,264	7.9%	412,573	3.5%	426,887	3.5%	Goal: budget 1% of tax levy
State Assessments (Cherry Sheet)	2,603,164	2,603,164	2,893,504	2,792,740	2,864,893	72,153	2.6%	3,008,138	5.0%	3,158,544	5.0%	Retired Teachers Health Ins., Choice/Charter Tuition, PVTA
Cherry Sheet Offsets	72,139	72,139	74,388	70,096	70,096	0	0.0%	70,096	0.0%	70,096	0.0%	School Lunch and Public Libraries; offsetting state aid
Other Amounts to be Raised	15,493	15,231	15,231	15,918	15,231	(687)	-4.3%	15,231	0.0%	15,231	0.0%	
<b>Subtotal UNAPPROPRIATED USES</b>	<b>3,023,996</b>	<b>3,022,949</b>	<b>3,352,467</b>	<b>3,248,098</b>	<b>3,348,828</b>	<b>100,730</b>	<b>3.1%</b>	<b>3,506,037</b>	<b>4.7%</b>	<b>3,670,759</b>	<b>4.7%</b>	
<b>TOTAL BUDGET PLAN</b>	<b>61,782,105</b>	<b>61,568,654</b>	<b>63,227,273</b>	<b>62,889,780</b>	<b>63,511,813</b>	<b>622,033</b>	<b>1.0%</b>	<b>66,051,887</b>	<b>4.0%</b>	<b>68,495,137</b>	<b>3.7%</b>	
\$ Change from Prior year					284,540			2,540,074		2,443,250		
<b>SURPLUS / (SHORTFALL)</b>	<b>(785)</b>	<b>582,719</b>	<b>0</b>	<b>(0)</b>	<b>(301,893)</b>			<b>(964,539)</b>		<b>(1,516,868)</b>		FY 12 gap: add \$2M if Question 3 Sales Tax Rollback passes