

AMHERST TOWN COUNCIL

AGENDA

Wednesday, May 12, 2021

Meeting at 7:00 p.m.

Town Hall, 174 S. Main Street, Amherst, VA 24521

- A. Call to Order for the Town Council– 7:00 p.m. - Mayor Tuggle**
- B. Pledge of Allegiance** - *I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.*
- C. Invocation** - *Any invocation that may be offered before the official start of the Amherst Town Council meeting shall be the voluntary offering to, and for, the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by Council and do not necessarily represent the religious beliefs or views of the Council in part or as a whole. No member of the audience is required to attend or participate in the invocation, and such decision will have no impact on their right to participate actively in the business of the Council. Copies of the policy governing invocations and setting forth the procedure by which a volunteer may deliver an invocation are available upon request at the Town Hall.*
- D. Public Hearings and Presentations**
- E. Citizen Comments** - *Per the Town Council's policy, any individual desiring to speak before the Council who has not met the agenda deadline requirement will be allowed a maximum of three minutes to speak before the Town Council. Any individual representing a bona fide group will be allowed a maximum of five minutes to speak before the Town Council. Placement on the agenda is at the Mayor's discretion.*
- F. Consent Agenda** – *Items on the consent agenda can be voted on as a block if all are in agreement with the recommended action or discussed individually.*
1. **Town Council Minutes (Pgs. 1-5)** – *Draft of the April 14, 2021 meeting minutes are **attached**. Please let Vicki Hunt know of any concerns by Wednesday morning such that any needed corrections can be presented at the meeting.*
- G. Correspondence and Reports**
1. **Staff Reports (Pgs. 6-18)**
- a. Town Manager Monthly Report - **attached**
 - b. Police Chief Monthly Report - **attached**
 - c. Office Manager Monthly Report - **attached**
 - d. Clerk of Council Monthly Report- **attached**
 - e. Public Works Monthly Reports- **attached**
 - f. Town Attorney Monthly Report – **attached**
2. **Council Committee Reports**
- a. Finance Committee – *Mrs. Carton*
 - b. Utilities Committee – *Mr. Watts*
3. **Other Reports (Pgs. 19-26)**
- a. Planning Commission– *no meeting.*
 - b. Industrial Development Authority- *met May 3, 2021, minutes attached*
 - c. Robert E. Lee SWCD
- H. Discussion Items**

1. **Utility Policy Change- (Pgs. 36-38)** Sara Carter- *Per the Council's direction at the last meeting, staff has updated the Utility Policy to allow for a lower rate for out of town, non-profit, community benefitting organizations. Staff recommends adoption.*
2. **Adoption of the FY 21-22 Budget- (Pgs. 27-60)** Sara Carter- *Council held a public hearing on the FY 21-22 budget on April 14, 2021. It is presented to Council at this meeting for consideration and adoption. While there may be changes due to the American Rescue Plan (ARP) from the federal stimulus, at this time, staff recommends adoption of the proposed budget.*
3. **Purchase Approval for Generator for Police Department- (Pgs. 61-76)** Sara Carter- *In preparation for the Police Department's accreditation process, staff recommends purchase of a generator for the Police Department. Staff recommends approval of purchase, based upon the selected size and type of generator.*
4. **Pay Scale Approval- (Handout)** Sara Carter- *As part of prioritizing employee retention, staff recommends adopting a pay scale that adds a path for professional development for the Police Department and moves the grade for one other employee.*
5. **Cigarette Tax (Pgs. 77-143)** Tracie Morgan - *Several years ago, staff looked at the impact of taxing cigarette sales. At the time, it was not deemed a worthwhile endeavor, as a town tax would most likely only drive sales to the County. However, with a county cigarette tax implemented, this tax is being collected in town and in the county already. Staff requests that the Council provide instruction to staff as to whether they are interested in pursuing a cigarette tax.*
6. **Employee Recognition Policy (Pgs. 144-157)** Vicki Hunt- *Staff has developed a proposed Employee Recognition Policy that allows recognition by employees of employees. The attachments include a policy as well as a one-page handout for staff. Staff requests adoption of the policy for implementation.*

I. Matters from Staff

J. Matters from Town Council

K. Anticipated Town Council Agenda Items for Next Month

L. Citizen Comments

M. Adjournment

Mayor D. Dwayne Tuggle called a regular monthly meeting of the Amherst Town Council to order on April 14, 2021, at 7:00 P.M. in the Council Chambers of the Town Hall at 174 S. Main Street.

As a result of COVID-19 cautionary restrictions and limited space the below council members and staff met in person and electronically via virtual meeting in the event persons wishing to avoid attending could still address Council from home.

It was noted that a quorum was present as follows:

P	D. Dwayne Tuggle	P	Kenneth G. Bunch
P	Rachel A. Carton	P	Sharon W. Turner
P	Kenneth S. Watts	P	Janice N. Wheaton

Also present were the following staff members:

Sara Carter	Town Manager	Vicki K. Hunt	Clerk of Council
W. Thomas Berry	Town Attorney	Bobby Shiflett	Chief of Police
Tracie Morgan	Office Manager/Treasurer (Remote)	Charles Thompson	Utilities Maintenance Foreman
Gary Williams	Director of Plants (Remote)	Becky L. Cash (Remote)	Lead Water Operator

Recitation of the Pledge of Allegiance to the Flag was followed by an invocation by Kenneth S. Watts.

Town Manager Carter gave a brief report on the development of the FY21/22 Proposed Budget and Capital Improvement Program, as reviewed by the Finance Committee. The proposed budget reflects deferential expenditures due to “soft” revenues related to a decline in the Town’s economy during the covid pandemic. Some expenditures on capital improvement items, including a new vehicle for the Amherst Town Police Department, are recommended. By state code the budget cannot be adopted at the same meeting as the public hearing.

Mayor Tuggle opened a duly advertised public hearing on the Town’s proposed FY21/22 budget at 7:03 P.M. There being no one present in person or electronically who wished to speak on the budget matter, the public hearing closed at 7:04 P.M.

Ms. Carton, Chairman of the Finance Committee, on behalf of the committee, reported that after a line-by-line review and discussion of the proposed FY21/22 Proposed Budget, the committee agreed to put forward the proposed budget for public hearing. The Capital Improvement Program was also reviewed by the committee. No changes were made.

Mayor Tuggle opened a duly advertised public hearing at 7:11 P.M. on the Town’s proposed 2021-2022 Capital Improvement Program that identifies acquisition, construction and improvement of town facilities, and acquisition of capital equipment. There being no one present in person or electronically who wished to speak on the Capital Improvement Program proposal, the public hearing closed at 7:11 P.M.

Town Manager Carter gave a report on the proposed 2021-2022 Capital Improvement Program as recommended on March 3, 2021, by the Planning Commission for approval by Town Council, indicating that certain items on the Capital Improvement Program are not budget ready.

After discussion, Mr. Watts made a motion that was seconded by Mr. Bunch to adopt the 2021-2022 Capital Improvement Program that identifies acquisition, construction and improvement of town facilities, and acquisition of capital equipment, as recommended by the Planning Commission and staff.

There being no further discussion, the motion carried 4-1 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Nay

A copy of the 2021-2022 Capital Improvement Program is attached and made a part of these minutes.

Kevin Tolley, President of the Amherst Recreation Center, was present on behalf of the Center’s Pool Board to request a change in water rates due to its non-profit status, and benefit to the community. The ARC Pool Board requested that the Town consider a yearly bulk, one-time pool fill up price with a possible reduced rate for the pool. Other members of the organization, Mike Driskill and ARC Treasurer Sara Pope, were also present in support of the request and to answer questions.

Mr. Watts, Chairman of the Utility Committee, reported that after discussion by the Committee, it was the Committee’s recommendation that the Center pay in-town rates and that an addition to the water policy be made allowing out-of-town non-profit organizations that benefit the Town to make yearly application for in-town water rates to Town. Each applicant must demonstrate an ability of the organization to benefit the citizens of the Town and show a current non-profit status.

After discussion, Mrs. Turner made a motion that was seconded by Mr. Watts to amend the water policy to include that out-of-town non-profit organizations who can demonstrate an ability that the organization’s operation benefits the Town, can show non-profit status, and can provide proof of financial hardship, may make annual application for in-town water rates for review and recommendation by the Town Manager, as recommended by the Utility Committee.

There being no further discussion, the motion carried 4-1 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Nay

Town Manager Carter was directed to move forward as if the policy were adopted and bring forward the policy for formal adoption at the May 12, 2021, meeting.

Mayor D. Dwayne Tuggle opened the floor for citizen comment.

There being no one listed to speak on the citizen comment sign-in sheet or otherwise, no comments were made.

Ms. Carton made a motion that was seconded by Mr. Bunch to approve the minutes from the March 10, 2021, meeting.

There being no discussion, the motion as to the March 10, 2021, minutes carried 5-0 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Aye

Ms. Carton, Chairman of the Finance Committee, reported that the committee met March 22, 2021, and reviewed estimates from two companies for work on Council Chambers, and directed staff to follow up on estimates, obtain flooring samples and cost for window tinting.

Town Manager Carter reported that two vacancies on the Planning Commission have been advertised and two positions on the Industrial Development Authority will require reappointment or replacement. An application to the Industrial Development Authority from Aaron H. Mahler was received. Staff recommends appointment of Mr. Mahler and reappointment of Manly Rucker, whose term expires June 30, 2021, to the Industrial Development Authority.

Ms. Turner made a motion that was seconded by Mr. Watts to appoint the following individuals to the board and for the terms listed below subject to their willingness to serve.

Board	Appointed	Term of Office
Industrial Development Authority	C. Manly Rucker, III	7-1-2021 – 8-31-2025
Industrial Development Authority	Aaron H. Mahler	7-1-2021 – 8-31-2025

There being no discussion, the motion carried 5-0 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Aye

After a brief report by Town Manager Carter, Ms. Carton, made a motion that was seconded by Mr. Bunch to approve addition of reflective safety glass tinting for Council Chambers’ windows and door.

After discussion, the motion carried 5-0 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Aye

After a report from Town Manager Carter, Ms. Carton made a motion that was seconded by Mr. Bunch to approve expenditure in the amount of \$12,072.00, for replacement of ceiling tiles and insulation in the chambers, hallway, and bathrooms in the back half of Town Hall and planned replacement of existing light fixtures to LED lights by Childress Electrical, LLC, as recommend by staff.

After discussion, the motion carried 5-0 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Aye

After a report by Town Manager Carter and discussion, Mr. Bunch made a motion that was seconded by Mr. Watts to approve expenditure in the amount of \$7,538.42 for repairs to the bucket truck by Custom Truck One Source, as recommended by staff.

The motion carried 5-0 via the roll call method as follows:

D. Dwayne Tuggle		Kenneth G. Bunch	Aye
Rachel A. Carton	Aye	Sharon W. Turner	Aye
Kenneth S. Watts	Aye	Janice N. Wheaton	Aye

Utilities Maintenance Foreman Thompson was directed to look for alternate truck repair facilities and future purchase options.

Town Manager Carter reported that the Town may receive between \$400,000 and \$1.9 million from the American Rescue Plan, delivered in two phases. No formal notification or guidance has been received on how the monies must be spent.

After formal notification of stimulus amount and guidance on authorized expenditures is received, Town Council plans to hold a retreat in June on discussion of expenditure of American Rescue Plan proceeds.

A motion was made by Mr. Watts that was seconded by Mr. Bunch for the park to be named Mill Race Park. After discussion, Mr. Watts withdrew the motion to allow time for community input.

There being no one listed to speak on the citizen comment sign-in sheet or otherwise, no comments were made.

