

MSA Leadership Conference for Selectmen

BUDGET BASICS

PPT Slides

June 9, 2012
Sutton, MA
Sandy Pooler
Finance Director
Town of Amherst

What we are trying to avoid.



"YET SOME MORE BAD NEWS FROM
OUR FID-COM CHAIRMAN."

Illustration by William Conr.

6 Steps Management Should take to Produce a Budget

From A Guide to Financial Management for Town Officials

1. Planning –
 - a) Calendar
 - b) Forecast Revenue and Expenses
 - Prior Year, YTD, Major changes
2. Guidelines – Set Goals and Priorities
3. Distribute Forms to Departments
 - a) Allocate to Departments: Town, Schools, etc.
 - b) Describe projects
 - c) Describe how budget relates to goals and objectives
 - d) Prior Year Expenditures, YTD, (Projections)
 - e) Justifications for restorations or additions
 - f) Level budgets, additional requests, impact of cuts.
4. Review Requests with Finance Committee and Select Board, Finalize numbers
5. Finance Committee presents to town meeting
 - a) Adopt at town meeting
6. Monitor expenses and revenues year-round

BUDGET TIMELINES

Fiscal Year Calendar

July

Begin new fiscal year
Close books from prior year

August

Accountant's prior fiscal year report

September

October

Audit
Initial revenue forecast
SB Guidelines

November

Free Cash certified
Fall Town Meeting: final budget amendments
Budget guidelines to departments

December

Set tax rate
Budget meetings with departments

January

Present Manager's budget
Governor's budget

February

SB and FC Budget hearings with departments
Refine revenue and expenditures estimates

March

Finish budget meetings

April

Fin Comm report
Town Meeting
House Budget

May

Town Meeting
Senate budget

June

Conference
Committee
State budget
Close fiscal year

Other Budget Timelines

- School Department
- Library
- Other Departments not reporting to Select Board
- Enterprise funds (Water, Sewer, etc.)

TOWN OF AMHERST - FY 2013 BUDGET DEVELOPMENT CALENDAR

Updated: January 26, 2012

and requiring appropriation by Town Meeting. The School Superintendent and School Committees and the Jones Library Director and Library Trustees carry out similar steps leading to their budget submissions and preparation for Town Meeting.

NOTE: "FY" is "fiscal year" ending on June 30 of the designated year.

2011

August 29	FY11 Municipal Budget/Actual Report (for fiscal year ending June 30, 2011) presented to Select Board.
October	SC Com Develops Budget Guidelines
October	Town Manager and Finance Director issue operating and capital budget instructions to Department Heads.
October 13	Preliminary Financial Projections and Key Issues for FY13 Budget Planning presented by Town Manager to a joint meeting of the Select Board, Finance Committee, School Committee, and Library Trustees.
October 17	Select Board takes public comments on draft FY13 Budget Guidelines for the Town Manager.
October 20	Budget Coordinating Group (BCG) reviews FY 11 budget results, FY 12 budget issues, and begins FY 13 fiscal planning.
October 24	FY12 Quarterly Municipal Budget Report (for period ending September 30, 2011) to Select Board and Finance Committee. Select Board finalizes FY13 Budget Guidelines for the Town Manager.
October 31 - November 21	Department Head budget hearings with Town Manager and Finance Director.
November 3	Finance Committee develops Budget Guidelines and issues to Select Board, Town Manager, School Superintendent, School Committees, Library Director, and Library Trustees.
November 7	Fall Special Town Meeting begins. Consideration of FY12 budget amendments, if any.
November 8	Regional School Committee: Issues Budget Guidelines
November 15	Amherst School Committee: Issues Budget Guidelines
December 5	Public Hearing ("Classification Hearing") conducted by Select Board, including a presentation of Property Tax Classification Report submitted by Board of Assessors re: property valuations and projected tax rates for FY12. Town Manager presents preliminary cut list/program changes as known to date for Select Board

December 13 Amherst School Committee: Review "Level Services" Budget; School Choice discussion.

December 20 Regional School Committee: Review "Level Services" Budget; School Choice discussion.

December 20 Regional School Committee School Choice discussion.

2012

January-April BCG meets as necessary to coordinate the budget development calendar and process, provide a forum to share information about the budgets, and offer consensus recommendations to the Finance Committee.

January 4th Quarter Library Endowment Report; Vote spending rate.

January 7 Region Budget: 4-Town Meeting, 9-Noon

January 10 Regional School Committee: Superintendent presents budget document with preliminary adjustments; School Choice vote.

January 11 Library Trustees: Review updated FY 13 Budget and capital project plan

January 13 Town Manager delivers FY 13 Proposed Municipal Budget to Select Board and Finance Committee.

January 17 Amherst School Committee: Superintendent presents budget document with preliminary adjustments; School Choice vote.

January 17 and 19 Town Manager presents overview of FY 13 Proposed Municipal Budget to Select Board and Finance Committee per ATGA deadline.

January 19 - March 30 Joint Capital Planning Committee (JCPC) meets weekly with Department Heads to develop recommendations to the Town Manager for an updated Five Year Capital Plan for FY13 - 17, including specific appropriation recommendations for FY13.


January 19 - April Finance Committee budget hearings to review municipal, schools, library, capital, and CPA budget proposals. The committee typically meets most Thursday evenings at 7:00 p.m. at Town Hall.

January 24 * Budget Public Hearing

*Regional School Committee submits questions to Superintendent in preparation for Saturday session.

January 23 FY12 Quarterly Municipal Budget Report (for period ending December 31, 2011) to Select Board and Finance Committee.

January 26 (+/-)	Governor submits Local Aid recommendations to State Legislature.
February 8	Library Trustees: Vote capital projects plan and review endowment distribution
February 11	Region Budget: 4-Town Meeting. Regional School Committee: Superintendent's Budget Presentation. Amherst School Committee: Superintendent's Budget Presentation.
February 28	Regional School Committee: Budget Vote
March 1 (+/-)	Deadline for ATM warrant articles to be submitted to Select Board.
March 6	Amherst School Committee: Budget Vote
March 7	Library Trustees: Vote FY13 Budget Proposal
March 30	Select Board signs Annual Town Meeting Warrant.
April 3	Annual Town Election.
April 5	Finance Committee completes its votes on recommendations for Town Meeting.
April 20	Finance Committee Report mailed to Town Meeting members.
April 23	FY12 Quarterly Municipal Budget Report (for period ending March 31, 2012) to Select Board and Finance Committee.
April 30	<u>Annual Town Meeting begins.</u> Consideration of FY13 operating and capital budgets; enactment of appropriations; budget amendments to FY12 budget.
July 1	FY13 budget takes effect. First day of new fiscal year.

	Town of AMHERST Massachusetts	
	Town Hall 4 Elmwood Avenue Amherst, MA 01002	SELECT BOARD Phone: (413) 259-3001 Fax: (413) 259-2405 Email: selectboard@amherstma.gov
To: John Musante, Town Manager From: Stephanie O'Keeffe, Select Board Chair Date: November 10, 2011 Re: FY13 Budget Policy Guidelines		
At our Wednesday, November 9, 2011 meeting, the Select Board unanimously approved the following Budget Policy Guidelines for FY13		
<p>OVERALL PHILOSOPHY FOR FY13: Fiscal sustainability continues to be the primary budget goal, so FY13 revenue and expenditure plans must be viewed in a multi-year context. While initial revenue projections are more positive than they have been in recent years, the larger economic picture remains challenged and unstable in the near term. Following the \$1.68 million override of 2010, and its full implementation over two years, we believe that it would <u>not be reasonable or appropriate to ask taxpayers to override the Proposition 2 1/2 levy cap again this year</u>, so the budget should anticipate no such additional revenue from taxation. We support maintaining a level services budget to the degree that is possible, while recognizing the necessity of including new expenses associated with operating the War Memorial Pool and providing the Town's contribution to the Business Improvement District. Any revenue in excess of that necessary for level services should be directed at increasing our investment in capital, decreasing our long-term retiree health care liability (known as Other Post-Employment Benefits, or OPEB), or shoring up our reserves. We consider intense evaluation of the current range of municipal services and their delivery methods to be critical for ensuring that we are spending every dollar wisely. Should circumstances and projections worsen, the Select Board requests a recommendation on prioritized cuts and restorations as necessary, with rationale for the prioritization.</p>		
<p>EXPENSE REDUCTION: The Select Board continues to support appropriate regionalization and reorganization when such initiatives would reduce costs and realize efficiencies. We also continue to support reassigning services outside of the general fund where responsible, and with due consideration of the implications of funding loss, mindful of sections B-4 and B-8 of the Town's "Financial Management Policies & Objectives." We support green initiatives for their short- and long-term potential to reduce costs, and we appreciate the benefit of predictable power costs provided by a comprehensive solar project. We consider the negotiation of labor contracts that the Town can afford and sustain to be of highest priority, because salaries and benefits are such a significant portion of the budget.</p>		

	<p style="text-align: right;">FY13 Budget Policy Guidelines Page 2</p> <p>ECONOMIC DEVELOPMENT: We recognize that our most reliable revenue source is property tax, and that growing our property tax base in net-positive ways is critical. We strongly support pursuing responsible and appropriate expansion of our commercial sector, which currently stands at 9.7%. We strongly support expansion of the tax base in accordance with the community's goals as expressed in the Master Plan. We strongly support solar power generation and other green initiatives as opportunities for economic development. It is important to clearly articulate to the Select Board and the wider community the cost-benefit analysis of such pursuits, as well as their consistency with the Master Plan.</p> <p>OTHER NEW REVENUE: We continue to support the pursuit of new revenue through expanded arrangements with the University and Colleges. We support regular evaluation of service fees for possible increase. We also continue to support advocating for State legislation that improves local taxation options, increases aid to Amherst, or mitigates onerous mandated costs. Additionally, we support advocating for increased State revenues, such as more progressive taxation including higher income tax, in order to increase funds available for local aid to all communities. These positions are consistent with sections B-9 and B-10 of the Town's "Financial Management Policies & Objectives."</p> <p>CAPITAL: The Select Board recognizes the perils of inadequate investment in capital improvements, and remains committed to trying to incrementally increase the percentage of the property tax levy allocated to capital over time to achieve a goal of 10%, per section C-7 of the Town's "Financial Management Policies & Objectives." The Select Board continues to support funding capital investments by means other than the capital budget, including through the use of Community Preservation Act funds, Community Development Block Grant funds and other grant opportunities, through shared purchasing and over-sharing with other towns or entities, and through bonding or borrowing for large long-term projects. As noted in the Overall Philosophy, putting additional revenue toward helping us to catch up on the growing backlog of capital infrastructure needs is one of the ways we would support spending beyond that which is necessary to maintain level services.</p> <p>RESERVES: The Select Board opposes reserve use to fund ongoing expenses. We support careful and strategic reserve use only as a bridge to either anticipated revenue or a planned expense reduction. We support maintaining a responsible reserve balance, as outlined in section B-3 of the Town's "Financial Management Policies & Objectives," for prudent fiscal management and because it contributes to our strong bond rating, which provides significant cost-savings when borrowing.</p> <p>* Town of Amherst "Financial Management Policies & Objectives," adopted January 2008, this document is available on the FY13 Budget page of the Town web site.</p>	
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Forms for Department Heads

munis
A full day world

06/01/2012 09:36
poolers

TOWN OF AMHERST
NEXT YEAR BUDGET HISTORICAL COMPARISON

PG 1
bgnyrpts

PROJECTION: 20131 Town Expenditures

FOR PERIOD 99

ACCOUNTS FOR:

TOWN GENERAL FUND	PRIOR FY3 ACTUALS	PRIOR FY2 ACTUALS	LAST FY1 ACTUALS	CY ACTUALS	CY REV BUDGET	PROJECTION LEVEL 2	PCT CHANGE
115500 INFORMATION SYSTEMS							
115500 510200 IS S/W, FT	286,861.45	269,166.44	275,436.26	255,893.04	279,705.00	280,601.00	4.0%
115500 510200 IS RESERVE	.00	.00	.00	1,344.28	.00	.00	.0%
115500 510200 IS S/W, FT	.00	.00	1,540.32	55.13	.00	.00	.0%
115500 510400 IS WARE X	13,793.45	3,499.10	12,181.96	5,330.48	6,030.00	6,030.00	.0%
115500 511000 OVERTIME	18,696.45	12,347.53	8,453.08	13,491.65	9,500.00	9,500.00	.0%
115500 518700 IS LONGEV	1,217.45	1,211.81	2,322.23	4,246.74	4,128.00	4,631.00	12.3%
115500 519100 IS TRAINING	3,618.93	3,224.88	3,015.43	4,104.62	9,500.00	9,500.00	.0%
115500 524400 IS TRAINING	.00	.00	643.40	1,800.00	.00	.00	.0%
115500 524400 IS SOFTWARE	113,659.42	130,944.04	125,185.77	153,157.27	148,761.00	148,761.00	.0%
115500 525100 TRASH FEE	.00	.00	.00	36.00	.00	.00	.0%
115500 510400 ADVERTISING	.00	.00	440.00	.00	.00	.00	.0%
115500 511001 IS TOWN SR	499.00	329.00	.00	.00	.00	.00	.0%
115500 514100 TELEPHONE	45,398.96	33,086.57	60,065.06	41,177.00	31,920.00	31,920.00	.0%
115500 542100 OFFICE SUP	788.76	2,445.71	1,473.89	2,643.84	2,520.00	2,520.00	.0%
115500 543200 IS EQUIP S	4,323.76	805.77	180.38	382.59	.00	.00	.0%
115500 574000 TRAVEL	1,612.12	1,386.76	10.99	.00	.00	.00	.0%
115500 574000 MISCELL	1,024.50	527.90	322.16	39.00	.00	.00	.0%
115500 574000 COPIES & SUB	1,018.98	885.45	656.71	.00	725.00	725.00	.0%
115500 585000 IS REPT EQ	.00	59.95	.00	.00	.00	.00	.0%
TOTAL INFORMATION SYSTEMS	492,101.93	461,680.91	491,891.54	483,711.64	492,789.00	494,188.00	2.4%
TOTAL TOWN GENERAL FUND	492,101.93	461,680.91	491,891.54	483,711.64	492,789.00	494,188.00	2.4%
GRAND TOTAL	492,101.93	461,680.91	491,891.54	483,711.64	492,789.00	494,188.00	2.4%

** END OF REPORT - Generated by Sandy Pooler **

** END OF REPORT - Generated by Sandy Pooler **

Personnel Worksheet

Object	%	Grade/Step	Next	Cha	Hrs/	Date Of	Date Of	Base Pay	ANNUALIZED	Longevty	Total Salary	Years o				
Last Name	Code	Position Title	Dept #	Time	Level	06/30/10	Adv/Step	#	Week	Hire	Anniversary	SALARY	Pay	With Longevity	Service	
Pacunas	111	IS Director	1155	100%	O	611	611	2	37.5	16-Jul-01	16-Jul-12	\$87,378	\$87,714	\$1,848	\$89,563	11
Dudkiewicz	111	Network/Sys Specialist	1155	100%	F	611	611	1	37.5	23-May-00	23-May-13	\$49,019	\$49,208	\$1,225	\$50,433	13
Glover	111	Network Administrator	1155	50%	I	611	611	6	37.5	12-Jul-04	12-Jul-12	\$62,139	\$31,189	\$0	\$31,189	6
Racca	111	Financial Analyst	1155	50%	J	511	511	6	37.5	17-Sep-90	17-Sep-12	\$68,172	\$34,217	\$1,442	\$35,659	22
Hannon	111	Assistant Director	1155	100%	L	711	711	6	37.5	01-Aug-05	01-Aug-12	\$71,512	\$71,787	\$0	\$71,787	7
TOTAL IT												\$266,708	\$274,115	\$4,516	\$278,631	

Additions Requests

TOWN OF AMHERST

Date Last Revised:

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

		DEPARTMENT HEAD REQUEST						TOWN MANAGER RECOMMENDATION					
Department / Division	Dept Priority	Description	Personnel Services	Operating Expenses	\$ Total	# FTE	Y / N	Personnel Services	Operating Expenses	\$ Total	# FTE Positions	Manager Priority	
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Fees

TOWN CLERK	Statutory Citation	Fee-Setting Authority	Date of Last Fee Change	Current Fee	Proposed Fee	FY 09 Actual Receipts	FY 10 Actual Receipts	FY 11 Actual Receipts	FY 12 Estimated Receipts	FY 13 Estimated Receipts
Transaction Fees	C262:34	Town Clerk								
Certified copies of birth, marriage, death			2004	10.00		16,000	16,680	18,870	14,000	16,000
Vital Records: Filing/Amendments			2007	40.00		200	500	240	340	300
Certifications			2003	10.00		250	200	150	200	200
Recording Power of Attorney			2003	20.00						
Recording Certificates of Registration for practice in podiatry, medicine, optometry			2003	20.00						
Recording orders for pole/conduit locations			2003	60.00		120	-	140	120	120
plus wire/cable attachments (Per Attachment)			2003	20.00						
Examining records of birth, death, marriages			2003	10.00		100				
Cemetery deed transactions			2007	50.00		350	250	450	300	350
Voter/Resident I.D. Card	C51:4	Board of Registrar	2003	10.00				70		100
Board of Registrars										
Street Lists	C51:4		1989	20.00		1,100	1,100	790	1,100	700
Voters Lists	C51:55			12.50		600	500	250	500	250
Printing Labels	C51:55			10.00		20	84		80	
Gasoline Storage Registration Renewal	C148:13	Town Clerk	2003	25.00		775	700	675	700	675
Notice of Intention of Marriage	C262:34	Town Clerk	2011	40.00		5,000	4,080	4,880	4,000	4,000
Dog License Fees	C140:137	Town Clerk				7,000		7,870	8,000	
Neutered/Spayed Dog			2003	5.00						6395
Unneutered/Unspayed Dog			2003	15.00						1245
Penalty for Late Renewal	C262:34	Town Clerk	2003	30.00				150		1275
Duplicate Dog Tags			2003	2.50		30		30	10	30
Transaction Fees										
Filing Business Certificates	C110:5	Town Clerk	2011	60.00		5,000	5,920	8,820	6,200	8,000
Filing Business Change/Discontinuance	C110:5	Town Clerk	2003	20.00		100	100	180	100	100
Issuing Burial Permits	C114:45	Town Clerk	1989	20.00		1,500	2,100	2,580	1,500	2,500
Issuing Raffle Permits			2003	20.00		300	300	360	300	300
Executing Passport Applications	Federal	U.S. Dept. of State	2008	25.00		14,000	13,525	12,700	10,000	6,000
Preparing Duplicate Marriage Records	C262:34	Town Clerk	2003	20.00		300	270	80	280	280
Notarization Fees	C262:41	Town Clerk	2011	5.00		1,200	2,025	2,955.00	2,400	2,500
Administer Oath of Office	C222:3	Town Clerk	2003	10.00		300	320	450	300	350
Passport Photos		Town Clerk	2008	10.00		2,000	3,110	3,240	2,000	2,000

GENERAL GOVERNMENT 1155: INFORMATION TECHNOLOGY

MISSION STATEMENT: To select, implement, maintain, and support all things technology, automation, and Government related to improve efficiency of operations, while providing more accessible and superior government services.

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:

- Recent Accomplishments**
- Refined the new automated web-based way for submission of local committee designs, minutes, and agendas
 - Moved all email systems to Microsoft's cloud, producing a significant cost savings in time and hardware costs
 - Updated the townwide network telephone system
 - Constructed website and provided "Open Government to the Max", a superior web-based way for citizens and professionals to stay more informed, participate in Town government, and complete transactions.
 - Created a strategic partnership with Numa Airwing, Aerostar to be the first organization in the county on Numa 90
 - Overhaul of all in-person conference rooms allowing for more efficient meetings and superior decision making by officials
 - Parking meter system overhaul including all new sophisticated centrally managed wireless meters and wireless handhelds
 - Through the new billing and online website related matters, we are excited to announce we have reached a 25% increase in daily public website usage over only one year ago. We are now approaching 1,000 unique daily website users.
- Current Challenges**
- Implementing a paperless workflow system for personnel action forms, purchase orders, and more
 - Implementing a paperless electronic billing for water bills, sewer bills, excise bills, property tax bills, and more
 - Further outreach and informing citizens and professionals to use the self-service tools on our website, including the self-registration feature for notifications with our emergency alert system.
 - Seeking creative and external funding mechanisms for technology projects and initiatives
 - Maintaining all Town-wide and video systems including the townwide IP phone system and townwide camera system
 - Monitoring, maintaining, and auditing network security systems ensuring the information privacy of citizens and businesses
 - Maintaining, improving, and expanding the Town's internal and external public and private wireless systems
 - Providing daily operational technical support to all departments, boards, and committees and providing emergency 24/7 technical support to Police, Fire, EMS, Public Works, and Dispatch Communications
 - Providing training and providing specific technical assistance and consulting to departments, boards, and committees
 - Monitoring and managing technology policies and procedures

LONG RANGE OBJECTIVES:

- To create paperless efficiency through automation and technology within and between departments
- To select and implement technology solutions that contribute to "green" efforts and diminish all possible environmental impacts of Town operations
- To further develop "Open Government to the Max" making it a single place where citizens and professionals of Amherst can conduct secure self-service transactions and be automatically informed about Town government and utilize many Town services without having to make a physical trip to a Town office

FY 13 OBJECTIVES:

- To further explore regionalization cost center offering MUNIS, IBC, telephony, or other services to other towns or non-profit agencies as a possible revenue source
- Using technology to significantly reduce the amount of paper being used and distributed for normal operations and procedures within departments, between departments, and between departments and citizens
- To continue the helpdesk system and call queue system on the website, allowing users to view and pay bills in one place
- To scan and index a significant portion of what is left in the cabinets in the Town Hall and Bangor Center departments
- To continue to expand the Town's workflow automation efforts (Email) to include Town Clerk functions, including dog licenses, vital records, and more. This will allow us to extend these types of transactions to our website

SERVICE LEVELS:	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual
Buildings connected to the Web	13	14	14	14	14
Network as a group accounts	784	809	876	1,209	1,209
Desktop/laptop computers	430	491	540	540	540
Virtual Servers and Network Storage Units	31	34	34	62	62
Printing & Multifunctions	88	72	88	88	88
IP Phones	305	325	345	360	360
Network database software packages	48	47	48	48	48
Webinars	5	6	6	6	6
Average Unique Daily Website Visits	41,000	62,000	66,000	210,000	280,670
Work Orders Completed	3,362	3,362	3,881	3,891	4,178