There being no further business, the meeting adjourned at 8:33 P.M., until May 12, 2021, at 7:00 p.m. on motion of Mr. Watts seconded by Ms. Carton.

D. Dwayne Tuggle, Mayor

Attest: _____
Clerk of Council

**Town of Amherst
Capital Improvement Program FY 21-22,
Recommended by the Planning Commission for consideration by the Town Council**

Project Description & Ranking	CIP Committee Evaluation	Planning Commission Ranking	Total Estimated Cost	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Recommended Sources of Funds
Police									
Generator	20		\$12,500.00	12,500.00					GF/VRSA Grant
Police Tahoe SUV-New	13		46,000.00		46,000.00				General Fund
Police Interceptor-SUV	13		87,000.00	46,845.00			48,000	50,000	General Fund
Community Development									
Park Improvements			60,000.00	60,000.00					General Fund
Maintenance									
New Truck	11		35,000.00	-	35,000.00				General Fund
UTV-Side by Side (shared)	19		16,500.00	16,500.00					All funds
Bucket Truck	13		35,000.00		35,000.00				General Fund
Addition to Maintenance Shop	14		50,000.00		50,000.00				General Fund
Backhoe	19		100,000.00	-	100,000.00				General Fund
Maintenance Shop Heat	14		6,000.00	6,000.00					General Fund
Zero Turn Mower	23		7,000.00	7,000.00					IDA Funding
Tractor w/ bucket mower & backhoe	13		30,000.00		30,000.00				General Fund
Replacement of Town Hall roof			48,000	48,000					General Fund
Plants									
AllMax Software Bundle	19		16,041.00	\$ 16,041.00					Water/WW Fund
Roof Replacement-Lab	19		6,800.00	6,800.00					WW Fund
Raw WW Pump & Motor-QTY 3	26		36,409.77	-		36,409.77			WW Fund
Sludge Digester Blower/motor-QTY 2	21		31,050.60		-		31,050.60		WW Fund
Waste Flow Meter	16		6,584.00		6,584.00				WW Fund
Water Line Replacements									
Author Court Replacement			200,000.00		200,000.00				Grant and Water
Sunset Drive Replacement			1,019,260.00			1,019,260.00			Grant and Water
Waugh's Ferry Road Replacement			1,406,595.00			1,406,595.00			Grant and Water
Walnut Street Replacement			136,888.00				136,888.00		Grant and Water
Union Hill Replacement			420,416.00					420,416.00	Grant and Water
Zane Snead Replacement			294,400.00				294,400.00		Grant and Water
Christian Springs Road replacement									Grant and Water
Heff Creek Trail replacement									Grant and Water
			TOTAL	4,094,944.37	219,686.00	502,584.00	2,462,264.77	510,338.60	470,416.00

Town Manager's Report
May 12, 2021
Status of all items shown in italics

From the Council's Strategic Plan:

Ongoing or immediate

- Discuss Brockman Park development with IDA- *Ongoing*
- Advise the IDA about Council's interest in exploring an EDA- *Completed 5.3.21*
- Review the previously developed walkability plan- *Completed 4.15.21*
- Town Manager meet with the County Administrator and brief him on Council's desire to improve relationships with the County- *Meeting set for 5.7.21*

Within three (3) months – by June 1, 2021

- Develop a sidewalk plan in priority blocks downtown- *Working with CVPDC to apply for grant funding through VDOT for improvements to crosswalks/sidewalks at circle and missing walk in front of CVS. Additional planning to be completed through Comprehensive Plan and continued grant work.*
- Mayor and Chair of Amherst County Board of Supervisors meeting
- Develop a business visitation plan and commence visits
- Develop a plan for a new Council table/dais, including the layout and components, get price quotes, and report back to Council

Within six (6) months – by September 1, 2021

- Bring to Council a plan for a pathway forward for the IDA to become an EDA
- Convene a joint Town Council/IDA meeting
- Explore creating a façade improvement program, with incentives
- Joint Town Council/Board of Supervisors meeting
- Explore the (additional) resources necessary to implement the workplan and report back to Council

By January 1, 2022

- Negotiate and approve a revised utility agreement with Sweet Briar College

Within one year – by March 1, 2022

- Develop a workplan for the IDA/EDA with goals
- Comprehensive Plan update, including a Downtown Revitalization Component, underway

Within two (2) years – by March 1, 2023

- Complete initial visitation of town businesses
- Adopt a revised Comprehensive Plan

Other Major Projects:

Sewer Sliplining Project

Improvements at the Wastewater Treatment Plant are largely completed, and final closure is underway of that portion of the project. On the collection side of the project, most of the in-town work is done, with the remainder of the work primarily focused on the main line to the plant and the interceptor line from Sweet Briar College. A quote to rebuild a portion of the Garland Avenue line has been requested.

Water Treatment Plant

Project has been scheduled out to completion (though we do know that changes will occur) and the projected completion date is October 15, 2022. The first construction work will be on the basins in the back of the plant.

Brockman Park Engineering Work

The survey work is complete. Topographical work is underway. Waters of the US delineation work is complete and awaiting agency review. Cultural resources work is complete and awaiting agency review. Grading Plan to begin development in coming weeks.



AMHERST POLICE DEPARTMENT



MONTHLY REPORT

APRIL 2021

Month:	SHIFT WORKING:
OFFICER:	VEHICLE:
MILEAGE START OF SHIFT:	MILEAGE END OF SHIFT:

CALLS FOR SERVICE	NUMBER
MOTORIST ASSIST	17
ALARM	7
PHONE COMPLAINT	115
BOLO	15
MISSING PERSON	1
SHOPLIFTING	
PROBLEM WITH OTHERS	11
DOMESTIC	
CHECK WELFARE	7
NOISE OR DOG COMPLAINT	4
TRAFFIC CRASH	5
EMS CALLS	5
SUDDEN DEATH	1
SUSPICIOUS PERSON	6
Calls at Ambriar	1
OTHER	35

OFFICER INITIATED	NUMBER
BUILDING CHECKS	293
BUSINESS VISIT	41
BUILDING SEARCH	2
TRAFFIC SUMMONS	21
DRUNK IN PUBLIC	
EXTRA PATROLS/ Parks	214/26
WARRANT SERVICE	3
PROPERTY WALK AROUNDS	65
WARRANTS OBTAINED	2
PARKING TICKETS	
MISD. INVESTIGATION	
FELONY INVESTIGATION	2
NARCOTICS INV.	1
SEARCH WARRANT	2
PUBLIC RELATIONS	3
CITIZEN CONTACT	241

WARNINGS	NUMBER
SPEEDING	12
EQUIPMENT VIOLATION	
RECKLESS DRIVING	
SUSPENDED LICENSE	
INSPECTION/REGISTRATION	3
SEAT BELT / TEXTING	
ALL OTHER VIOLATIONS	3

TRAFFIC STOPS TICKETED	NUMBER
SPEEDING	13
EQUIPMENT VIOLATION	
RECKLESS DRIVING	
SUSPENDED LICENSE	2
INSPECTION/REGISTRATION	3
SEAT BELT / TEXTING	
ALL OTHER VIOLATIONS	3

ARREST	NUMBER
MISDEMEANOR	2
FELONY	1
EPO/PPO	
ECO	
NARCOTICS VIOLATION	
DUI / DUIG	

OTHER	NUMBER
ASSIST OTHER OFFICER	20
ASSIST OTHER AGENCY	9
COURT	4
REPORTS	7
SCHOOL / TRAINING	
MEETINGS	20
TOWED / IMPOUNDED VEH	



AMHERST POLICE DEPARTMENT



MONTHLY REPORT

PLEASE LIST ALL PASS ON'S, INVESTIGATIONS, ARREST, IMPOUNDED VEHICLES WITH REASON AND LOCATION, AND BUSINESSES WITH OPEN DOORS OR ANY OTHER SIGNIFICANT COMPLAINTS.

CALLS FOR SERVICE: 202

MILES PATROLLES: 4,482

CALLS AFTER HOURS

4/5 Alarm. False alarm.

4/6 911 hang up. Everything fine.

4/8 DOA Newington Dr.

4/10 Alarm @ McDonalds. Building secure.

4/15 Missing Juvenile. Juvenile found.

COUNTY ASSIST CALLS

4/1 Traffic stop 29&151. Arrest for DUI.

4/1 Traffic crash Boxwood Farm Rd. Assist

4/21 Foot chase 29&Coolwell Rd. Assist

4/21 Wanted felon Red Roof Inn. Assist

4/21 Warrant service Flat Woods Rd. No contact.



AMHERST POLICE DEPARTMENT

MONTHLY REPORT



APRIL ACTIVITIES:

- * Mock Accreditation is set for May 21st. DCJS representatives will be in our department to assess departmental compliances. They will be inspecting all aspects of our department. (Files, Budget, Vehicles, Building, Equipment, Issued Weapons, Range, Evidence Procedures/Storage, Training, Interviews with staff.**
- * Message Board was utilized at several locations this month. The main focus was Main Street and North Main.**
- * Stationary and mobile radar was conducted every day.**
- * Officer Martin is now the department representative for Trauma Informed Community Group. The group consists of DSS, Horizon, DJJ and schools. They will meet on a monthly basis.**
- * Officer Robinson completed his apprenticeship at the academy for his general instructor certification.**
- * Officer Robinson completed training with the Crisis Negotiation Team (CNT)**



TOWN OF AMHERST

P.O. Box 280 174 S. Main Street Amherst, VA 24521
Phone (434)946-7885 Fax (434)946-2087

To: Town Council
From: Tracie Morgan
Date: May 6, 2021
Re: April 2021 Monthly Report

Utilities – April utility billing total was \$155,766.22.

A/P – March bills totaled \$179,832.29.

Meals and Beverage Tax – 15 Businesses paid \$51,247.50 in Meals and Beverage Tax for the month of March. This is a big come back from the previous month.

Personal Property Tax (License Fees) – License Fee Bills totaled \$44,144 and were due December 8 2020. Second notices were mailed out at the beginning of February and bank liens started in March. The outstanding balance is now down to \$5,139.09.

CARES Act Utility Forgiveness -- We received notice from DHCD that the wording on the Utility Forgiveness Funds was approved for change and we can now give the same customer assistance more than one time. We still have funds to spend so please let people know to reach out to us if they have a previous balance, so we help them.

Upcoming Items – FY21 Audit Prep

Business License – Business License renewals were due May 1, 2021. For the current 2021 tax year we have collected \$91,158.15. This has already exceeded our budgeted revenue amount and we can expect more late renewals to funnel through.

**CLERK OF COUNCIL REPORT
APRIL 2021**

COMMITTEE MEETINGS

Town Council

Receive and review agenda materials; assemble packet for 4-14-21 meeting; distribute and post agenda packet to website; prepare for and attend meeting; draft minutes for approval; post to Town website.

Quorums: Confirm Planning Commission and Town Council meetings with members; confirm cancellation of IDA and Planning Commission meetings

TOWN WEBSITE DESIGN AND CONTENT MANAGEMENT

Administration of website generating and continuously uploading information/documents; revising website pages with new information and links to documents and/or outside sites; examining traffic through the site; design for overall look and feel of the site, including photos, color, graphics and layout; creating, editing, posting, updating, and cleaning up outdated content.

TOWN FACEBOOK ADMINISTRATOR

- Create content and/or design and post on Facebook and Website, including but not limited to:
 - Notice: Procedures for Amherst Town Council April meeting during Covid-19 pandemic
 - Video of VGWL Spotlight on Sara Carter, Chapter President Virginia Women Leading Government hosted by Tiffany Garner.
 - Video of April 14, 2021 Town Council Meeting
- Share links to community news and events; Monitor feedback.

AUDIO VISUAL

Emails with Point Source re installation of audio-visual needs for council chambers.

April 12, 2021 and April 21, 2021: Meet with Chris from Point Source.

Confer with Chris from Point Source re trouble shoot Resi; test streaming.

Discontinue Resi subscription re: latency delay.

STREET BANNER

Rotary Club Pancake Day Banner: Receive and review request for banner permit; prepare banner permit application and associated VDOT documents; correspond with VDOT; receive banner permit; miscellaneous emails with VDOT, Mr. Brandell and Town staff.

IDA APPOINTMENT AND REAPPOINTMENT

Preparation of oaths; correspond with Clerk of Court; miscellaneous emails with appointees.

FOIA

Receive and review 1 request; research requested information; respond to request.

OTHER:

- Convert and post audio meeting recording.
- Prepare, send, post Legal Ads/Public Hearing Notice:
 - Committee on Town and County projects 5/4/21.
- Continue research for digital document archiving and management with search capabilities and cost; virtual meeting with Municode representative.
- Continue work on Zoning Ordinance recodification; correspond with Municode representative,
- Research Code history for beer and wine
- Miscellaneous phone calls, correspondence; other research.
- Prepare miscellaneous purchase orders.

Town of Amherst Committees as of April 30, 2021, Update; See Attached.

Town of Amherst Committees as of APRIL 30, 2021

Appointed/Term Expires

TOWN COUNCIL

D. Dwayne Tuggle, Mayor	01/01/19	12/31/22
Rachel A. Carton, Vice Mayor	01/01/21	12/31/24
Kenneth S. Watts	01/01/19	12/31/22
Sharon W. Turner	01/01/21	12/31/24
Kenneth G. Bunch	01/01/21	12/31/24
Janice N. Wheaton	11/12/19	12/31/22

PLANNING COMMISSION

June Driskill, Chairperson	05/13/20	06/30/24
Janice N. Wheaton	01/01/21	12/31/22 (TC rep)
William Jones	07/01/19	06/30/23
Ted Finney	07/01/17	06/30/21 (Notice of Vacancy)
Kevin Belcher	07/01/18	06/30/22 (Notice of Vacancy)
Clifford Hart	07/01/19	06/30/23
Anne Webster Day	03/13/19	06/30/22

BOARD OF ZONING APPEALS

June Driskill	11/13/20	08/31/25 Pending Court approval
Ed Carton	09/01/19	08/31/24
Teresa Tatlock	07/10/16	08/31/21
Marvin Hensley	08/31/17	08/31/22
R.A. "Tony" Robertson	01/13 /21	08/31/23 Pending Court approval

INDUSTRIAL DEVELOPMENT AUTHORITY

Clifford Hart	07/01/19	08/31/23
Sharon Watts Turner	07/01/18	06/30/22
Gary Jennings	05/10/17	06/30/21 (Appointed Aaron H. Mahler – 7/01/21- 6/30/25)
Jacob Bailey	07/01/20	06/30/24
Manly Rucker	05/10/17	06/30/21 reappointed 7/01/21-6/30/25
Kim Odell Stein	07/11/18	06/30/22
Richard Wydner	07/01/19	06/30/23

PROPERTY MAINTENANCE INVESTIGATION BOARD

C. Manly Rucker, III	05/13/20	06/30/24
Bessie H. Kirkwood	07/01/18	06/30/22
Glenda Hash	05/13/20	06/30/24

CENTRAL VIRGINIA PLANNING COMMISSION/MPO

D. Dwayne Tuggle	01/01/21	12/31/22
Sara Carter	01/01/21	12/31/22

Appointed/Term Expires

CENTRAL VIRGINIA TRANSPORTATION COUNCIL (MPO)

D. Dwayne Tuggle	01/01/21	12/31/22
Sara E. Carter	01/01/21	12/31/22

TOWN/SWEET BRIAR SEWER USE ADVISORY COMMISSION

Kenneth Bunch	01/01/21	12/31/22
Kenneth S. Watts	01/01/21	12/31/22

TOWN COUNCIL COMMITTEES (FOR THE 01/01/21-12/31/22 TERM)

FINANCE COMMITTEE

Rachel A. Carton (Chairman) and Sharon W. Turner

- Monitor the budget development process.
- Review accounting procedures, budgets, and bookkeeping activities.
- Interface with auditors.

UTILITIES COMMITTEE

Kenneth S. Watts (Chairman) and Kenneth G. Bunch

- Monitor the development and construction of capital improvement projects.
- Review proposed utility system upgrades and extensions.
- Interface and assist developers in coordinating Town policies with proposed new developments.

TOWN HALL MEETING ROOM REHABILITATION AD HOC COMMITTEE

Rachel Carton (Chairman) and Sharon Turner

- Oversee and monitor rehabilitation and refurbishment

TOWN AND COUNTY PROJECTS AD HOC COMMITTEE

Kenneth Bunch (Chairman) and Sharon Turner

- Interface in Town and County projects
- Monitor project development process



**TOWN OF AMHERST
DEPARTMENT OF PLANTS
MONTHLY PRODUCTION AND OPERATIONAL REPORT
APRIL -- 2020**

**SUBMITTED BY: GARY S. WILLIAMS,
DIRECTOR OF PLANTS
SUBMITTED ON: Thursday, May 6, 2021**

**Grandview Water Filtration Plant,
Daily Source Water Withdrawal, Process, and Production Volumes.**

	Total, Million Gallons	Average, Million Gallons	Max., Million Gallons	Min., Million Gallons
Raw Source Water	8.740	0.290	0.500	0.140
Plant Production	7.770	0.260	0.460	0.130
Water Delivered to System	7.360	0.250	0.420	0.120

**Rutledge Creek Wastewater Treatment Facility
Daily Process, and Production Volumes.**

	Total, Million Gallons	Average, Million Gallons	Max., Million Gallons	Min., Million Gallons
Final Treated Effluent	8.707	0.290	0.378	0.223

Stand Out Details of Monthly Operations.

• **Haloacetic Acids and Trihalomethanes Update**

On April 15, 2021, Town Staff sampled for the second quarter of 2021 for chlorine byproducts in Haloacetic Acids and Trihalomethanes. The Town has continued to be below the quarterly exceedance level of 0.060 mg/L for Total Haloacetic Acids and below the 0.080 mg/L exceedance level for Trihalomethanes.

Haloacetic Acids Results:

	July 16, 2020		October 15, 2020		January 21, 2021		April 15, 2021		Quarterly Average
	ug/L	mg/L	ug/L	mg/L	ug/L	mg/L	ug/L	mg/L	mg/L
(Mono) Bromoacetic Acid	ND	0.00000	ND	0.00000	ND	0.00000	ND	0.00000	0.00000
(Mono) Chloroacetic Acid	1.30000	0.00130	19.10000	0.01910	1.80000	0.00180	1.50000	0.00150	0.00593
Dibromoacetic Acid	ND	0.00000	ND	0.00000	ND	0.00000	ND	0.00000	0.00000
Dichloroacetic Acid	11.20000	0.01120	15.40000	0.01540	3.90000	0.00390	11.80000	0.01180	0.01058
Trichloroacetic Acid	13.10000	0.01310	28.70000	0.02870	13.70000	0.01370	11.80000	0.01180	0.01683
HAA5	25.60000	0.02560	63.20000	0.06320	19.40000	0.01940	25.10000	0.02510	0.03333 2nd quarter 2021

> 0.060 mg/L is an Exceedance

Trihalomethanes Results:

	July 16, 2020		October 27, 2020		January 21, 2021		April 15, 2021		Quarterly Average
	ug/L	mg/L	ug/L	mg/L	ug/L	mg/L	ug/L	mg/L	mg/L
Bromodichloromethane	5.70000	0.00570	3.80000	0.00380	2.40000	0.00240	1.90000	0.00190	0.00345
Bromoform	ND	0.00000	ND	0.00000	ND	0.00000	ND	0.00000	0.00000
Chloroform	43.80000	0.04380	37.30000	0.03730	17.80000	0.01780	19.10000	0.01910	0.02950
Dibromochloromethane	0.41000	0.00041	ND	0.00000	ND	0.00000	ND	0.00000	0.00010
TTHM	49.91000	0.04991	41.10000	0.04110	20.20000	0.02020	21.00000	0.02100	0.03305 2nd quarter 2021

> 0.080 mg/L is an Exceedance



Water Plant construction continues with lagoon removal. For more detail, reference Friday, 7, 2021 construction report.



Construction at Rutledge Creek is now complete. There have been a couple of minor "glitches," but they were relatively easy to fix. The Ultraviolet disinfection system faulted with its cleaning operations that caused concern. Technical support was able to walk staff through its correction, and the hydraulic overload was corrected. Permit wise this did not cause a violation because it was found and fixed early. The other issue was the percent intensity of the UV bulbs was reading low. Service tech was dispatched, and it was proven to be an equipment malfunction, and a new intensity probe will be installed at the supplier's expense.

Utility/Town Maintenance and Construction Report

Apr-21

Water Meter Read	1150
Water Meter Re-Read	31
Disconnects	17
VA-811 Service locations	37
Vehicle PM Work Orders	8
Pump Station/Plant Work Orders	44
Banners Installed/Dismantled	1
Water Services Installed/Replaced	5
Sewer Services Installed/Replaced	0
Minor Leaks Repaired	1
Major Leaks Repaired	0
Minor Sewer Problems Resolved	4
Major Sewer Problems Resolved	1

Man Hours

Meter Reading	91
Street/Sidewalk Maintenance	323
Safety Training	3
Bush Hogging	10
Flushing Water	0
Equipment Maintenance	23
Xmas decorations	0

Major Issues & Comments

Grass cutting weed eating, increase trash pickup . Ticks are ready crawling

All but one maintenance employee has agreed and had second covid-19 vaccine shot. Crew has done a good job staying well in our work environment.

Routine/Annual Work

Projects/Unusual Work

Service Work Orders
 Meter Reading
 Prev-Maint Work Orders
 Disconnects
 Re-connects
 Flushing Program
 in Select Locations

Locating Un-marked/Unknown Water & Sewer System Assets
 Continue Safety and Shop/Yard Clean-up
 Staff has been working on finding water valves and addressing issues
 Working on clearing water right of ways.

W. THOMAS BERRY
ATTORNEY AT LAW
TAN BARK PROFESSIONAL BUILDING, COURT STREET
P.O. BOX 354 * 402 COURT STREET
LOVINGSTON, VIRGINIA 22949

W. THOMAS BERRY
KYLE D. HUGHES

PHONE: 434-263-4886
FAX: 434-263-4285

April 6, 2021

Town of Amherst
P.O. Box 280
Amherst, VA 24521

Attn: Sara Carter – Town Manager

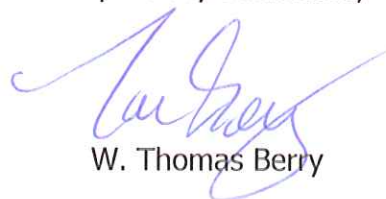
Re: Monthly Report to Town Council
(April, 2021)

Dear Ms. Carter and Council,

My report on work regarding the following matters:

1. Town Council Meeting: I attended the monthly scheduled meeting on April 14, 2021.
2. Business:
 - A. Current status of alley/ right of ways in portions of town. Abandonment/Reversion.
 - B. Review status of Rescue Squad.
 - C. Review of recent development in Legislation – marijuana legalization. VML (Virginia Municipal League) is preparing review and impact on local government.
3. Access to Town Attorney: My email address is dawn@tomberryllaw.com.
4. Please feel free to use this email access provided, and I will promptly return any communication. My home phone (434) 946-9501; office phone (434) 263-4886.