FY 13

5/29/2012

35

GENERAL GOVERNMENT

1155: INFORMATION TECHNOLOGY

		FY10 Actual	FY10 Actual	FY11 Actual	FY12 Budget	FY13 Manager	Change FY12-13	Variance
Personnel Services	\$	102,478	200,147	288,284	288,283	320,162	11,289	3.9%
Contract Expenses	\$	17,174	173,476	187,886	183,426	183,426	0	0%
Capital Outlay	\$	0	0	0	0	0	0	0%
TOTAL APPROPRIATION	\$	452,212	453,623	496,170	492,709	503,588	11,289	2.3%
SUPPLEMENTAL INFORMATION								
Employee Benefits	\$	118,122	111,129	152,274	150,281	154,147	3,966	3.3%
Capital Appropriations	\$	20,200	271,000	182,000	182,000	182,000	0	0%
TOTAL DEPARTMENT COST	\$	304,324	373,810	392,128	391,170	396,338	5,168	1.3%
SOURCES OF FUNDS								
Taxation	\$	38,239	342,113	244,753	309,229	303,036	10,347	3.3%
State Fund	\$	3,152	34,738	44,298	43,048	43,200	154	0.4%
Federal Fund	\$	3,152	34,738	44,298	43,048	43,200	154	0.4%
Transportation Fund	\$	16,280	11,473	21,450	21,557	21,520	70	0.3%
Amusement Package	\$	3,000	22,382	27,281	26,201	26,438	238	0.9%
Dev't Revenue	\$	379	261	10	5	0	0	0%
POSITIONS								
Full Time		4.00	4.00	4.00	4.00	4.00	0.00	0.00
Part Time/On Demand		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Full Time Equivalent		4.00	4.00	4.00	4.00	4.00	0.00	0.00

MAJOR COMPONENTS:

A 3D pie chart illustrating the distribution of major components. The largest slice is Personnel Services at 57%, followed by Contract Expenses at 30%, Supplies at 13%, and Other at 2%.

Component	Percentage
Personnel Services	57%
Contract Expenses	30%
Supplies	13%
Other	2%

Personnel Services includes salaries for the Director and one administrative director, a network administrator shared with the Police Department, a PC technician and a full time software analyst.

Contract Expenses, \$148,241, provides for the payment of license and maintenance agreements on a variety of software and operating systems.

Communication costs, \$31,920, include cell phones and internet access.

Supplies, \$2,620, include backdrops, computer and printer parts, etc.

Other expenses include maintenance of equipment, office supplies and other misc. items.

SIGNIFICANT BUDGET CHANGES:

None.

5/29/2012

FY 13

FORECASTING

Four Revenue Sources

1. Property Tax
2. Local Fees, Fines, and Taxes
3. State Aid
4. Other/Reserves

Proposition 2 ½ Formula

- | | |
|--|-----------------------------------|
| • Start with Prior Year Tax Levy Limit | \$30,000,000 |
| • Multiply by 2.5% and add to prior year | <u>+\$750,000</u>
\$30,750,000 |
| • Add New Growth as determined by Assessor (e.g., new construction and renovation) | <u>+\$250,000</u>
\$31,000,000 |
| • Sum equals New Levy Limit | |
| • Average Property Tax Growth= 3.5% +/- | |

Property Taxes

	FY 11	FY 12	Change	%	FY 13	Change	%
Base Levy	28,750,000	30,000,000	1,250,000	4.3%	31,000,000	1,000,000	3.3%
2.5% Increase	718,750	750,000	31,250	4.3%	775,000	25,000	3.3%
New Growth	531,250	250,000	(281,250)	-52.9%	0	(250,000)	-100%
Levy Limit	30,000,000	31,000,000	1,000,000	3.3%	31,775,000	775,000	2.5%
New Growth %	1.8%	0.8%			0.0%		

Proposition 2 ½ Reminders

- Proposition 2 ½ limits the annual growth in the tax levy.
- The tax levy is the total amount raised in property tax from all sources: residential, commercial, industrial, and personally property (business inventory)
- The 2.5% limit is on the levy, not the rate, individual tax bills, or assessments.
- Overrides:
 - Operating – ongoing
 - Debt and Capital – one time

Local Receipts

- *Volatile Sources*
 - Investment Income
 - Licenses and permits
 - Building, plumbing, electrical, alcohol
 - Hotel/Motel Tax*
 - Meals Tax*
 - Motor Vehicle Excise
 - Steady Sources
 - Fees and Charges
 - Municipal lien certificates, copying charges, Clerk's fees (vital records), swimming, copies, maps
 - Fines
 - Moving violations, library late fees, open containers
 - Rental income
 - Interest and Penalties on Taxes
 - Late fees from delinquent taxpayers
- * Optional

State Aid

- Cherry Sheets
 - <http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/cherry-sheets/>
 - Chapter 70
 - Unrestricted General Aid
 - Other
- Governor's Budget in January
- Legislative Process
 - Local Aid Resolutions

**Massachusetts Department of Revenue
Division of Local Services
FY2013 Local Aid Estimates**

AMHERST

	FY2012 Cherry Sheet Estimate	FY2013 Governor's Budget (H2)	FY2013 House Final Budget	FY2013 SWM Budget
Education:				
Chapter 70	5,813,638	5,813,638	5,864,398	5,864,398
School Transportation	0	0	0	0
Charter Tuition Reimbursement	210,672	336,959	150,915	150,704
Smart Growth School Reimbursement	0	0	0	0
Offset Receipts:				
School Lunch	6,591	6,306	6,306	6,306
School Choice Receiving Tuition	0	0	0	0
Sub-Total, All Education Items	6,030,901	6,156,903	6,021,619	6,021,408
General Government:				
Unrestricted General Government Aid	6,605,976	6,605,976	7,120,842	7,128,920
Local Share of Racing Taxes	0	0	0	0
Regional Public Libraries	0	0	0	0
Urban Renewal Projects	0	0	0	0
Veterans' Benefits	213,343	204,222	196,112	196,112
State Owned Land	151,747	151,796	151,796	151,796
Exemptions: Vets, Blind, Surviving Spouses & Elderly	38,329	33,876	33,876	33,876
Offset Receipts:				
Public Libraries	63,865	63,576	63,576	63,576
Sub-Total, All General Government	7,073,260	7,059,446	7,566,202	7,574,280
Total Estimated Receipts	13,104,161	13,216,349	13,587,821	13,595,688

**FY2013 Local Aid Assessments
AMHERST**

	FY2012 Cherry Sheet Estimate	FY2013 Governor's Budget (H2)	FY2013 House Final Budget	FY2013 SWM Budget
County Assessments:				
County Tax	0	0	0	0
Suffolk County Retirement	0	0	0	0
Sub-Total, County Assessments	0	0	0	0
State Assessments and Charges:				
Retired Employees Health Insurance	0	0	0	0
Retired Teachers Health Insurance	663,018	514,816	514,816	514,816
Mosquito Control Projects	0	0	0	0
Air Pollution Districts	7,717	8,193	8,193	8,193
Metropolitan Area Planning Council	0	0	0	0
Old Colony Planning Council	0	0	0	0
RMV Non-Renewal Surcharge	64,480	66,800	66,800	66,800
Sub-Total, State Assessments	735,215	589,809	589,809	589,809
Transportation Authorities:				
MBTA	0	0	0	0
Boston Metro Transit District	0	0	0	0
Regional Transit	854,981	845,287	845,287	845,287
Sub-Total, Transportation Authorities	854,981	845,287	845,287	845,287
Annual Charges Against Receipts:				
Special Education	0	4,021	4,021	4,021
STRAP Repayments	0	0	0	0
Sub-Total, Annual Charges	0	4,021	4,021	4,021
Tuition Assessments				
School Choice Sending Tuition	184,881	180,988	180,988	180,988
Charter School Sending Tuition	707,949	1,059,648	667,020	667,020
Essex County Tech Sending Tuition	0	0	0	0
Sub-Total, Tuition Assessments	892,830	1,240,636	1,048,008	1,048,008
Total Estimated Charges	2,483,026	2,679,753	2,487,125	2,487,125

Other Revenue

- **Free Cash and Stabilization Fund**
- **Transfers from other funds**
 - E.g., Parking meter revenue
- **Administrative Overhead from Other Funds**
 - E.g., Water and Sewer

Reserves

- **Stabilization Fund**
 - 2/3rds vote, $\leq 10\%$ of prior year levy, accumulates interest
- **Budget Reserve**
 - $\leq 3\%$ of prior year levy, closes to Free Cash
 - Unanticipated expenses
- **Overlay Reserve**

What is Free Cash?

It is not free and it is not cash

- Free Cash is the surplus from a previous fiscal year
 - Revenue over forecast
 - Unexpended appropriations
- Defined by state statute
- Certified by the State each year
- Must create Free Cash each year

Sources and Uses of Free Cash

- | | |
|--|------------------------------------|
| • <u>Sources</u> | • <u>Uses</u> |
| • Spend less on operations than budgeted | • Operating Budget |
| • Take in more revenue than estimated | • CIP - Mid-sized capital projects |
| • Avoid deficits in funds | • Emergency reserves |

Expenditures

A = 80%

- A. Compensation
 - A. Salary and Wages
 - A. Include wage reserve if there are unsettled contracts
 - B. Benefits
 - A. Health Insurance and Pensions
- B. Fixed costs
 - A. Utilities, fuel, gasoline, contracts (trash removal)
- C. Debt
- D. State Assessments
- E. Overlay

Watch for chronic deficits – Snow and Ice and Overtime

Overlay Reserve

- “All abatements and exemptions are funded from an account called overlay. This is a special account, the amount of which is established annually by the assessors prior to setting the tax levy.”
- Statewide average is approximately 1.4% of levy
- Unused portion becomes Free Cash.