Respectfully Submitted,



W. Thomas Berry

WTB/dmc

W. THOMAS BERRY, LLC
 ATTORNEY-AT-LAW
 P.O. BOX 354/ 402 COURT STREET
 LOVINGSTON, VA 22949
 PHONE: (434) 263-4886

Invoice

Date	Invoice #
5/6/2021	9684

Bill To
Town of Amherst c/o Sara Carter P.O. Box 280 Amherst, VA 24521

			Terms
			Due on receipt
Description	Qty	Rate	Amount
4/6/2021 MEMO TO TOWN	1.2	175.00	210.00
4/6/2021 LIFE SAVING CREW EMAIL FROM SARA CARTER	0.5	175.00	87.50
4/13/2021 REVIEW TOWN PKG	1	175.00	175.00
4/14/2021 TOWN MONTHLY MEETING	1.5	175.00	262.50
4/23/2021 BEGIN REVIEW RECENT LEGISLATION	2	175.00	350.00
Total			\$1,085.00
Payments/Credits			\$0.00
Balance Due			\$1,085.00

**Town of Amherst
Industrial Development Authority**

A regular meeting of the Town of Amherst Industrial Development Authority was called to order by Chairman Jacob Bailey on May 3, 2021, at 5:15 PM in the Council Chambers of the Town Hall at 174 S. Main Street. It was noted that a quorum was present as follows:

P	Richard Wydner	P	Sharon W. Turner
P	Jacob Bailey	P	Kim Stein
A	Gary Jennings	P	Clifford Hart
P	C. Manly Rucker, III		

Town Manager Sara E. Carter, in her capacity as Secretary to the Authority, and Clerk of Council Vicki Hunt, were present.

Election of Officers

Secretary Carter opened the floor to nominations for Chairman. Mr. Wydner nominated Ms. Turner, seconded by Mr. Stein. There being no additional nominations, Mr. Wydner made a motion seconded by Mr. Bailey to close the nominations. The motion to close the nominations carried 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

Ms. Turner was elected Chairman on a vote of 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

Chairman Turner opened the floor to nominations for Vice Chairman. Mr. Bailey nominated Mr. Rucker, seconded by Mr. Wydner. There being no additional nominations, Mr. Wydner made a motion seconded by Mr. Bailey to close the nominations. The motion to close the nominations carried 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

Mr. Rucker was elected Vice Chairman on a vote of 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

Mr. Rucker made a motion which was seconded by Mr. Bailey to approve the minutes of the November 2, 2020, meeting. There being no discussion, the motion carried 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

Report on Brockman Park Recoupment Program

The Secretary presented a status report on the Brockman Park Recoupment program per the October 2, 2001, agreement whereby the County would direct monies to the Town to defray Brockman Park development costs.

After discussion, Mr. Bailey made a motion that was seconded by Mr. Rucker to direct the Secretary to transmit the 2020 Brockman Park Recoupment report to Amherst County. The motion carried 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

A copy of the report is attached and made a part of these minutes.

Report on Brockman Park Property Maintenance and Billing

The Secretary presented a report on the costs of maintaining the common areas at Brockman Park that are to be shared among all tenants per the “homeowners association” section of the Brockman Park deed restrictions.

After discussion, Mr. Bailey made a motion that was seconded by Mr. Hart to authorize the Secretary to bill Centra Health, Steven D. Clancy, LLC and HBH Amherst, LLC for calendar year 2020 expenses. The motion carried 6-0 as follows:

Jacob Bailey	Aye	Kim Stein	Aye
Clifford Hart	Aye	Sharon W. Turner	Aye
Gary Jennings	Absent	Richard Wydner	Aye
C. Manly Rucker	Aye		

A copy of the report is attached and made a part of these minutes.

Town Council Strategic Planning

The Secretary gave a report on Town Council’s March 2021, strategic planning session outlining areas of economic development, downtown revitalization, relationship between Town and County, and possible development of an EDA.

By consensus, Secretary Carter was directed to schedule a joint meeting between Town Council and the IDA to be conducted at a future IDA meeting.

There being no further business, the meeting adjourned at 5:48 PM.

Jacob Bailey, Chairman

ATTEST: _____
Secretary

FOR APPROVAL

Brockman Park Investment Recoupment Report

Prepared: 01/26/21

Prior to the transfer of any amount by the Town, the IDA shall prepare an annual activity report on the Fund in January of each year for the prior calendar year and submit it to the Town along with estimates for the then-current year. A copy of this report and any accompanying documentation shall be concurrently submitted to the County.

Balance, 6/30/2020		\$	2,184,246.59
FY 21 Activity:			
County: Lot 10: Steven D. Clancy, LLC (BlackBox) Real Estate Taxes	12,694.10		
Lot 10: MTS/Black Box Personal Property Taxes	962.90		
Lot 10: MTS/Black Box Business Equipment Taxes	7,405.43		
Lot 9b,c: HBH Amherst, LLC (Horizon) Real Estate Taxes	8,566.23		
<i>Note: Above is as per Commissioner of the Revenue Jane Irby on 1/26/21</i>			
Less - FY98 Assessment	<u>(2,740.65)</u>		
Total FY20 from County		26,888.01	(26,888.01)
Projected Balance, 6/30/2021		\$	2,157,358.58

Brockman Park Owners Association

Maintenance Reimbursement for CY19

Date	Vendor	Description	Invoice Amount
1/24/2019	AMERICAN ELECTRIC POWER		\$ 22.88
2/20/2019	AMERICAN ELECTRIC POWER		\$ 22.03
3/26/2019	AMERICAN ELECTRIC POWER		\$ 16.13
4/23/2019	AMERICAN ELECTRIC POWER		\$ 13.10
5/21/2019	AMERICAN ELECTRIC POWER		\$ 13.10
6/25/2019	AMERICAN ELECTRIC POWER		\$ 13.10
7/23/2019	AMERICAN ELECTRIC POWER		\$ 12.82
8/20/2019	AMERICAN ELECTRIC POWER		\$ 12.74
9/24/2019	AMERICAN ELECTRIC POWER		\$ 13.10
10/22/2019	AMERICAN ELECTRIC POWER		\$ 12.88
11/19/2019	AMERICAN ELECTRIC POWER		\$ 12.76
12/20/2019	AMERICAN ELECTRIC POWER		\$ 13.43
Subtotal, Sign Electricity			\$ 178.07

Last year's grass cutting contract= \$ 5,044.01
 Increase by the Consumer Price Index (2.12%) \$ 106.93

Subtotal, Grass Cutting \$ 5,150.94

\$ -
 \$ -

Subtotal, Other Property Maintenance \$ -

\$ 13.56 \$/light/month per bill
 \$ 4.63 \$/light/month other charges
 \$ 18.19 Actual per-month cost per BP light
 8 # lights
 12 # months
 \$1,746.50 Cost to provide street lights at BP

Subtotal, Street Lights \$ 1,746.50

Total \$ 7,075.51
 #Lots 16

Per Lot Assessment \$ 442.22



Prepared 1/23/2020
 Printed: 3/4/2021



TOWN OF AMHERST

P.O. Box 280 174 S. Main Street Amherst, VA 24521
Phone (434)946-7885 Fax (434)946-2087

February 11, 2021

Centra Health, Inc.
ATTN: Ted Stryker
3300 Rivermont Ave.
Lynchburg, Va. 24503

RE: Brockman Park Association-CY 2020 Expenses

Pursuant to the terms of the Brockman Park Association agreement, the Authority has prepared the enclosed calculation of expenses for maintaining the common areas at the L. Barnes Brockman, Sr. Business and Industrial Park incurred during 2020.

Please review this report for appropriateness and forward the calculated \$444.56 reimbursement to the Town of Amherst at your earliest convenience.

Thank you in advance for your attention to this.

Sincerely,

Tracie L. Morgan
Treasurer

Enclosure



TOWN OF AMHERST

P.O. Box 280 174 S. Main Street Amherst, VA 24521
Phone (434)946-7885 Fax (434)946-2087

February 11, 2021

Steven D. Clancy
Steven D. Clancy, LLC
20 Speen St
Suite 403
Framingham, MA 01701

RE: Brockman Park Association-CY 2020 Expenses

Pursuant to the terms of the Brockman Park Association agreement, the Authority has prepared the enclosed calculation of expenses for maintaining the common areas at the L. Barnes Brockman, Sr. Business and Industrial Park incurred during 2020.

Please review this report for appropriateness and forward the calculated \$444.56 reimbursement to the Town of Amherst at your earliest convenience.

Thank you in advance for your attention to this.

Sincerely,

Tracie L. Morgan
Treasurer

Enclosure



TOWN OF AMHERST

P.O. Box 280 174 S. Main Street Amherst, VA 24521
Phone (434)946-7885 Fax (434)946-2087

February 11, 2021

Chris Gentry
HBH Amherst, LLC
695 Federal Hill Drive
Forest, VA. 24551

RE: Brockman Park Association-CY 2020 Expenses

Pursuant to the terms of the Brockman Park Association agreement, the Authority has prepared the enclosed calculation of expenses for maintaining the common areas at the L. Barnes Brockman, Sr. Business and Industrial Park incurred during 2020.

Please review this report for appropriateness and forward the calculated \$444.56 reimbursement to the Town of Amherst at your earliest convenience.

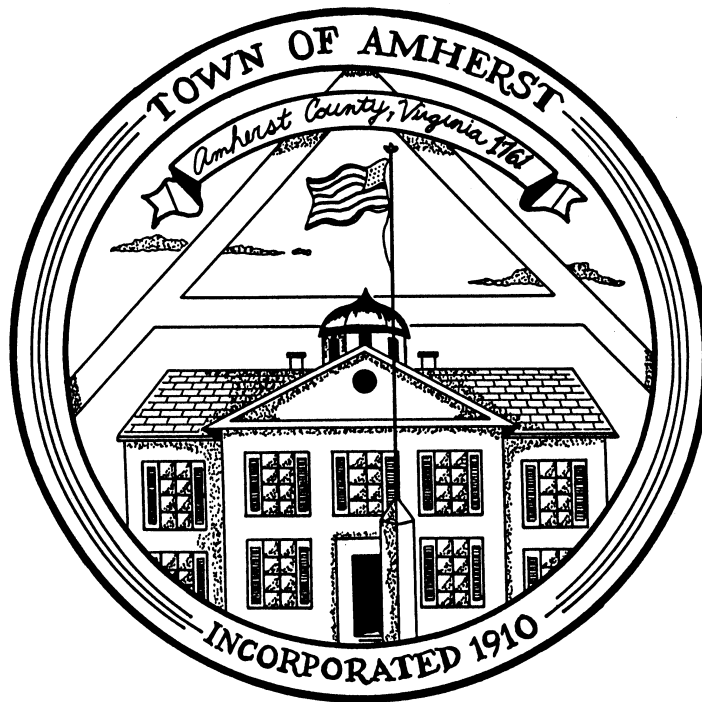
Thank you in advance for your attention to this.

Sincerely,

Tracie L. Morgan
Treasurer

Enclosure

Town of Amherst FY 22 Budget



Mayor D. Dwayne Tuggle
Vice-Mayor Rachel Carton
Councilor Kenneth G. Bunch
Councilor Sharon W. Turner
Councilor Kenneth S. Watts
Councilor Janice N. Wheaton

Budget presented to Council with public hearing on April 14, 2021
Budget adoption slated for May 12, 2021

Respecting the past. Attending the present. Concentrating on the future.