Town of Amherst

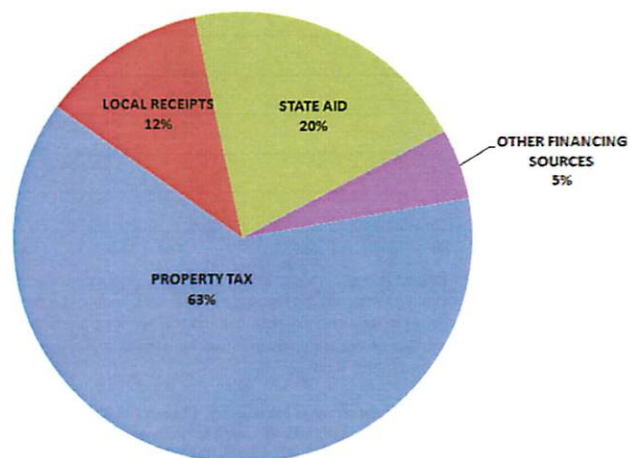
Financial Trend Monitoring Report October 2011

Financial Indicator Analysis
FY 2002 - FY 2011

1 - Sources of Revenue - FY 12

Town of Amherst 

What Are Our Baseline Sources of General Fund Revenue? FY 12

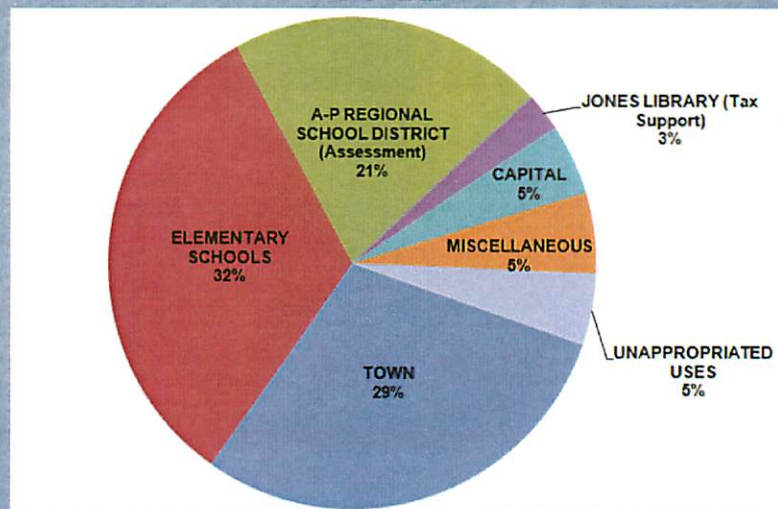


2 – Current Expenditures – FY 12

Town of Amherst

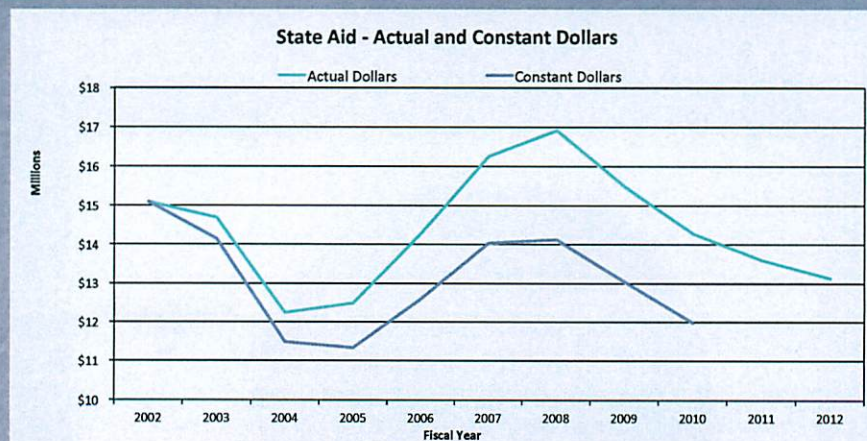


What Are Our Current General Fund Expenditures? FY 12



5 - State Aid - Actual and Constant Dollars

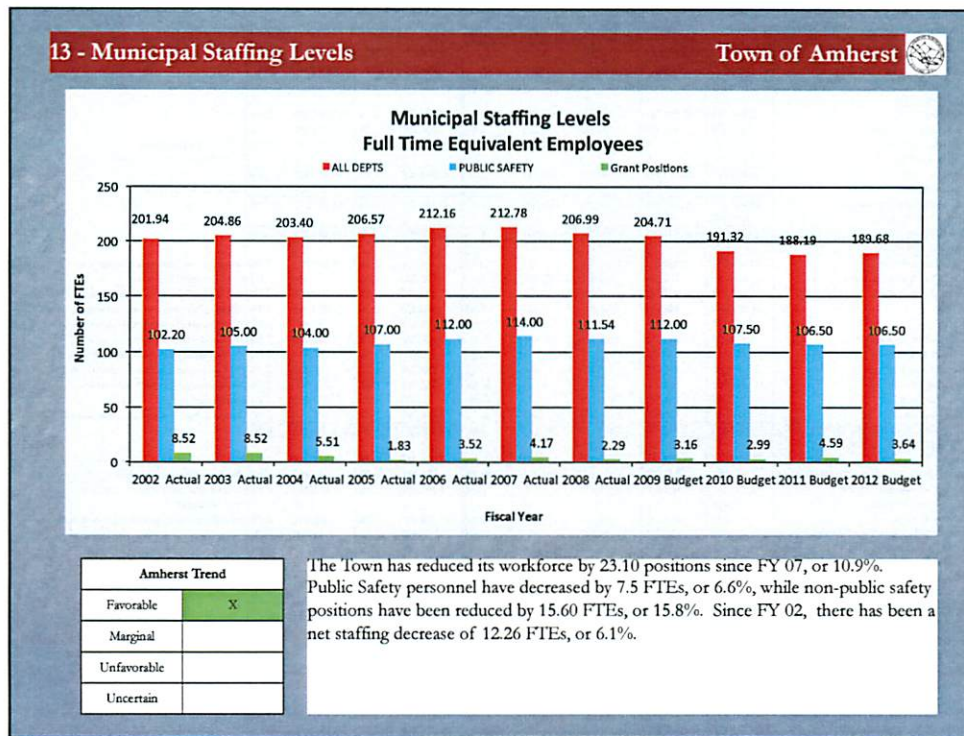
Town of Amherst



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 to the Town is lower in FY 12 than FY 02 in both actual and inflation adjusted dollars, with cuts of over \$3.3 million in the last three years.



**Amherst Financial Trend Monitoring
Report is available on the town
website Budget Page**

<http://www.amherstma.gov/DocumentCenter/Home/View/5624>

LONG-TERM DEBT

Debt versus Cash

Debt

- Match debt term to useful life
- Makes major investments affordable
- Spreads cost to users who benefit
- Consistent impact on future budgets
- Match payments to savings or new revenue
- Rates are low now

Cash

- No interest costs
- No debt issuance costs
- No impact on future budgets
- Best for small or mid-sized items

Debt Terms

- **Bond**
 - Long-term debt obligation. Two to 30 years.
- **BAN**
 - Bond Anticipation Note. One year or less
- **Debt Service**
 - Combined annual interest and principal payments
- **Bond Rating**
- **General Obligation**

Debt Basics

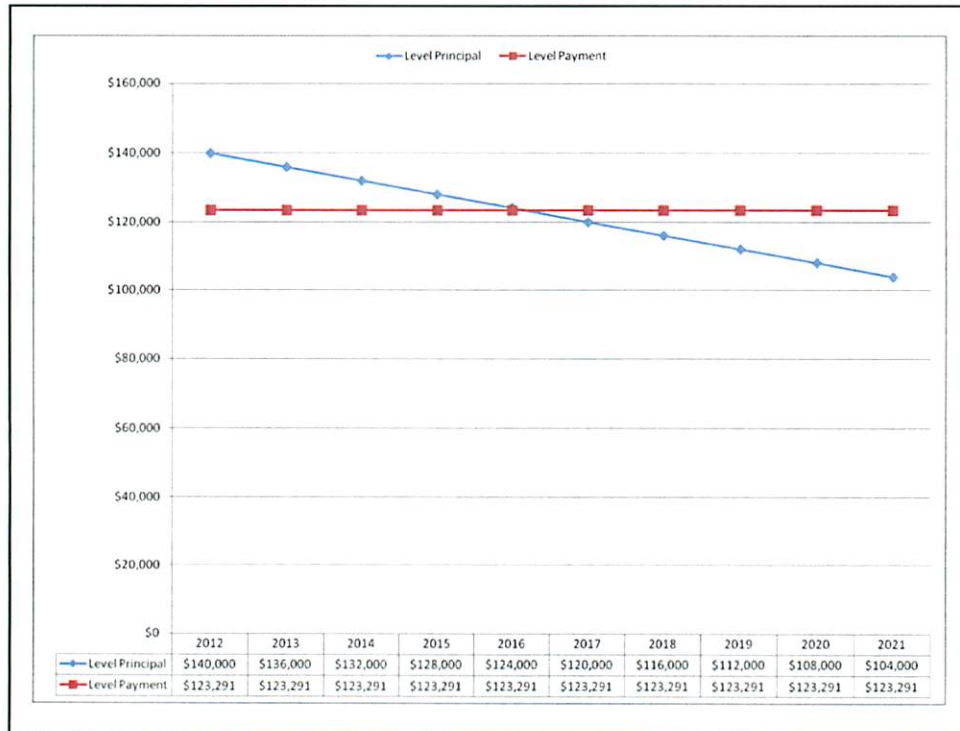
- **Internal**
 - Projected debt service cost
 - Impact on Operating budget
- **External**
 - Bond Counsel
 - Financial Advisor
 - Offering Statement
 - Bond Sale
 - Rating Agency

Debt Timeline

- Identify projects
- Estimate cost
 - Review with Financial Advisor
- Finance Committee
- Select Board
- Town Meeting 2/3rds
- Bond Rating
- Offering Statement
- Sale

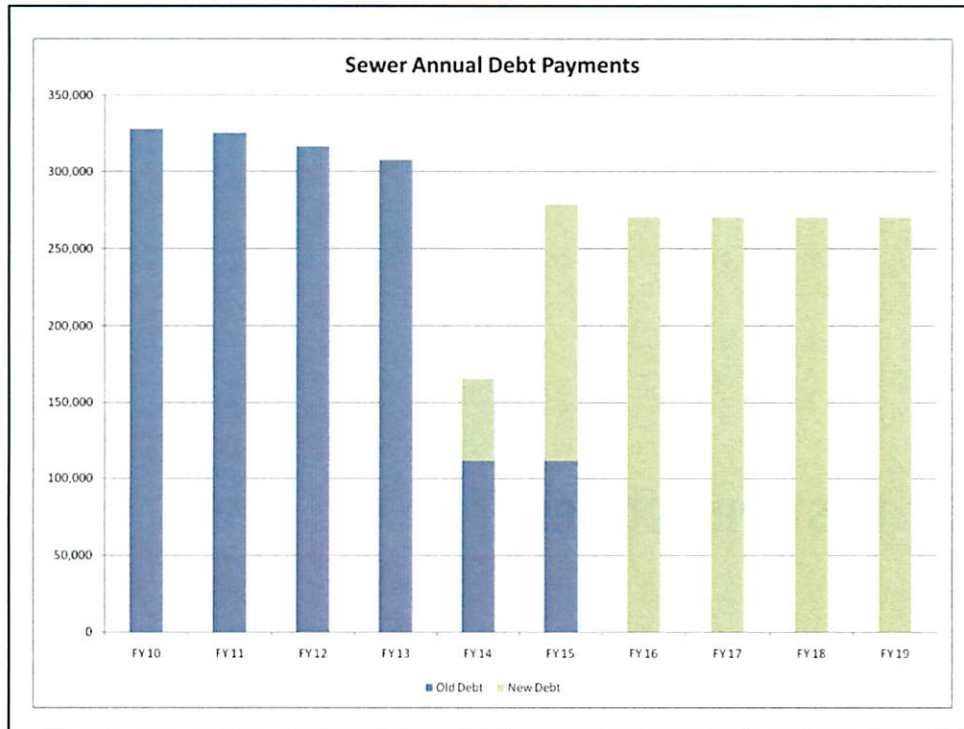
Debt

- 2/3rds Vote at Town Meeting
- Listing of Projects Eligible for Debt
 - Chapter 44, Sections 7 and 8
- How much debt to issue
 - Legal limits under Prop. 2½
 - 5% of Equalized Valuation (EQV)
 - Amherst EQV 2010, \$2,347,715,000
 - Limit @ 5%, \$117,402,605
 - Actual Debt, \$2,111,936 (0.09% of EQV)
 - Practical limits – budget impacts
 - How many credit cards can you pay off?
- Length of terms – up to 30 years (useful life)
- Payment type – level payment or level principal