Respecting the past. Attending the present. Concentrating on the future.



TOWN OF AMHERST

P.O. Box 280 174 S. Main Street Amherst, VA 24521
Phone (434)946-7885 Fax (434)946-2087

MEMO

Date: March 19, 2021

To: Mayor Dwayne Tuggle and Members of Town Council

From: Sara Carter, Town Manager

Re: FY 22 Town of Amherst Budget

It is my pleasure to present to the Amherst Town Council the proposed FY 22 budget. This budget balances the need to continue reinvesting in infrastructure and capital needs while addressing reduced revenues from the COVID-19 pandemic.

Assumptions and Background:

- This budget is predicated on continuing soft revenues in all funds, due to the economic downturn. While staff believes that revenues will increase over the fiscal year with the return of pre-pandemic activities, staff does not feel it would be responsible to budget based upon improved numbers until the trend lines show an economic recovery for a longer timeframe.
- While revenues are lower than in the past, this budget does not recommend any increases to any taxes, fees, or rates. The Town has worked hard to manage costs and maintain a zero levy for real estate and personal property taxes. The Town has also reduced connection fees and eliminated availability fees for water and sewer hook ups.
- While the most recent stimulus package passed by Congress includes relief to local governments, these funds are not included in the proposed budget, as we have not yet received formal notification or guidance as to whether the Town will receive these funds or how they must be spent.

Highlights:

- The Town has continued its commitment to maintain and improve the provision of water and wastewater services to the community. Understanding that standards are increasing for water quality, both for drinking water, and for effluent, the Town has committed substantial funds over the past few years to rehabilitate and renovate water and wastewater facilities.
- The budget maintains the Town's commitment to its employees, including a 1.4% cost of living increase. While step increases are not included this year, employees are being kept whole, compared to costs. Health insurance rates decreased slightly this year, benefitting the Town and those employees who insure family members.
- The budget contains three CIP projects to be funded. These are one new police vehicle to begin replacement of aging vehicles, new heat at the maintenance shop, and a new lawnmower to assist with lawn care at the industrial park.
- The wastewater improvement bonds begin repayment in this fiscal year, with full payments in the next fiscal year. If revenues do not rebound, the wastewater fund will require the use of reserves in lower revenue years to balance until FY30, when the Sterling bank loan is paid in full.
- The Water Treatment Plant renovation will be in full swing in the coming fiscal year, with repayments beginning in FY23. The fund has adequate funds for repayment in its operational fund and a healthy fund balance for unforeseen expenses.

Adoption Process:

Council has set a public hearing on the budget and the Capital Improvement Program (CIP) for April 14, 2021. The CIP is anticipated to be adopted at the same meeting. The budget may not be adopted at the meeting where it is heard and is slated for adoption at the Council's May 12, 2021 meeting.

Town Manager's Budget Message

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AN ORDINANCE TO ESTABLISH THE [BUDGET](#) FOR THE TOWN OF AMHERST, VIRGINIA FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022 MAKING REVENUE ESTIMATES AND APPROPRIATIONS FOR SAME.

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF AMHERST, VIRGINIA:

A. SOURCES OF FUNDS

That for the support of the Town Government and its General Fund, for the tax year beginning on January 1, 2021, all taxes, fees, charges and penalties shall remain as heretofore set out by Ordinance, Resolution or other appropriate action of the Town Council except as the Town Council may establish or amend herein.

B. FUND ACCOUNTING

That the following projected sources and use of funds are hereby approved as the FY22 Town of Amherst budget and approved appropriations for the respective funds.

Estimated Revenues

General Fund	\$1,202,614
Water Fund	\$1,260,177
Sewer Fund	\$931,041
Garbage Fund	\$143,642
IDA Fund	\$83,826

Estimated Expenditures

General Fund	\$1,202,614
Water Fund	\$1,260,177
- Operations	\$830,185
- Debt Service and Capital Projects	\$429,992
Sewer Fund	\$931,041
- Operations	\$633,301
- Debt Service and Reserve	\$297,740
Garbage Fund	\$143,642
IDA Fund	\$83,826

C. TAX RATES

The proposed budget includes a continuation of the real estate tax rate at \$0.00/\$100.00 of assessed value and the personal property tax rate at \$0.00/\$100.00 of assessed value.

The proposed budget includes a continuation of the meals and beverage tax included in the Town Code at 6%.

The annual vehicle license fee for passenger motor vehicles, trucks and motorcycles shall be \$25/year for cars, 11.00/year for motorcycles and 8.00 for trailers

The rate for Business and Professional Occupational License Taxes shall be set at:

- Contractors: \$0.16 per \$100 of gross receipts
- Financial, Real Estate and/or Professional Services: \$0.50 per \$100 of gross receipts
- Retailers: \$0.10 per \$100 of gross receipts
- Wholesalers: \$0.04 per \$100 of gross receipts

- Repair, Personal, Business and other services: \$0.31 per \$100 of gross receipts
- The rate for Itinerant Merchants and Peddlers shall be set at \$20/year for door to door peddlers, \$200/month for itinerant merchants (\$500/yr max) and peddler of fresh produce \$50/year

D. UTILITY RATES AND CHARGES

See attached Utility Rate and Fee Policy for rates related to water and sewer. The FY 22 budget holds all water and sewer rates and fees at the same level as fiscal years 18-21.

E. DONATIONS

That donations to the following organizations are hereby authorized for the purposes listed subject to the conditions noted. These funds are to be disbursed on a reimbursement basis upon delivery of appropriate receipts:

Amount	Organization	Purpose/Conditions
\$12,250	Amherst Fire Department	Operating Costs, including water, sewer, electric, training, equipment.
\$3000	Village Garden Club	Civic Beautification
\$2500	Neighbors Helping Neighbors	Donations of food to the community
\$2500	Amherst County Museum	Maintenance and operation of the museum
\$20,250	Total Donations	

F. FUND BALANCE REQUIRMENTS

The Town of Amherst maintains a Fund Balance Policy to ensure that the Town has adequate funds to address emergency situations and ensure the Town's credit worthiness. Required balances for the FY22 fiscal year are as follows:

General Fund Permanent Fund		\$ 273,767
General Fund Contingency		\$ 36,078
Water Fund Permanent Fund		\$ 649,156
Sewer Fund Permanent Fund		\$ 405,761

G. PERSONNEL

In order to maintain the work that has been done to keep salaries fair and competitive, the budget includes a Cost of Living increase for all employees of 1.40%, consistent with the cost of the consumer price index as shown by the 2020 calendar year. This budget forgoes a step increase of 2% for employees, due to the economic impacts of the pandemic.

Health insurance costs decreased slightly for this plan year and plan choices remain the same this year from last year.

H. CONDITIONS

The intent being to authorize spending according to this budget, all appropriations articulated herein are

declared to be maximum and conditional such that outlay shall be made only in the event the aggregate revenues collected and other resources available to the Town in the respective funds are sufficient. All debts of the Town shall be paid in full when due and payable. All expenditures shall be made in accordance with the Ordinance, the Town Charter, Town Code and Purchasing Policy and administrative rules and procedures.

This Ordinance was passed by a vote of the Amherst Town Council on the 12th of May 12, 2021 and shall become effective on July 1, 2021.

Mayor _____

Attest:

Clerk of Council _____

Town of Amherst
Schedule of Local Levy
July 1, 2021

The following are tax levies for the fiscal year beginning July 1, 2021. The Town Code contains other tax levies and a more complete description of the Town's taxation program.

1. On the \$100.00 of assessed value of taxable real estate, including mobile homes, the rate shall be \$0.00.

2. On the \$100.00 of assessed value of machinery and tools used in manufacturing or mining business including property specifically classified by Section 58.1-3506A.6 of the Tax Code of Virginia, the rate shall be \$0.00. This tax rate shall also be applicable to real and tangible personal property of public service corporations, based upon the assessments generated annually by the State Corporation Commission, and duly certified.

3. On the \$100.00 of assessed value of taxable tangible personal property, including property specifically classified by Section 58.1-3506 and Section 58.1-3509 of the Code of Virginia, the rate shall be \$0.00.

(Reference the provisions of VA CODE ANN., §58.1-3524 C.2. and §58.1-3913 E., as amended by Chapter 1 of the Acts of Assembly (2004 Special Session I) and as set forth in Item 503.E. (Personal Property Tax Relief Program) of Chapter 951 of the 2005 Acts of Assembly)

Town of Amherst Utility Rate and Fee Policy

For FY 2021/22

Initiation or Termination of Service:

Requests to initiate or terminate Town water, sewer and/or refuse collection (utility) service are accepted at the Town Hall (434/946-7885) 9-5, M-F for processing by the Utilities Department. All new customers and changes to the party to be billed are required to show proper identification and will be charged a \$50.00 account set-up fee/ reconnection fee/trip charge that will be added to the customer's first bill. -

Residential Customers:

All active customers shall be charged one Residential Base Charge each month for each individual residential unit, as designated consistent with building and zoning practices. Customers are charged for water and sewer usage based upon metered water usage.

<u>Rate Component</u>	<u>In Town Residential Base Charge</u>	<u>In Town Use Charge per 1,000 gallons</u>	<u>Out of Town Residential Base Charge</u>	<u>Out of Town Use Charge per 1,000 gallons</u>
Water:				
Effective July 1, 2017	\$15.60	\$7.75	\$31.20	\$15.50
Sewer:				
Effective July 1, 2017	\$27.35	\$6.85	\$54.70	\$13.70
Curbside Refuse Collection:				
Effective July 1, 2016	\$10.60		\$10.60	

Nonresidential Customers:

Base charges for non-residential water and sewer users will be computed by dividing metered use by 3,250 gallons and then multiplying by the applicable residential base charge. This applies to all non-residential users except for churches that shall be assessed on the same basis as residences. The applicable residential charge shall be assessed for each residential unit for Curbside Refuse Collection.

Curbside Refuse Collection:

All in-town water customers shall receive curbside refuse collection service and refuse collection services will not be provided to non-water customers.

Fire Sprinkler Fees

Fire sprinkler fees are as follows:

4" Line	\$17.00/Month
6" Line	\$28.00/Month
8" Line	\$39.00/Month
10" Line	\$50.00/Month

Charges for Water Not Discharged to Sewer:

The Town charges for sewer based on 100% return of the water to the sewer system for those Town water customers that are connected to the Town of Amherst wastewater collection and system. However, any customer may request that the Town install a separate "irrigation" meter for water that does not return to the sewer system – i.e. for lawn sprinkling or irrigation. For the purposes of billing, the irrigation meter shall be considered a separate account. Separate application and connection fees are required to be paid, and once activated the water-only (no sewer or refuse collection fees apply) will be billed separately. All irrigation systems must meet the provisions of the Cross Connection Control Ordinance (§17-14 of the Town Code).

Dormant Account Fees:

A dormant account fee of \$5.00/month/residence or business for water and \$10.00/month/residence or business for sewer will be charged to every property owner that is connected to the respective utility, has used the service in the past,

but not actively using the respective service. Dormant account fees shall not be applied to accounts associated only with yard hydrants, irrigation systems or swimming pools.

Reconnection Fee: -

A reconnection fee/trip charge of \$50 will be charged for any activation or reactivation of utility service due to a request for new service, reactivation from disconnection due to nonpayment or a customer-requested disconnection/reconnection. This fee may be waived at the Office Manager's sole discretion due to emergency or irregular situations.

Billing:

Water meters are read every month and bills are calculated based upon the consumption recorded. All customers are billed every month. Bills are assigned a billing date which is normally the last day of the month during which the meter is read and then mailed to the customer. Payment is due by 5:00 P.M. on the 20th day of each month except when the 20th falls on a weekend or Town holiday the due date shall become 5:00 P.M. on the next business day. When a past due balance on any account is greater than \$200, a lien for the balance due plus any court recording fees will be recorded against the real estate. **Property owners are held responsible for utility bills against their properties.**

Adjustments for Leaks:

A property owner is responsible for paying for 100% of the water that has passed through the Town's water meter along with the associated sewer charges. However, in good-faith situations involving water that has leaked from the customer's plumbing, and upon confirmation by the owner that the leak is repaired so that it will not recur, the Office Manager is authorized to give a 50% credit for the excess water and sewer at the time of confirmation and for no more than the two preceding bills, if applicable. The Office Manager is authorized to give a 100% credit on sewer charges if the leak occurred between the meter and the house with the assumption that the water leaking from the plumbing was not being returned into the Town's sewer system. "Repaired" is defined as physical repairs to the owner's plumbing such as pipe patching, replacement of the flapper mechanism in a toilet tank, or physical replacement or removal of a plumbing fixture. For the purposes of this leak adjustment policy, merely closing a valve upstream of the leak location shall not be considered a repair.

Late Payment Charges and Disconnect Procedures:

The Town will assess a late charge of 10% on all accounts when the payment is not received by 5:00 P.M. on the due date. All payments received after 5:00 P.M. are processed as the next business day's receipts. If a customer receives a bill with a previous bill balance, the previous balance must be received by 5:00

P.M. on the 2nd Monday of the month following receipt of that bill. If the previous balance is not received by that time the customer will be put on the Town's disconnect list for the following morning. **The cut off time refers to online payments and drop box payments as well as in person payments. If you make your payment at 5:05p.m. online on the cutoff date you will be added to the disconnection list per this policy.**

Restoration of Service:

If a customer has not paid the previous balance on an account by the disconnection date or otherwise made arrangements satisfactory to the Office Manager to have the balance paid, the water service will be terminated. Before any service is restored, the past due amount including the \$50.00 reconnection fee/trip charge must be physically received by the Office Manager at 174 South Main Street in the Town of Amherst. Funds will not be accepted from customers at the service location. The \$50.00 reconnection fee/trip charge will also be charged where a customer, or any entity other than the Town, has obtained water and/or sewer service prior to all applicable fees and/or charges being paid to obtain service and/or has installed a meter or other apparatus in a meter setting to gain access to public water/sewer.

In recognition that circumstances beyond the control of the customer or the Town of Amherst may contribute to late payments, a once per lifetime per customer exception to the penalty and reconnect fee may be granted for good reason at the Office Manager's sole discretion.

Returned Payments:

Any payments not honored by the bank, whether check, or credit card payment, will be charged a \$50.00 handling fee

and any bank fees (Reference VA Code §15.2-106). Service shall automatically be disconnected when a payment to pay to prevent service from being disconnected or to reconnect a service is returned or charged back to the Town for any reason. If the returned payment was paid to prevent termination of services then the past due balance, the returned payment handling fee and a reconnection fee/trip charge shall be collected prior to service being restored via cash, money order or certified check. Once the Town has received a returned payment on an account more than one time, the Town will not accept any forms of payment other than cash or certified funds for a period of six (6) months for that account.

Any payments received by 5:00 P.M. on each business day will be credited the same day. Any payments received after 5:00 P.M. (including those received via U.S. Mail and the Town's drop box) will be credited as being received the next business day.

Payment Arrangements:

The Office Manager is authorized to enter into a payment contract if a customer cannot pay his previous balance in full. Each customer account is only allowed one (1) payment arrangement per calendar year. There is a standard "agreement" form that is available at the Town office and must be signed by the person on the account. The Office Manager may make arrangements that deviate from the standard policy only in extreme situations.

Fire Hydrant Use:

Water may not be obtained from the Town of Amherst hydrants except by the Amherst Volunteer Fire Department or other approved firefighting agency. The Office Manager (434/946-7885) should be contacted for the application form for a permit to haul water from the Town of Amherst water plant.

Cross Connections:

As required by the Virginia Department of Health, where a high potential exists for contamination of the Town's municipal water system, a backflow prevention device approved by the Town of Amherst must be installed. This includes irrigation systems. Where required, the owner of the backflow prevention device must have annual tests performed to certify that the device is working correctly. Failure to install and operate such devices and/or provide certification or the test results to the Town of Amherst may result in the interruption of water service. (Reference §17-14 of the Town Code)

Sewer Connections and Discharges:

Connections to and discharges into the Town's sewer system must conform to local, state and federal sewage pretreatment regulations. This includes the installation of grease traps for restaurants and grittraps for car washes. Failure to meet such provisions may result in the interruption of sewer service via disconnection of the water service or other means. (Reference §17-15 of the Town Code)

Availability and Connection Fees:

Availability Fees: The Town does not charge availability fees where:

- there is programmed capacity in the system to serve the proposed connection and use,
- where that connection will not hinder service to other properties,
- and, the owner bears the cost of any line extensions that are required to make the connection.

If additional system capacity is required, the applicant will pay an availability fee based upon the cost of the improvement required.

Connection Fees:

The connection fee shall be \$250 for water and \$250 for sewer.

Maintenance of Policy and Implementation

The Town Manager shall be responsible for maintaining and updating this policy and for its proper administration. The Town Manager shall have the authority to deviate from strict enforcement for good cause. The Town Manager is further authorized to allow out-of-town non-profit organizations that have a financial hardship and provide a community service to be billed at an in-town rate, on an annual basis.

PUBLIC HEARING NOTICE

The Town of Amherst Town Council will hold a public hearing at 7:00 PM on April 14, 2021 in the Council Chambers of the Town Hall at 174 South Main Street, Amherst, VA, on the following matters:

Capital Improvement Program

To receive comments on the Town's 2021 – 2022 Capital Improvement Program that identifies acquisition, construction and improvement of town facilities, and acquisition of capital equipment.

A document containing the complete Capital Improvement Program proposal and supporting documentation is available online at www.amherstva.gov and for inspection in the Town Hall during normal working hours.

Fiscal Year 2021/2022 Town of Amherst Budget

This budget synopsis is prepared and published for informative planning purposes only. The inclusion of any item does not constitute an obligation or commitment on the part of the Town Council to appropriate funds for that purpose. There is no allocation or designation of Town of Amherst funds for any purpose until an appropriation for that purpose has first been made by the Town Council.

Estimated Revenues

General Fund	\$1,202,614
Water Fund	\$1,260,177
Sewer Fund	\$931,041
Garbage Fund	\$143,642
IDA Fund	\$83,826

83,826

Estimated Expenditures

General Fund	\$1,202,614
Water Fund	\$1,260,177
- Operations	\$830,185
- Debt Service and Capital Projects	\$429,992
Sewer Fund	\$931,041
- Operations	\$633,301
- Debt Service and Reserve	\$297,740
Garbage Fund	\$143,642
IDA Fund	\$83,826

The proposed budget maintains the previously adopted tax and utility rates and levies.

A document containing the complete budget proposal, implementing Ordinance and supporting documentation is available online at www.amherstva.gov and for inspection in the Town Hall during normal working hours.

**Town of Amherst
Capital Improvement Program FY 21-22,
Recommended by the Planning Commission for consideration by the Town Council**

Project Description & Ranking	CIP Committee Evaluation	Planning Commission Ranking	Total Estimated Cost	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Recommended Sources of Funds
Police									
Generator	20		\$12,500.00	12,500.00					GF/VRSA Grant
Police Tahoe SUV-New	13		46,000.00		46,000.00				General Fund
Police Interceptor-SUV	13		87,000.00	46,845.00			48,000	50,000	General Fund
Community Development									
Park Improvements			60,000.00	60,000.00					General Fund
Maintenance									
New Truck	11		35,000.00	-	35,000.00				General Fund
UTV-Side by Side (shared)	19		16,500.00	16,500.00					All funds
Bucket Truck	13		35,000.00		35,000.00				General Fund
Addition to Maintenance Shop	14		50,000.00		50,000.00				General Fund
Backhoe	19		100,000.00	-	100,000.00				General Fund
Maintenance Shop Heat	14		6,000.00	6,000.00					General Fund
Zero Turn Mower	23		7,000.00	7,000.00					IDA Funding
Tractor w/ bucket mower & backhoe	13		30,000.00		30,000.00				General Fund
Replacement of Town Hall roof			48,000	48,000					General Fund
Plants									
AllMax Software Bundle	19		16,041.00	\$ 16,041.00					Water/WW Fund
Roof Replacement-Lab	19		6,800.00	6,800.00					WW Fund
Raw WW Pump & Motor-QTY 3	26		36,409.77	-		36,409.77			WW Fund
Sludge Digester Blower/motor-QTY 2	21		31,050.60		-		31,050.60		WW Fund
Waste Flow Meter	16		6,584.00		6,584.00				WW Fund
Water Line Replacements									
Author Court Replacement			200,000.00		200,000.00				Grant and Water
Sunset Drive Replacement			1,019,260.00			1,019,260.00			Grant and Water
Waugh's Ferry Road Replacement			1,406,595.00			1,406,595.00			Grant and Water
Walnut Street Replacement			136,888.00				136,888.00		Grant and Water
Union Hill Replacement			420,416.00					420,416.00	Grant and Water
Zane Snead Replacement			294,400.00				294,400.00		Grant and Water
Christian Springs Road replacement									Grant and Water
Heff Creek Trail replacement									Grant and Water
			TOTAL	4,094,944.37	219,686.00	502,584.00	2,462,264.77	510,338.60	470,416.00