Long-term Debt Schedule

	Last Payment	FY 13 Payments	FY 14 Payments	FY 15 Payments	FY 16 Payments	FY 17 Payments	FY 18 Payments	FY 19 Payments	FY 20 Payments	FY 21 Payments	FY 22 Payments
GENERAL FUND											
LONG TERM DEBT											
Town Hall Refunding	FY 16	185,000	178,800	167,200	156,000	-	-	-	-	-	-
Wildwood School Roof	FY 13	61,013	-	-	-	-	-	-	-	-	-
Crocker Farm (I)	FY 19	252,000	244,000	236,000	228,000	220,000	212,000	204,000	-	-	-
Sidewalks (2005)	FY 14	70,200	67,600	-	-	-	-	-	-	-	-
Plum Brook Recreation Fields	FY 15	51,840	50,160	48,720	-	-	-	-	-	-	-
Town Hall Exterior (General Fund)	FY 20	34,370	33,360	32,350	31,315	30,380	29,540	28,560	-	-	-
Town Hall Exterior (CPA)	FY 20	27,619	26,831	26,156	25,568	25,031	24,413	23,738	22,960	-	-
Bangs Community Center Roof/HVAC	FY 20	46,422	40,219	39,274	38,244	37,069	35,708	34,223	32,490	-	-
DPW - Roads Reconstruction	FY 21	558,000	546,750	536,625	525,375	513,563	500,625	487,125	473,825	458,438	-
Hawthorne Property Acquisition (CPA)	FY 21	62,000	60,750	59,625	58,375	57,063	55,625	54,125	52,825	50,938	-
Portable Classrooms	FY 19	32,190	34,650	34,050	33,150	32,250	26,500	25,750	-	-	-
South Amherst School	FY 22	21,640	24,300	23,900	23,300	22,700	22,100	18,500	18,050	15,800	15,300
Housing Authority Co-Project	FY 22	44,100	43,400	42,700	41,650	40,600	39,550	38,500	37,450	36,400	35,700
		1,446,394	1,350,850	1,246,800	1,119,475	992,426	904,901	831,501	681,750	561,378	51,000
DEBT PAID BY OVERSEES											
High School Roof	FY 15	103,689	99,918	96,148	-	-	-	-	-	-	-
Regional High School Renovations	FY 18	259,373	213,523	171,480	125,378	83,239	37,330	-	-	-	-
		363,062	313,441	267,628	125,378	83,239	37,330	-	-	-	-
MISCELLANEOUS DEBT OBLIGATIONS											
Temp. Interest/Borrowing costs		17,911	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	-
		17,911	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	-
TOTAL GENERAL FUND DEBT		1,827,367	1,684,091	1,534,428	1,324,853	1,095,665	1,022,231	931,501	681,750	561,378	-
ENTERPRISE FUNDS											
LONG TERM DEBT											
WATER FUND											
Centennial Treatment Facility Upgrades	FY 32	298,850	294,850	290,850	284,850	278,850	272,850	266,850	260,850	254,850	250,850
		298,850	294,850	290,850	284,850	278,850	272,850	266,850	260,850	254,850	250,850
SEWER FUND											
Chapel Road Sewer Ext.	FY 14	109,800	102,000	-	-	-	-	-	-	-	-
Middle Street Extension	FY 13	193,208	-	-	-	-	-	-	-	-	-
Sewer Ext./Harkness Design	FY 22	20,850	17,500	12,200	11,800	11,600	11,300	11,000	10,700	10,400	10,200
		320,666	119,500	12,200	11,800	11,600	11,300	11,000	10,700	10,400	10,200
TRANSPORTATION FUND											
Parking Garage Refunding	FY 20	65,975	66,125	67,625	66,313	65,125	48,825	47,475	45,900	-	-
		65,975	66,125	67,625	66,313	65,125	48,825	47,475	45,900	-	-
TOTAL ENTERPRISE FUNDS DEBT		685,491	473,475	360,675	353,063	345,575	332,975	325,325	317,450	265,250	-
TOTAL DEBT		2,512,858	2,157,566	1,895,103	1,677,916	1,441,240	1,355,206	1,256,826	999,200	826,628	-



Debt Indicators

- Per capita debt service
- Debt service as a percentage of budget (3%-5%)
- Total Authorized Debt
- Length of Debt Terms
 - Short versus long-term debt. Payoff 50% within 10 years.
- How Often a Community Sells Debt

BEST PRACTICES

Best Practices

- 1) Match recurring revenue to recurring expenses
 - Use one time revenue for one time expenses (e.g., capital, energy infrastructure, program transition)
- 2) Give Departments specific targets
 - (\$, %, level service)
- 3) Allow departments to request additions internally; have an add-back list.
- 4) Public discussions should focus on program delivery, not restoration of previously cut dollars.
- 5) Build reserves in good years, draw on them in lean years.
- 6) Budget time is a good time to make changes not start changes.
- 7) Eliminate positions before the start of the fiscal year.
- 8) Make capital a core part of the budget.
- 9) Review revenues and expenditures each quarter.
- 10) Bundle debt issuances, go to market once per year.
- 11) Budget as a town, not as separate entities. Talk/coordinate.
- 12) Agree on allocation to schools, library, and town. Use a formula.

Three Sample Allocation Formulas

- 1. Every department's budget increases by the same percent.**
- 2. First fund common expenses**
 - Health insurance, Pensions, Capital, and/or OPEB****Then allocate equal percentages to departments.**
- 3. Allocate new revenue based on percent of employees in each department**

Financial Management Policies

- Investment Management**
 - Town guided by Massachusetts General Laws**
- Debt Management**
 - Targeted for major projects**
 - Authorization and issuance to be fit into the Town's targets for total capital spending**
 - General Fund debt service not to exceed 10 percent of General Fund revenues**
 - At least 50 percent of total outstanding principal to be retired within 10 years**

Financial Management

- **Reserve and Liquidity**
 - Combined balance of Free Cash and Stabilization Fund to be maintained at 5 to 15 percent of general fund operating revenues.
 - Free Cash to be maintained at least 5 percent of general fund operating revenues.
 - Stabilization Fund large enough to buffer General Fund from the impact of two to three years of declining state aid and local receipts.

From GFOA's Elected Officials Guide to Long-Term Financial Planning (5 keys)

1. Elected officials main contribution to financial planning is a long-term vision and setting priorities for the government.
2. Financial planning should be central to governance and management – not just a one-time event or a staff tool.
3. Elected officials must take leadership, maintain fiscal discipline, and stick to the financial strategies despite pressure to expand programs, reduce taxes, etc.

From GFOA's Elected Officials Guide to Long-Term Financial Planning (5 keys)

4. The link between the financial plan and the budget is crucial – elected officials must demand that the budget reflect the strategies developed via financial planning.
5. Elected officials must be able to step back from the details and adopt a strategic mindset.

Your Questions & Comments

- Sandy Pooler, Finance Director, Town of Amherst

poolers@amherstma.gov

- More Information

- Town of Amherst

www.amherstma.gov/budget

- MA Department of Revenue, Division of Local Services

www.mass.gov/dls

MSA Leadership Conference for Selectmen

BUDGET BASICS

Supplemental Handouts

June 9, 2012
Sutton, MA
Sandy Pooler
Finance Director
Town of Amherst

Fiscal Year Calendar

July Begin new fiscal year Close books from prior year	August Accountant's prior fiscal year report	September	October Audit Initial Revenue Forecast SB Guidelines
November Free Cash certified Fall Town Meeting: final budget amendments Budget guidelines to departments	December Set tax rate Budget meetings with departments	January Present Manager's budget Governor's budget	February SB and FC Budget hearings with departments Refine revenue and expenditures estimates
March Finish budget meetings	April Fin Comm report Town Meeting House Budget	May Town Meeting Senate budget	June Conference Committee State budget Close fiscal year

TOWN OF AMHERST - FY 2013 BUDGET DEVELOPMENT CALENDAR

Updated: January 26, 2012

This calendar describes the steps leading to the adoption of the budget for those accounts overseen by the Town Manager and requiring appropriation by Town Meeting. The School Superintendent and School Committees and the Jones Library Director and Library Trustees carry out similar steps leading to their budget submissions and preparation for Town Meeting.

NOTE: "FY" is "fiscal year" ending on June 30 of the designated year.

2011

- | | |
|-----------------------------|--|
| August 29 | FY11 Municipal Budget/Actual Report (for fiscal year ending June 30, 2011) presented to Select Board. |
| October | SC Com Develops Budget Guidelines |
| October | Town Manager and Finance Director issue operating and capital budget instructions to Department Heads. |
| October 13 | Preliminary Financial Projections and Key Issues for FY13 Budget Planning presented by Town Manager to a joint meeting of the Select Board, Finance Committee, School Committee, and Library Trustees. |
| October 17 | Select Board takes public comments on draft FY13 Budget Guidelines for the Town Manager. |
| October 20 | Budget Coordinating Group (BCG) reviews FY 11 budget results, FY 12 budget issues, and begins FY 13 fiscal planning. |
| October 24 | FY12 Quarterly Municipal Budget Report (for period ending September 30, 2011) to Select Board and Finance Committee. Select Board finalizes FY13 Budget Guidelines for the Town Manager. |
| October 31 -
November 21 | Department Head budget hearings with Town Manager and Finance Director. |
| November 3 | Finance Committee develops Budget Guidelines and issues to Select Board, Town Manager, School Superintendent, School Committees, Library Director, and Library Trustees. |
| November 7 | Fall Special Town Meeting begins. Consideration of FY12 budget amendments, if any. |
| November 8 | Regional School Committee: Issues Budget Guidelines |
| November 15 | Amherst School Committee: Issues Budget Guidelines |
| December 5 | Public Hearing ("Classification Hearing") conducted by Select Board, including a presentation of Property Tax Classification Report submitted by Board of Assessors re: property valuations and projected tax rates for FY12. Town Manager presents preliminary cut list/program changes as known to date for Select Board feedback. |
| December 13 | Amherst School Committee: Review "Level Services" Budget; School Choice discussion. |
| December 20 | Regional School Committee: Review "Level Services" Budget; School Choice discussion. |
| December 20 | Regional School Committee School Choice discussion. |

2012

- | | |
|---------------|---|
| January-April | BCG meets as necessary to coordinate the budget development calendar and process, provide a forum to share information about the budgets, and offer consensus recommendations to the Finance Committee. |
| January | 4th Quarter Library Endowment Report; Vote spending rate. |
| January 7 | Region Budget: 4-Town Meeting, 9-Noon |
| January 10 | Regional School Committee: Superintendent presents budget document with preliminary adjustments; School Choice vote. |
| January 11 | Library Trustees: Review updated FY 13 Budget and capital project plan |

TOWN OF AMHERST - FY 2013 BUDGET DEVELOPMENT CALENDAR

Updated: January 26, 2012

January 13	Town Manager delivers FY 13 Proposed Municipal Budget to Select Board and Finance Committee.
January 17	Amherst School Committee: Superintendent presents budget document with preliminary adjustments; School Choice vote.
January 17 and 19	Town Manager presents overview of FY 13 Proposed Municipal Budget to Select Board and Finance Committee per ATGA deadline.
January 19 - March 30	Joint Capital Planning Committee (JCPC) meets weekly with Department Heads to develop recommendations to the Town Manager for an updated Five Year Capital Plan for FY13 - 17, including specific appropriation recommendations for FY13.
January 19 - April	Finance Committee budget hearings to review municipal, schools, library, capital, and CPA budget proposals. The committee typically meets most Thursday evenings at 7:00 p.m. at Town Hall.
January 24	* Budget Public Hearing *Regional School Committee submits questions to Superintendent in preparation for Saturday session.
January 23	FY12 Quarterly Municipal Budget Report (for period ending December 31, 2011) to Select Board and Finance Committee.
January 26	Superintendent and Library Director present Executive Budgets for school, region, and library services to Finance Committee and BCG.
January 26 (+/-)	Governor submits Local Aid recommendations to State Legislature.
February 8	Library Trustees: Vote capital projects plan and review endowment distribution
February 11	Region Budget: 4-Town Meeting. Regional School Committee: Superintendent's Budget Presentation. Amherst School Committee: Superintendent's Budget Presentation.
February 28	Regional School Committee: Budget Vote
March 1 (+/-)	Deadline for ATM warrant articles to be submitted to Select Board.
March 6	Amherst School Committee: Budget Vote
March 7	Library Trustees: Vote FY13 Budget Proposal
March 30	Select Board signs Annual Town Meeting Warrant.
April 3	Annual Town Election.
April 5	Finance Committee completes its votes on recommendations for Town Meeting.
April 20	Finance Committee Report mailed to Town Meeting members.
April 23	FY12 Quarterly Municipal Budget Report (for period ending March 31, 2012) to Select Board and Finance Committee.
April 30	Annual Town Meeting begins. Consideration of FY13 operating and capital budgets; enactment of appropriations; budget amendments to FY12 budget.
July 1	FY13 budget takes effect. First day of new fiscal year.

Town of



AMHERST *Massachusetts*

Town Hall
4 Boltwood Avenue
Amherst, MA 01002

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

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

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

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

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

and sustain to be of highest priority, because salaries and benefits are such a significant portion of the budget.

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

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

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

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

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

Town of



AMHERST *Massachusetts*

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

John P. Musante, Town Manager
Phone: (413) 259-3002
Fax: (413)-259-2405
Email: musantej@amherstma.gov

November 16, 2011

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

From: Finance Committee

Re: Preliminary Fiscal Year 2013 Budget Guidelines

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

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

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

The uncertainty about state aid

While local property taxes have been predictable and stable, state aid has been unpredictable and varies from year to year. This actual amount of Chapter 70, unrestricted local aid, Payments in Lieu of Taxation (PILOT), and other state revenue for FY 13 will not be known until later in the budget process. Just as the Town depends upon state revenue in order to develop a local budget, the state depends upon federal revenue. The federal Budget Control Act of 2011 passed last summer imposed immediate reductions and will result in much larger future reductions resulting from decisions of the Congressional Special Joint Committee or the automatic cuts that will follow if that committee fails to act. As the details of the FY 13 and later federal budgets are known, the state will need to adjust and manage its finances. We must be prepared to adjust our revenue and expense estimates, in either direction, as we receive more information from the legislature and the Governor.

The Capital Budget

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

Reserve funds

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

The Town also needs to consider that the obligation to pay health insurance for present and future retirees is as much as \$74 million. Town Meeting has created an OPEB Trust so that we

don't shift the entire burden for benefits owed to present and past workers to future taxpayers, thus affecting their ability to provide quality schools, libraries, and municipal services. We need to work together to educate ourselves and the community about this obligation and to establish consensus about how we will fund the Trust. One of the reasons the Finance Committee recommended that Town Meeting add to the Stabilization Fund was to preserve funds that could be later transferred to the OPEB Trust.

The Committee also notes that we are entering a period when there will be, at best, annual revenue growth of between 3% and 3.5%. For all of these reasons, it would not be wise to use any reserves to supplement operating budgets in FY 13. The Finance Committee is developing a policy for the future use of reserves as it considers how to fund the OPEB Trust. It is likely to be similar to the policy adopted for the FY 10 budget process. That policy limited the use of reserves to implement bona fide plans to move toward models of service provision that will provide net savings to the Town in the future while providing acceptable levels of service, and to leverage outside revenue in order to maintain existing core services.

Requested budget information

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

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

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

The Finance Committee recognizes that it has not been possible to define "full-time-equivalent" in a uniform manner that works well for all budget areas. It is more important that we achieve

year-to-year uniformity within each budget area and explain the projected change for the next year. For example, if the work force consists of salaried and hourly employees, the employee count for the present year might be projected as the number of FTE benefited staff and the number of hours of part-time staff. For FY 13, the budget might envision a change in each, which we want to understand and present to Town Meeting.

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

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

Schedule

The Finance Committee requests that you submit budgets according to the Budget Coordinating Group's Budget Development Calendar. We ask that the Town Manager present his executive budget to the Finance Committee no later than Monday, January 16. We ask that the executive budgets for the Schools (Region and elementary) and the library be submitted to us by January 26.

Conclusion

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

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

Kay Moran, Vice Chair 549-5767

Janice Ratner 253-7214

Anurag Sharma 549-1542

Robert Saul 253-4059

Douglas Slaughter 253-9920

Andrew Steinberg, Chair 549-6826

Marylou Theilman 253-7980

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TOWN OF AMHERST
NEXT YEAR BUDGET HISTORICAL COMPARISON

PG 1
bgnyrpts

FOR PERIOD 99

PROJECTION: 20131 Town Expenditures

ACCOUNTS FOR:

TOWN GENERAL FUND			PRIOR FY3 ACTUALS	PRIOR FY2 ACTUALS	LAST FY1 ACTUALS	CY ACTUALS	CY REV BUDGET	PROJECTION LEVEL 2	PCT CHANGE
115500	INFORMATION SYSTEMS								
1155S	510200	IS S/W, FT	286,861.45	269,166.44	275,436.26	255,893.04	279,705.00	280,601.00	4.0%
1155S	510299	IS BEREAVE	.00	.00	.00	1,344.28	.00	.00	.0%
1155S	510300	IS S/W, PT	.00	.00	1,540.32	55.13	.00	.00	.0%
1155S	510400	IS WAGES X	13,793.45	3,499.10	12,141.96	5,320.48	6,030.00	6,030.00	.0%
1155S	513000	OVERTIME	18,686.45	13,347.53	8,453.08	13,491.65	9,500.00	9,500.00	.0%
1155S	518700	IS LONGEVI	1,117.65	2,131.81	2,322.23	4,246.74	4,128.00	4,631.00	12.2%
1155X	519100	IS TRAININ	3,618.91	3,224.88	3,019.43	4,104.62	9,500.00	9,500.00	.0%
1155X	524400	IS HARDWRE	.00	.00	643.40	1,800.00	.00	.00	.0%
1155X	527200	IS SOFTWRE	113,659.42	130,964.04	125,185.77	153,157.27	148,761.00	148,761.00	.0%
1155X	529100	TRASH REM	.00	.00	.00	36.00	.00	.00	.0%
1155X	530400	ADVERTISIN	.00	.00	440.00	.00	.00	.00	.0%
1155X	531001	IS TECH SR	499.50	129.00	.00	.00	.00	.00	.0%
1155X	534100	TELEPHONES	45,398.96	33,086.57	60,065.06	41,177.00	31,920.00	31,920.00	.0%
1155X	542100	OFFICE SUP	788.78	2,465.71	1,473.89	2,663.84	2,520.00	2,520.00	.0%
1155X	543200	IS EQUIP S	4,123.76	805.77	180.28	382.59	.00	.00	.0%
1155X	571000	TRAVEL	1,612.12	1,386.76	10.99	.00	.00	.00	.0%
1155X	571009	MILEAGE	1,022.50	527.90	322.16	39.00	.00	.00	.0%
1155X	573000	DUES & SUB	1,018.98	885.45	656.71	.00	725.00	725.00	.0%
1155X	585000	IS DEPT EQ	.00	59.95	.00	.00	.00	.00	.0%
TOTAL INFORMATION SYSTEMS			492,201.93	461,680.91	491,891.54	483,711.64	492,789.00	494,188.00	2.4%
TOTAL TOWN GENERAL FUND			492,201.93	461,680.91	491,891.54	483,711.64	492,789.00	494,188.00	2.4%
GRAND TOTAL			492,201.93	461,680.91	491,891.54	483,711.64	492,789.00	494,188.00	2.4%

** END OF REPORT - Generated by Sandy Pooler **

PERSONNEL COSTS FY 10

with 3.5% COLA

Last Name	Object Code	Position Title	Dept #	% Time	Level	Grade/Step	Next Rate/Step #	Hrs/Week	Date Of Hire	Date Of Anniversary	Base Pay	ANNUALIZED SALARY	Longevity Pay	Total Salary With Longevity	Years of Service	
Pacunas	111	IS Director	1155	100%	O	611	611	2	37.5	16-Jul-01	16-Jul-12	\$87,378	\$87,714	\$1,848	\$89,563	11
Dudkiewicz	111	Network/Sys Specialist	1155	100%	F	611	611	1	37.5	23-May-00	23-May-13	\$49,019	\$49,208	\$1,225	\$50,433	13
Glover	111	Network Administrator	1155	50%	I	411	411	6	37.5	12-Jul-04	12-Jul-12	\$62,139	\$31,189	\$0	\$31,189	8
Racca	111	Financial Analyst	1155	50%	J	511	511	6	37.5	17-Sep-90	17-Sep-12	\$68,172	\$34,217	\$1,442	\$35,659	22
Hannon	111	Assistant Director	1155	100%	L	711	711	6	37.5	01-Aug-05	01-Aug-12	\$71,512	\$71,787	\$0	\$71,787	7
TOTAL IT												\$266,708	\$274,115	\$4,516	\$278,631	

TOWN OF AMHERST

Date Last Revised:

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

DEPARTMENT HEAD REQUES.