Account Name	Account Code	FY 19 Budget		FY 20 Budget	FY 21 BUDGET	FY 22 BUDGET	
		FY 19 Approved	FY 20 Approved	FY21 Amended Total	FY 22 Department Request	FY 22 FC and TM Recommended	FY 22 Recommended less FY21 Adopted=Difference
GENERAL FUND REVENUES							
Real Property Taxes-Current	11010-0001	-	-				-
Real Property Taxes-Delinquent	11010-0002	-	-				-
Personal Property Tax-Current	11030-0001	-	-				-
Personal Property Tax-Delinquent	11030-0002	-	-				-
Penalties on Del Taxes	11060-0001	-	-				-
Interest on Del Taxes	11060-0002	-	-				-
Local Sales & Use Tax	12010-0001	100,000.00	105,000.00	127,000.00	120,000.00	120,000.00	(7,000.00)
Consumer Utility Tax-Gas, Elec	12020-0001	26,000.00	26,000.00	25,500.00	24,000.00	24,000.00	(1,500.00)
Electric Consumption Tax	12020-0002	18,000.00	19,000.00	19,000.00	18,000.00	18,000.00	(1,000.00)
Business License Tax	12030-0006	120,000.00	125,000.00	80,500.00	100,000.00	100,000.00	19,500.00
Business Lic Tax-Interest & Pen	12030-0007	2,300.00	3,200.00	1,800.00	1,000.00	1,000.00	(800.00)
Motor Vehicle Licenses	12050-0001	42,000.00	42,500.00	40,000.00	40,000.00	40,000.00	-
Motor Vehicle Licenses Penalties/Interest	12050-0002	4,000.00	400.00	400.00	100.00	100.00	(300.00)
Bank Stock Fee	12060-0001	75,000.00	58,000.00	60,000.00	62,500.00	62,500.00	2,500.00
Lodging Tax	12100-0001	7,900.00	8,500.00	8,700.00	8,400.00	8,400.00	(300.00)
Meals Tax	12110-0001	495,000.00	500,000.00	456,000.00	480,000.00	480,000.00	24,000.00
Meals Tax-Pen & Int.	12110-0002	1,000.00		600.00	600.00	600.00	-
Zoning Permits	13030-0007			600.00	-		(600.00)
Fines & Forfeitures	14010-0001	15,000.00	18,000.00	4,400.00	6,000.00	6,000.00	1,600.00
Interest on Bank Deposits	15010-0001	5,000.00	5,250.00	6,000.00	6,000.00	6,000.00	-
Interest on Investments	15010-0002	18,000.00	25,000.00	20,000.00	43,200.00	43,200.00	23,200.00
VIP Unrealized Gain/Loss	15010-0003			0.00			-
Tower Lease	15020-0005	9,400.00	9,400.00	9,400.00	9,403.56	9,403.56	3.56
Rent-Firing Range	15020-0006	-		0.00			-
Police Security	16030-0001	1,800.00	1,000.00	0.00			-
Refunds	18030-0001			0.00			-
Credit Card Transaction Fee	18030-0004	3,000.00	250.00	50.00	-		(50.00)
Returned Check Fee	18030-0005	400.00	200.00	250.00	100.00	100.00	(150.00)
Accident Reports	18030-0006	500.00	150.00	150.00	200.00	200.00	50.00
Misc Rev	18030-0007	1,000.00	1,000.00	1,000.00	-		(1,000.00)
Collection Fee	18030-0008			1,000.00	3,000.00	3,000.00	2,000.00
Donations-Police	18990-0003			0.00	200.00	200.00	200.00
DMV Stop Fees	19020-0005	1,200.00	300.00	1,200.00	500.00	500.00	(700.00)
Rolling Stock Tax	22010-0007	2,500.00	2,500.00	2,400.00	2,400.00	2,400.00	-
Personal Property Tax Relief	22010-0009	17,455.00	17,455.00	17,455.00	17,455.00	17,455.00	-
Rental Tax	22010-0010	2,000.00	2,000.00	2,000.00	2,400.00	2,400.00	400.00
Game of Skills Tax							
Communication Tax from State	22010-0030	96,000.00	90,000.00	85,000.00	78,000.00	78,000.00	(7,000.00)
DCJS Grants	24010-0001			0.00			-
State Police Aid	24010-0003	54,588.00	54,588.00	56,608.00	56,608.00	56,608.00	-
Fire Programs Grant	24020-0001	10,000.00	10,000.00	15,000.00	15,000.00	15,000.00	-
CARES Act Funding	33020-0002			260,668.97	-		(260,668.97)
Insurance Claims	41010-0001			0.00	-		-
Sale of Land/Vehicles/Buildings	41020-0001			0.00			-
Carryover from previous year for budget balance				0.00			-
Transfers from Other Funds	41050-0006			0.00			-
Reserve Funds	42000-0000		9,350.24	120,751.77		107,547.19	(13,204.58)
General Fund Revenues Totals		1,129,043.00	1,134,043.24	1,423,433.74	1,095,066.56	1,202,613.75	(220,819.99)

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY21 Amended Total	FY 22 Department Request	FY 22 FC and TM Recommended	FY 22 Recommended less FY21 Adopted=Difference
GENERAL FUND EXPENSES							
TOWN COUNCIL							
Wages	11010-1100	11,400.00	11,400.00	11,400.00	11,400.00	11,400.00	-
FICA	11010-2100	872.10	872.10	872.10	872.10	872.10	-
Travel-Milage/Hotels/Conference	11010-5501		2,500.00	500.00		1,500.00	1,000.00
Employee Recognition	11010-5811	2,000.00	2,000.00	0.00			-
Town Council Totals		14,272.10	16,772.10	12,772.10	12,272.10	13,772.10	1,000.00
TOWN MANAGER							
Wages	12110-1100	24,759.00	25,632.99	26,699.94	27,073.74	27,073.74	373.80
PT Wages	12110-1300	32,827.09	35,982.75	35,391.48	35,882.04	35,882.04	490.56
FICA	12110-2100	4,405.34	4,560.60	4,749.99	4,816.12	4,816.12	66.13
VRS	12110-2200	3,825.03	4,107.52	5,606.99	5,685.49	5,685.49	78.50
Health Insurance	12110-2300	2,462.40	2,462.40	2,579.04	2,553.12	2,553.12	(25.92)
Group Life Insurance	12110-2400	306.66	329.31	357.78	362.79	362.79	5.01
STD/Long-Term Disability	12110-2500	178.26	151.23	140.98	142.95	142.95	1.97
Unemployment Insurance	12110-2600	50.00	25.00	25.00	25.00	25.00	-
Worker's Comp	12110-2700	146.01	137.42	133.93	140.87	144.11	10.18
Professional Svcs	12110-3150	800.00	2,500.00	2,500.00			(2,500.00)
Printing & Binding	12110-3500			0.00			-
Advertising	12110-3600	3,000.00	2,000.00	2,000.00		1,000.00	(1,000.00)
Contingency requirement	12110-5000	98,021.65	33,871.00	44,855.66	36,078.41	36,078.12	(8,777.54)
CARES Act Expenses	12110-5001			0.00			-
Postage	12110-5210	200.00	200.00	200.00		200.00	-
Telecommunications	12110-5230	540.00	540.00	540.00	540.00	540.00	-
Crime & Cyber Insurance	12100-5307	2,329.00	2,481.00	2,481.00	2,956.00	2,956.00	475.00
Travel-Mileage/Hotel/Conference	12110-5501	4,150.00	4,150.00	800.00		2,000.00	1,200.00
Dues & Memberships	12110-5810	3,600.00	4,829.00	1,500.00		3,600.00	2,100.00
Capital Improvement Program	12110-8000		33,534.00	0.00		52,845.00	52,845.00
Town Manager Totals		181,600.44	157,494.22	130,561.79	116,256.52	175,904.48	45,342.69
Town Attorney	12210-3150	40,000.00	30,000.00	35,000.00	25,000.00	20,000.00	(15,000.00)
Independent Auditor	12240-3150	16,000.00	20,000.00	17,000.00	20,000.00	20,000.00	3,000.00
FINANCE DEPARTMENT							
Wages	12420-1100	38,781.19	40,149.35	42,037.82	42,626.35	42,626.35	588.53
PT Wages	12420-1300	9,612.97	10,019.49	3,264.07	4,422.57	4,422.57	1,158.50
FICA	12420-2100	3,702.15	3,837.92	3,465.60	3,599.24	3,599.24	133.64
VRS	12420-2200	6,336.85	6,433.67	6,726.05	6,820.22	6,820.22	94.17
Health Insurance	12420-2300	6,657.60	6,657.60	6,972.96	6,902.88	6,902.88	(70.08)
Group Life Insurance	12420-2400	508.03	515.80	563.31	571.19	571.19	7.88
Unemployment Insurance	12420-2600	50.00	50.00	45.00	45.00	45.00	-
Worker's Comp	12420-2700	141.27	146.54	105.48	120.37	120.37	14.89
DMV Stops	12420-3009	1,500.00	1,500.00	1,500.00	1,000.00	1,000.00	(500.00)
Professional Svcs	12420-3150	-	2,800.00	2,800.00	2,800.00	2,800.00	-
Banking Service Charges	12420-3160	3,000.00	1,500.00	1,500.00	200.00	200.00	(1,300.00)
VIP Management Fee	12420-3170			5,000.00	4,000.00	4,000.00	(1,000.00)
Service Contracts	12420-3320	3,215.00	3,215.00	3,500.00	4,250.00	4,250.00	750.00
Advertising	12420-3600	-		200.00	200.00	200.00	-
Postage	12420-5210	3,000.00	3,000.00	5,000.00	2,000.00	2,000.00	(3,000.00)
Telecommunications	12420-5230	1,080.00	1,080.00	1,080.00	1,080.00	1,080.00	-
Travel-Mileage/Hotel/Conference	12420-5501	1,850.00	1,850.00	500.00	1,000.00	1,000.00	500.00
Dues & Memberships	12420-5810	210.00	210.00	500.00	200.00	200.00	(300.00)
Office Supplies	12420-6001	3,500.00	4,000.00	3,500.00	3,500.00	3,500.00	-
Finance Totals		83,145.06	86,965.37	88,260.29	85,337.83	85,337.83	(2,922.46)

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY21 Amended Total	FY 22 Department Request	FY 22 FC and TM Recommended	FY 22 Recommended less FY21 Adopted=Difference
Information Technology							
I.T. Services	12510-3150	10,000.00	8,000.00	8,000.00	13,880.00	13,880.00	5,880.00
Phone Maintenance	12510-3330	1,200.00	1,000.00	1,000.00	500.00	500.00	(500.00)
Website Maintenance	12510-3340	500.00	1,000.00	1,000.00	1,000.00	1,000.00	-
Microsoft Office Service	12510-5600	5,760.00	7,620.00	8,580.00	6,300.00	6,300.00	(2,280.00)
I.T. Supplies	12510-6002	2,000.00	2,000.00	1,000.00	3,000.00	3,000.00	2,000.00
I.T. Equipment	12510-8001	2,000.00	2,000.00	37,000.00	1,000.00	1,000.00	(36,000.00)
I.T. Totals		21,460.00	21,620.00	56,580.00	25,680.00	25,680.00	(30,900.00)
POLICE DEPARTMENT							
Wages	31100-1100	308,087.94	309,138.55	325,905.98	330,468.67	330,468.67	4,562.69
Overtime	31100-1200		3,500.00	3,500.00	3,500.00	3,500.00	-
PT Wages	31100-1300	7,614.67	7,614.67	31,167.43	12,826.59	12,826.59	(18,340.84)
Other Pay/Holiday	31100-1400	9,659.07	10,500.00	37,351.27	14,021.69	14,021.69	(23,329.58)
Security Wages	31100-1500	1,800.00	1,800.00	0.00			-
FICA	31100-2100	25,027.87	25,708.97	30,441.24	29,460.30	29,460.30	(980.94)
VRS	31100-2200	50,341.57	50,513.24	52,144.96	52,874.99	52,874.99	730.03
Health Insurance	31100-2300	57,936.00	57,936.00	58,920.00	58,344.00	58,344.00	(576.00)
Group Life Insurance	31100-2400	4,035.95	4,049.72	4,367.14	4,428.28	4,428.28	61.14
Unemployment Insurance	31100-2600	75.00	50.00	70.00	70.00	70.00	-
Worker's Comp	31100-2700	10,879.06	10,656.51	13,309.28	14,474.39	14,474.39	1,165.11
LODA Insurance	31100-2710	2,787.00	5,849.00	6,725.00	6,125.00	6,125.00	(600.00)
Repair & Maint. Svcs	31100-3310	9,000.00	9,000.00	8,500.00	8,500.00	8,500.00	-
CODE RED	31100-3400	2,500.00	2,500.00	2,500.00	2,500.00	0.00	(2,500.00)
Advertising	31100-3600	500.00	500.00	400.00	400.00	400.00	-
Postage	31100-5210	500.00	500.00	500.00	500.00	500.00	-
Telecommunications	31100-5230	6,000.00	6,600.00	11,543.16	11,700.00	11,700.00	156.84
Motor Vehicle Insurance	31100-5305	3,180.14	3,530.39	3,463.05	3,722.96	3,722.96	259.91
Other Property Insurance	31100-5306	479.90	509.22	548.24	545.42	545.42	(2.82)
Tuition Reimbursement	31100-5400			4,000.00		8,000.00	4,000.00
Travel-Mileage/Conference/Hotel	31100-5501	2,000.00	4,000.00	3,000.00	10,000.00	10,000.00	7,000.00
Rent of Building	31100-5600			0.00			-
Public Safety Event	31100-5700			5,000.00	10,000.00	5,000.00	-
Fire Range Fees	31100-5800	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	-
Attorney Fees	31100-5801	2,955.00	2,955.00	3,000.00	3,000.00	3,000.00	-
Dues & Memberships	31100-5810	5,000.00	5,000.00	5,000.00	5,500.00	5,500.00	500.00
Office Supplies	31100-6001	1,500.00	2,500.00	2,500.00	2,500.00	2,000.00	(500.00)
Fuel	31100-6008	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	-
Vehicle/Power Equipment Supplies	31100-6009	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	-
Police Supplies	31100-6010	6,000.00	9,000.00	10,936.34	12,000.00	10,000.00	(936.34)
Uniforms	31100-6011	5,000.00	5,000.00	5,000.00	6,000.00	5,000.00	-
Crime Prevention	31100-6030	4,000.00	4,000.00	4,000.00	5,000.00	5,000.00	1,000.00
Investigation Expense	31100-6032	1,000.00	2,000.00	2,000.00	2,000.00	1,000.00	(1,000.00)
Grant Expenses	31100-6040	-		0.00			-
Vehicles	31100-8005	-		0.00			-
Police Department		554,859.17	571,911.27	662,793.09	637,462.29	633,462.29	(29,330.80)
PUBLIC SAFETY							
Fire Dept Contributions	32200-5600	10,000.00	12,250.00	20,000.00	12,500.00	12,250.00	(7,750.00)
Fire Programs Grants	32200-5701	10,000.00	10,000.00	15,000.00	15,000.00	15,000.00	-
Rescue Contributions	32300-5600	10,500.00		0.00			-
Public Safety		30,500.00	22,250.00	35,000.00	27,500.00	27,250.00	(7,750.00)
Streetlights	41320-5100	26,225.00	25,500.00	25,995.15	26,000.00	26,000.00	4.85