TOWN MANAGER RECOMMENDATION

[illegible]

Clerks

	Statutory Citation	Fee-Setting Authority	Date of Last Fee Change	Current Fee	Proposed Fee	FY 09 Actual Receipts	FY 10 Actual Receipts	FY 11 Actual Receipts	FY 12 Estimated Receipts	FY 13 Estimated Receipts
TOWN CLERK										
Transaction Fees	C262:34	Town Clerk								
Certified copies of birth, marriage, death			2004	10.00		16,000	16,680	18,870	14,000	16,000
Vital Records: Filing/Amendments			2007	40.00		200	500	240	340	300
Certifications			2003	10.00		250	200	150	200	200
Recording Power of Attorney			2003	20.00						
Recording Certificates of Registration for practice in podiatry, medicine, optometry			2003	20.00						
Recording orders for pole/conduit locations plus wire/cable attachments (Per Attachment)			2003	60.00		120	-	140	120	120
Examining records of birth, death, marriages			2003	20.00						
Examining records of birth, death, marriages			2003	10.00		100				
Cemetery deed transactions			2007	50.00		350	250	450	300	350
Voter/Resident I.D. Card	C51:4	Board of Registrars	2003	10.00				70		100
Board of Registrars										
Street Lists	C51:4		1989	20.00		1,100	1100	790	1,100	700
Voters Lists	C51:55			12.50		600	500	250	500	250
Printing Labels	C51:55			10.00		20	84		80	
Gasoline Storage Registration Renewal	C148:13	Town Clerk	2003	25.00		775	700	675	700	675
Notice of Intention of Marriage	C262:34	Town Clerk	2011	40.00		5,000	4,080	4,880	4,000	4,000
Dog License Fees	C140:137	Town Clerk				7,000		7,870	8,000	
Neutered/Spayed Dog			2003	5.00						6395
Unneutered/Unspayed Dog			2003	15.00						1245
Penalty for Late Renewal	C262:34	Town Clerk	2003	30.00				150		1275
Duplicate Dog Tags			2003	2.50		30		30	10	30
Transaction Fees										
Filing Business Certificates	C110:5	Town Clerk	2011	60.00		5,000	5,920	8,820	6,200	8,000
Filing Business Change/Discontinuance	C110:5	Town Clerk	2003	20.00		100	100	180	100	100
Issuing Burial Permits	C114:45	Town Clerk	1999	20.00		1,500	2,100	2,580	1,500	2,500
Issuing Raffle Permits		Town Clerk	2003	20.00		300	300	360	300	300
Executing Passport Applications	Federal	U.S. Dept. of State	2008	25.00		14,000	13,525	12,700	10,000	6,000
Preparing Duplicate Marriage Records	C262:34	Town Clerk	2003	20.00		300	270	80	280	280
Notarization Fees	C262:41	Town Clerk	2011	5.00		1,200	2,025	2,955.00	2,400	2,500
Administer Oath of Office	C222:3	Town Clerk	2003	10.00		300	320	450	300	350
Passport Photos		Town Clerk	2008	10.00		2,000	3,110	3,240	2,000	2,000

GENERAL GOVERNMENT**1155: INFORMATION TECHNOLOGY**

MISSION STATEMENT: To select, implement, maintain, and support all things technology, automation, and eGovernment related to improve efficiency of operations, while providing more accessible and superior government services.

RECENT ACCOMPLISHMENTS & CURRENT CHALLENGES:**Recent Accomplishments**

- Refined the new automated web-based way for submission of board/committee postings, minutes, and agendas.
- Moved all email systems to Microsoft's cloud, producing a significant cost savings in time and future capital appropriations.
- Updated the town-wide networked phone system.
- Continued to refine and promote "Open Government to the Max", a superior web-based way for citizens and professionals to stay more informed, participate in Town government, and complete transactions.
- Created a strategic partnership with Munis allowing Amherst to be the first organization in the country on Munis 9.0.
- Overhaul of A/V in primary conference rooms allowing for more efficient meetings and superior decision making by officials.
- Parking meter system overhaul including all new sophisticated centrally managed wireless meters and wireless handhelds.
- Through the many efforts and new website related initiatives, we are excited to announce we have realized a 25% increase in daily public website usage over only one year ago. We are now approaching 1,000 unique daily website users.

Current Challenges

- Implementing a paperless workflow system for personnel action forms, purchase orders, and more.
- Implementing paperless electronic billing for water bills, sewer bills, excise bills, property tax bills, and more.
- Further outreach enrolling more citizens and professionals to use the self service tools on amherstma.gov, including the self registration feature for notifications with the emergency alert system.
- Seeking creative and external funding mechanisms for technology projects and initiatives.
- Maintaining all Town voice and video systems including the town-wide IP phone system and town-wide camera system.
- Monitoring, maintaining, and auditing network security systems ensuring the information privacy of citizens and businesses.
- Maintaining, improving, and expanding the Town's internal and external public and private wireless systems.
- Providing daily operational technical support to all departments, boards, and committees and providing emergency 24/7 technical support to Police, Fire, EMS, Public Works, and Dispatch/Communications.
- Providing training and project specific technical assistance and consulting to departments, boards, and committees.
- Maintaining and improving technology policies and procedures.

LONG RANGE OBJECTIVES:

To create paperless efficiencies through automation and technology within and between departments.

To select and implement technology solutions that contribute to "green" efforts and lessen all possible environmental impacts of Town operations.

To further develop "Open Government to the Max" making it a single place where citizens and professionals of Amherst can conduct secure self service transactions and be automatically informed about Town government and utilize many Town services without needing to make a physical trip to a Town office.

FY 13 OBJECTIVES:

To further explore regionalization option for offering MUNIS, IMC, telephony, or other services to other towns or non-profit agencies as a potential revenue source.

Using technology to significantly reduce the amount of paper being used and distributed for normal operations and procedures within departments, between departments, and between departments and citizens.

To combine the bill payments system and bill inquiry system on the website, allowing users to view and pay bills in one place.

To scan and index a significant portion of what's left in file cabinets in the Town Hall and Bangs Center departments.

To continue to expand the Town's workflow automation software (Munis) to include Town Clerk functions, including dog licenses, vital records, and more. This will also allow us to extend these types of transactions to our website.

SERVICE LEVELS:

	FY 07	FY08	FY 09	FY 10	FY 11
	Actual	Actual	Actual	Actual	Actual
Buildings connected to the WAN	13	14	14	14	14
Network user/group accounts	794	809	875	1,209	1,209
Desktop/notebook computers	493	491	540	540	540
Virtual Servers and Network Storage Units	31	34	34	52	52
Printers & Multifunctions	86	72	68	68	68
IP Phones	305	325	345	350	350
Network database software packages	48	47	48	48	48
Websites	5	6	6	6	6
Average Unique Daily Website Visitors	41,000	52,000	65,000	210,000	280,670
Work Orders Completed	3,392	3,392	3,561	3,991	4,175

GENERAL GOVERNMENT

1155: INFORMATION TECHNOLOGY

		FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Budget	FY 13 Manager	Change FY 12 - 13	Percent Change
Personnel Services	\$	320,459	288,145	299,894	289,363	300,762	11,399	3.9%
Operating Expenses	\$	171,743	173,476	191,998	193,426	193,426	0	--
Capital Outlay	\$	0	60	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$	492,202	461,681	491,892	482,789	494,188	11,399	2.4%
SUPPLEMENTAL INFORMATION								
Employee Benefits	\$	110,122	111,129	102,234	100,381	104,147	3,766	3.8%
Capital Appropriations	\$	202,000	201,000	158,000	168,000	186,000	18,000	10.7%
TOTAL DEPARTMENT COST	\$	804,324	773,810	752,126	751,170	784,335	33,165	4.4%
SOURCES OF FUNDS								
Taxation	\$	382,959	342,113	344,753	339,259	350,106	10,847	3.2%
Water Fund	\$	31,392	34,736	44,296	43,096	43,280	184	0.4%
Sewer Fund	\$	31,392	34,736	44,296	43,096	43,280	184	0.4%
Transportation Fund	\$	16,080	17,473	21,456	20,957	21,033	76	0.4%
Ambulance Receipts	\$	30,000	32,362	37,081	36,381	36,489	108	0.3%
Dept Receipts	\$	379	261	10	0	0	0	0.0%
POSITIONS								
Full Time		4.50	4.00	4.00	4.00	4.00	0.00	
Part Time With Benefits		0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents		4.50	4.00	4.00	4.00	4.00	0.00	

MAJOR COMPONENTS:

	Maintenance and License Contracts 30%	Personnel Services includes salaries for the Director, an assistant director, a network administrator shared with the Police Department, a PC technician and a half time software analyst.
		Relicensing Agreements, \$146,241, provides for the payment of relicense and maintenance agreements on a variety of software and operating systems.
Personnel 61%	Communication 5%	Communication costs, \$31,920, include leased lines and internet access.
Other 2%		Supplies, \$2,520, include backup tapes, computer and printer parts, etc.
Supplies 1%		Other expenses include maintenance of equipment, office supplies and dues and subscriptions.

SIGNIFICANT BUDGET CHANGES:

None.

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

**April 5, 2012
FY 13 Finance Committee Budget**

	<u>FY 11 Actual</u>	<u>FY 12 Recap</u>	<u>FY 13 Projected</u>	<u>\$ Chg</u>	<u>% Chg</u>	<u>FY 14 Projected</u>	<u>% Chg</u>	<u>FY 15 Projected</u>	<u>% Chg</u>	<u>Assumptions</u>
REVENUES										
PROPERTY TAX										
Base Levy	35,666,757	38,606,791	40,045,691	1,438,900	3.7%	41,471,833	3.6%	42,958,629	3.6%	
2.5% Allowable Increase	891,669	965,170	1,001,142	35,972	3.7%	1,036,796	3.6%	1,073,966	3.6%	
Estimated New Growth	367,924	473,730	425,000	(48,730)	-10.3%	450,000	5.9%	450,000	0.0%	FY 00 - 08 avg \$600,000/year
General Override	1,680,441	0	0	0		0		0		FY 11: Override approved by voters March 2010
Levy Limit	38,606,791	40,045,691	41,471,833	1,426,142	3.6%	42,958,629	3.6%	44,482,595	3.5%	
Debt Exclusion	352,466	305,688	259,374	(46,314)	-15.2%	213,522	-17.7%	171,480	-19.7%	High School debt exclusion.
Maximum Allowable Levy	38,959,257	40,351,379	41,731,207	1,379,828	3.4%	43,172,151	3.5%	44,654,075	3.4%	
Excess Levy Capacity	(426,947)	(7,347)				0		0		
Subtotal PROPERTY TAX	38,532,310	40,344,032	41,731,207	1,403,558	3.5%	43,172,151	3.5%	44,654,075	3.4%	
LOCAL RECEIPTS										
Motor Vehicle Excise	1,423,261	1,350,000	1,423,750	73,750	5.5%	1,459,344	2.5%	1,495,827	2.5%	Recent car sales data shows increased sales.
Hotel/Motel and Meals Excise	494,989	570,000	640,000	70,000	12.3%	656,000	2.5%	672,400	2.5%	FY 12: Lord Jeffrey Inn reopens
Penalties and Interest	199,214	132,000	198,800	66,800	50.6%	203,770	2.5%	208,864	2.5%	Continued strong collections of delinquent taxes (tax title)
PILOT	937,452	918,458	935,958	17,500	1.9%	959,357	2.5%	983,341	2.5%	Enterprise Fund reimbursements to Gen Fund
Rentals	74,506	80,500	78,500	(2,000)	-2.5%	78,500	0.0%	80,463	2.5%	FY 13 removed Cushman School - no rent agreement
Departmental Revenue	1,435,020	1,092,215	1,207,210	114,995	10.5%	1,237,390	2.5%	1,268,325	2.5%	FY13 Updated to reflect recetn experience
Licenses and Permits	739,013	790,550	759,510	(31,040)	-3.9%	778,498	2.5%	797,960	2.5%	FY 10+: negatively impacted from economic downturn
Special Assessments	695,986	671,811	675,215	3,404	0.5%	692,095	2.5%	709,398	2.5%	PVTA assessment contributions from UMass/5 College Inc
Fines and Forfeits	243,692	169,000	227,033	58,033	34.3%	232,709	2.5%	238,527	2.5%	New noise and open container enforcement
Investment Income	103,369	110,000	110,000	0	0.0%	110,000	0.0%	110,000	0.0%	Low interest rates
Miscellaneous	1,738,937	1,656,661	1,757,362	100,701	6.1%	1,801,296	2.5%	1,846,328	2.5%	Amherst College, Charter/Choice reimbursements (APS)
Subtotal LOCAL RECEIPTS	8,085,439	7,541,195	8,013,338	472,143	6.3%	8,208,959	2.4%	8,411,433	2.5%	
STATE AID										
Chapter 70	5,782,594	5,813,638	5,813,638	0	0.0%	5,900,843	1.5%	6,048,364	2.5%	Modest increases over next three years.
Charter Tuition Assessment Reimbursemen	287,059	210,672	336,959	126,287	59.9%	336,959	0.0%	336,959	0.0%	Per charter school funding formula
Unrestricted General Govt Aid	7,120,842	6,605,976	6,605,976	0	0.0%	6,705,066	1.5%	6,872,692	2.5%	Formerly Lottery Aid & Additional Assistance
Police Career Incentive	16,444	0	0	0		0		0		FY12: eliminated
Veterans Benefits	144,499	213,343	204,222	(9,121)	-4.3%	209,328	2.5%	209,328	0.0%	Continued case load increases and state reimbursement.
Exempt: Vets, Blind, Surv. Spouses, Elderly	17,572	38,329	33,876	(4,453)	-11.6%	33,876	0.0%	33,876	0.0%	
State Owned Land	146,327	151,747	151,747	0	0.0%	151,747	0.0%	151,747	0.0%	
Offset Receipts				0				0		
School Lunch	6,018	6,591	6,306	(285)	-4.3%	6,306	0.0%	6,306	0.0%	Monies go directly to School Department
Public Libraries	64,078	63,865	63,576	(289)	-0.5%	63,576	0.0%	63,576	0.0%	Monies go directly to Jones Library
Subtotal STATE AID	13,585,433	13,104,161	13,216,300	112,139	0.9%	13,407,700	1.4%	13,722,847	2.4%	
OTHER FINANCING SOURCES										
Ambulance Fund	2,117,978	2,276,577	2,546,028	269,451	11.8%	2,609,679	2.5%	2,674,921	2.5%	FY11-13: includes capital purchases
Reserve for Debt Service - WW Roof	44,844	44,844	39,698	(5,146)	-11.5%	0	-100%			MSBA grant for Wildwood School Roof for FY 10-13 debt
Enterprise Fund Reimbursements	830,089	831,243	852,083	20,840	2.5%	873,385	2.5%	895,220	2.5%	
Overlay Surplus	0	39,000	0	(39,000)	-100.0%	0		0		
Free Cash	66,347	65,250	218,200	152,950	234.4%	0	-100%	0		FY13 one time Free Cash use for Elementary Schools
Subtotal OTHER FINANCING SOURCES	3,059,258	3,256,914	3,656,009	399,095	12.3%	3,483,064	-4.7%	3,570,141	2.5%	
TOTAL REVENUES	63,262,440	64,246,302	66,616,854	2,370,552	3.7%	68,271,874	2.5%	70,358,496	3.1%	

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

**April 5, 2012
FY 13 Finance Committee Budget**

	<u>FY 11 Actual</u>	<u>FY 12 Recap</u>	<u>FY 13 Projected</u>	<u>\$ Chg</u>	<u>% Chg</u>	<u>FY 14 Projected</u>	<u>% Chg</u>	<u>FY 15 Projected</u>	<u>% Chg</u>	<u>Assumptions</u>
EXPENDITURES										
OPERATING BUDGET										
Town	18,375,277	18,991,440	19,583,195	591,755	3.1%	20,170,691	3.0%	20,775,812	3.0%	FY13 2.8% plus War Memorial Pool and Afterschool
Elementary Schools	20,294,232	20,758,598	21,558,039	799,441	3.9%	21,980,034	2.0%	22,639,435	3.0%	One time addition of \$218,200 from Free Cash
A-P Regional School District (Assessment)	13,112,795	13,506,166	13,796,524	290,358	2.1%	14,210,420	3.0%	14,636,732	3.0%	FY13 Revised Assessment
Jones Library (Tax Support)	1,534,622	1,644,736	1,690,789	46,053	2.8%	1,741,512	3.0%	1,793,758	3.0%	
Subtotal OPERATING BUDGET	53,316,926	54,900,940	56,628,547	1,727,607	3.1%	58,102,657	2.6%	59,845,737	3.0%	
CAPITAL BUDGET										
Debt Service - Debt Exclusion	352,466	305,688	259,374	(46,314)	-15.2%	213,522	-17.7%	171,480	-19.7%	ARHS debt funded via debt exclusion.
Debt Service - Current	938,975	1,338,023	1,382,150	44,127	3.3%	1,451,915	5.0%	1,344,070	-7.4%	Per JCPC 5-Year Capital Plan
Debt Service - Projected	61,870	71,290	17,911	(53,379)	-74.9%	243,400	1259%	296,779	21.9%	Per JCPC 5-Year Capital Plan
Cash Capital (Tax Support)	1,220,135	1,187,104	1,294,199	107,095	9.0%	1,096,996	-15.2%	1,250,520	14.0%	Per JCPC 5-Year Capital Plan
Subtotal Tax Funded Capital	2,573,446	2,902,105	2,953,634	51,529	1.8%	3,005,833	1.8%	3,062,849	1.9%	
Tax Capital Less Debt Excl	2,220,980	2,596,417	2,694,260	97,843	3.8%	2,792,311	3.6%	2,891,369	3.5%	
% Net Tax Levy	5.75%	6.48%	6.50%			6.50%		6.50%		JCPC: phase in restoration to 10% of levy over 5 years
Cash Capital (Non-Tax Support)	247,665	109,000	255,000	146,000	133.9%	0		0		FY 14+: Ambulance Capital will be restored by JCPC.
Subtotal CAPITAL	2,821,111	3,011,105	3,208,634	197,529	6.6%	3,005,833	-6.3%	3,062,849	3.0%	
MISCELLANEOUS										
Assessment - Retirement System	3,156,174	3,256,793	3,468,324	211,531	6.5%	3,624,399	4.5%	3,787,497	4.5%	FY13 Assessment as reported by Hamp. Cty. Ret. Board
Assessment - Regional Lockup Facility	31,323	31,323	31,323	0	0.0%	31,323	0.0%	31,323	0.0%	
Other	66,347	0	0	0		0		0		
Reserve Fund	15,000	100,000	100,000	0	0.0%	100,000	0.0%	100,000	0.0%	Finance Committee Reserve Fund
Subtotal MISCELLANEOUS	3,268,844	3,388,116	3,599,647	211,531	6.2%	3,755,722	4.3%	3,918,820	4.3%	
Total APPROPRIATIONS	59,406,882	61,300,161	63,436,828	2,136,667	3.5%	64,864,212	2.3%	66,827,405	3.0%	
UNAPPROPRIATED USES										
Reserve for Abatelements & Exemptions	368,633	376,985	414,718	37,733	10.0%	429,586	3.6%	444,826	3.5%	Goal: budget 1% of tax levy
State Assessments (Cherry Sheet)	2,717,710	2,483,026	2,679,753	196,727	7.9%	2,746,747	2.5%	2,815,415	2.5%	Retired Teachers Health Ins., Choice/Charter Tuition, PVTA
Cherry Sheet Offsets	70,096	70,456	69,882	(574)	-0.8%	69,882	0.0%	69,882	0.0%	School Lunch and Public Libraries; offsetting state aid
Other Amounts to be Raised	5,918	15,673	15,673	0	0.0%	15,673	0.0%	15,673	0.0%	Tax Title and PVPC assessment
Subtotal UNAPPROPRIATED USES	3,162,357	2,946,140	3,180,026	233,886	7.9%	3,261,888	2.6%	3,345,796	2.6%	
TOTAL BUDGET PLAN	62,569,239	64,246,301	66,616,854	2,370,553	3.7%	68,126,100	2.3%	70,173,201	3.0%	
SURPLUS / (SHORTFALL)			0			145,774		185,295		

Long-term Debt Schedule

	Last Payment	FY 13 Payments	FY 14 Payments	FY 15 Payments	FY 16 Payments	FY 17 Payments	FY 18 Payments	FY 19 Payments	FY 20 Payments	FY 21 Payments	FY 22 Payments
GENERAL FUND											
LONG TERM DEBT											
Town Hall Refunding	FY 16	185,000	178,600	167,200	156,000	-					
Wildwood School Roof	FY 13	61,013									
Crocker Farm (1)	FY 19	252,000	244,000	236,000	228,000	220,000	212,000	204,000			
Sidewalks (2005)	FY 14	70,200	67,600								
Plum Brook Recreation Fields	FY 15	51,840	50,160	48,720							
Town Hall Exterior (General Fund)	FY 20	34,370	33,390	32,550	31,815	31,150	30,380	29,540	28,560		
Town Hall Exterior (CPA)	FY 20	27,619	26,831	26,156	25,566	25,031	24,413	23,738	22,950		
Bangs Community Center Roof/HVAC	FY 20	46,422	40,219	39,274	58,244	55,089	53,708	52,223	50,490		
DPW - Roads Reconstruction	FY 21	558,000	546,750	536,625	525,375	513,563	500,625	487,125	473,625	458,438	
Hawthorne Property Acquisition (CPA)	FY 21	62,000	60,750	59,625	58,375	57,063	55,625	54,125	52,625	50,938	
Portable Classrooms	FY 19	32,190	34,650	34,050	33,150	27,250	26,500	25,750			
South Amherst School	FY 22	21,640	24,300	23,900	23,300	22,700	22,100	16,500	16,050	15,600	15,300
Housing Authority Co-Project	FY 22	44,100	43,400	42,700	41,650	40,600	39,550	38,500	37,450	36,400	35,700
		1,446,394	1,350,850	1,246,800	1,179,475	992,426	964,901	931,501	681,750	561,376	51,000
DEBT PAID BY OVERRIDES											
High School Roof	FY 15	103,689	99,918	96,148							
Regional High School Renovations	FY 18	259,373	213,523	171,480	125,378	83,239	37,330				
		363,062	313,441	267,628	125,378	83,239	37,330				
MISCELLANEOUS DEBT OBLIGATIONS											
Temp. Interest/Borrowing costs		17,911	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
		17,911	20,000	20,000	20,000	20,000	20,000				
TOTAL GENERAL FUND DEBT		1,827,367	1,684,091	1,534,428	1,324,853	1,095,665	1,022,231	931,501	681,750	561,376	
ENTERPRISE FUNDS											
LONG TERM DEBT											
WATER FUND											
Centennial Treatment Facility Upgrades	FY 32	298,850	294,850	290,850	284,850	278,850	272,850	266,850	260,850	254,850	250,850
		298,850	294,850	290,850	284,850	278,850	272,850	266,850	260,850	254,850	250,850
SEWER FUND											
Chapel Road Sewer Ext.	FY 14	106,600	102,000								
Middle Street Extension	FY 13	193,206									
Sewer Ext, Harkness Design	FY 22	20,860	17,500	12,200	11,900	11,600	11,300	11,000	10,700	10,400	10,200
		320,666	119,500	12,200	11,900	11,600	11,300	11,000	10,700	10,400	10,200
TRANSPORTATION FUND											
Parking Garage Refunding	FY 20	65,975	59,125	57,625	56,313	55,125	48,825	47,475	45,900		
		65,975	59,125	57,625	56,313	55,125	48,825	47,475	45,900		
TOTAL ENTERPRISE FUNDS DEBT		685,491	473,475	360,675	353,063	345,575	332,975	325,325	317,450	265,250	
TOTAL DEBT		2,512,858	2,157,566	1,895,103	1,677,916	1,441,240	1,355,206	1,256,826	999,200	826,626	