TOWN OF AMHERST

FISCAL YEAR 2021-2022 BUDGET

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY21 Amended Total	FY 22 Department Request	FY 22 FC and TM Recommended	FY 22 Recommended less FY21 Adopted=Difference
GENERAL PROPERTIES							
Wages	43200-1100	17,455.57	18,266.10	20,114.07	20,395.67	20,395.67	281.60
PT Wages	43200-1300	12,032.02	12,735.78	13,263.68	13,447.46	13,447.46	183.78
Other Pay/Holiday	43200-1400	354.16	279.52	314.17	318.56	318.56	4.39
FICA	43200-2100	2,282.89	2,366.03	2,577.43	2,613.37	2,613.37	35.94
VRS	43200-2200	2,852.24	2,927.02	3,218.25	3,263.31	3,263.31	45.06
Health Insurance	43200-2300	4,104.00	4,104.00	5,906.40	5,863.20	5,863.20	(43.20)
Group Life Insurance	43200-2400	228.67	234.66	269.53	273.30	273.30	3.77
Long-Term Disability	43200-2500			0.00	-	0.00	-
Unemployment Insurance	43200-2600	75.00	75.00	60.00	60.00	60.00	-
Worker's Comp	43200-2700	201.72	183.47	173.48	183.20	183.20	9.72
Maintenance Contracts	43200-3310	5,000.00	5,000.00	5,000.00	5,000.00	0.00	(5,000.00)
Electric	43200-5100	2,800.00	11,460.76	8,531.62	8,000.00	8,000.00	(531.62)
Heating Services	43200-5110	3,200.00	3,200.00	5,000.00	5,000.00	5,000.00	-
Water/Sewer	43200-5120	13,595.00	11,000.00	5,000.00	2,970.92	2,970.92	(2,029.09)
Telecommunication	43200-5230	6,720.00	6,792.00	10,774.92	11,120.00	11,120.00	345.08
Property Insurance	43200-5304	548.98	559.15	664.98	563.21	563.21	(101.77)
Motor Vehicle Insurance	43200-5305	1,259.63	1,322.09	1,371.69	1,474.64	1,474.64	102.95
Other Property Insurance	43200-5306	1,116.34	1,305.70	1,307.21	1,307.21	1,307.21	0.00
General Liability Insurance	43200-5308	12,510.00	12,953.00	13,734.00	14,783.00	14,783.00	1,049.00
Lease of Equipment	43200-5410	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Travel-Mileage/Conference/Hotel	43200-5501	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00	-
Dues & Memberships	43200-5810	-		0.00			-
Office Supplies	43200-6001	1,000.00	1,000.00	750.00	750.00	750.00	-
Janitorial Supplies	43200-6005	2,000.00	1,000.00	2,000.00	3,000.00	3,000.00	1,000.00
Repair & Maint. Supplies	43200-6007	5,000.00	15,000.00	21,500.00	21,500.00	21,500.00	-
Fuel	43200-6008	12,000.00	13,000.00	13,000.00	15,000.00	15,000.00	2,000.00
Vehicle/Power Equipment Supplies	43200-6009	29,000.00	29,000.00	25,000.00	24,000.00	24,000.00	(1,000.00)
Uniforms	43200-6011	2,000.00	2,000.00	2,000.00	3,000.00	3,000.00	1,000.00
Christmas Decorations	43200-6012	4,000.00	4,000.00	6,200.00	6,200.00	2,000.00	(4,200.00)
Ag Supplies	43200-6013	2,000.00	2,000.00	2,000.00	3,000.00	2,000.00	-
Equipment/Vehicles	43200-8005			16,200.00			(16,200.00)
General Properties Totals		147,336.22	165,764.28	188,931.43	176,087.06	165,887.06	(23,044.37)
CVCC Small Bus. Center Contri.	68000-5600	-		0.00			-
Second Stage Contri	71300-5600	2,500.00	2,750.00	2,750.00	3,000.00	0.00	(2,750.00)
Amherst Mountain Bike Club	71500-5600			0.00			-
Village Garden Club Contri.	72100-5600	2,500.00	3,500.00	3,000.00	3,000.00	3,000.00	-
Rotary Club	72150-5600	-	200.00	0.00			-
Museum Contributions	72200-5600	2,500.00	2,500.00	2,900.00	2,900.00	2,500.00	(400.00)
Planning/Zoning							
Professional Services	81100-3100			0.00			-
Advertising	81100-3600	1,000.00	500.00	200.00		200.00	-
Postage	81100-5210	100.00	100.00	75.00		75.00	-
Planning Grants	81100-5701			0.00			-
Dues/Memberships	81100-5810	1,045.00	1,045.00	0.00	1,063.00	1,045.00	1,045.00
General Properties Totals		2,145.00	1,645.00	275.00	1,063.00	1,320.00	1,045.00
Community Development							
Chamber of Commerce Contri.	81600-5600	2,500.00	2,671.00	0.00			-
Neighbors Helping Neighbors Contri.	83500-5600	1,500.00	2,500.00	2,500.00	2,500.00	2,500.00	-
Community Development Totals		4,000.00	5,171.00	2,500.00	2,500.00	2,500.00	0.00
Transfer to Other Funds	90000-0001			160,908.03			(160,908.03)
General Fund Expense Total		1,129,042.99	1,134,043.24	1,425,226.88	1,164,058.79	1,202,613.75	(222,613.13)

WATER

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY 21 New Amended Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommendedless FY21 Adopted=Difference
WATER FUND REVENUE							
Water In-Town Base Charges	16080-0005	283,770.38	283,723.58	256,895.26	245,907.94	\$ 245,907.94	(10,987.32)
Water OT Base Charges	16080-0006	192,915.17	192,852.77	166,864.32	175,554.62	\$ 175,554.62	8,690.30
Water In-Town Usage Charge	16080-0007	417,806.34	417,806.34	390,330.87	390,858.85	\$ 390,858.85	527.98
Water OT Usage Charges	16080-0008	317,304.69	317,304.69	274,956.36	291,729.53	\$ 291,729.53	16,773.17
Penalties	16080-0009	16,000.00	15,000.00	13,100.00	18,000.00	\$ 18,000.00	4,900.00
Trip Charges	16080-0010	11,000.00	15,000.00	11,000.00	10,000.00	\$ 10,000.00	(1,000.00)
Dormant Acct Fee	16080-0011	9,110.00	3,716.01	3,582.41	3,856.83	\$ 3,856.83	274.42
Fire Sprinklers	16080-0012	4,968.00	4,968.00	4,968.00	4,781.00	\$ 4,781.00	(187.00)
Avalability Fee	16080-0013			-			-
Water Charges-SBC	16080-0014	113,653.44	113,653.44	117,838.68	119,488.32	\$ 119,488.32	1,649.64
Reimbursement of Const. Cost	19020-0004	-		-			-
Grant Revenue	21000-0000	-		-			-
	33020-0002			15,409.56			(15,409.56)
Transfer from Reserve	41040-0006		45,172.68	-			-
Transfer from Other Fund				20,396.67			(20,396.67)
Revenue Totatls		1,366,528.02	1,409,197.51	1,275,342.13	1,260,177.09	1,260,177.09	(15,165.04)
WATER FUND EXPENSES TOWN MANAGER							
Wages	12110-1100	36,680.00	37,974.80	39,555.47	\$ 40,109.24	\$ 40,109.24	553.77
PT Wages	12110-1300	4,103.39	4,247.84	4,423.94	\$ 4,485.25	\$ 4,485.25	61.31
FICA	12110-2100	3,119.93	3,230.03	3,364.42	\$ 3,411.48	\$ 3,411.48	47.06
VRS	12110-2200	5,666.71	6,085.21	8,306.65	\$ 8,422.94	\$ 8,422.94	116.29
Health Insurance	12110-2300	3,648.00	3,648.00	3,820.80	\$ 3,782.40	\$ 3,782.40	(38.40)
Group Life Insurance	12110-2400	454.30	487.86	530.04	\$ 537.46	\$ 537.46	7.42
STD/Long-Term Disability	12110-2500	264.10	224.05	208.85	\$ 211.78	\$ 211.78	2.93
Unemployment Insurance	12110-2600			-			-
Contingency	12110-5000	25,000.00	25,000.00	40,409.56	\$ 25,000.00	\$ 25,000.00	(15,409.56)
Town Manager Totals		78,936.43	\$ 80,897.79	\$ 100,619.73	\$ 85,960.56	\$ 85,960.56	\$ (14,659.17)
FINANCE DEPARTMENT							
Wages	12420-1100	34,066.27	35,267.30	37,160.41	\$ 37,680.66	\$ 37,680.66	520.25
PT Wages	12420-1300	20,027.02	20,873.95	6,528.15	\$ 8,845.14	\$ 8,845.14	2,316.99
FICA	12420-2100	4,138.14	4,294.81	3,342.17	\$ 3,559.22	\$ 3,559.22	217.05
VRS	12420-2200	5,566.43	5,651.35	5,945.67	\$ 6,028.91	\$ 6,028.91	83.24
Health Insurance	12420-2300	6,384.00	6,384.00	6,686.40	\$ 6,719.20	\$ 6,719.20	32.80
Group Life Insurance	12420-2400	446.27	453.08	497.95	\$ 504.92	\$ 504.92	6.97
Unemployment Insurance	12420-2600			-			-
Professional Services	12420-3120			-			-
Banking Service Charges	12420-3160	1,000.00	2,000.00	1,500.00	100.00	\$ 100.00	(1,400.00)
Support Contracts	12420-3320	2,625.00	2,625.00	2,750.00	3,700.00	\$ 3,700.00	950.00
Misc Exp	12420-5000			-			-
Postage	12420-5210			2,500.00	3,710.00	\$ 3,710.00	1,210.00
Supplies	12420-6001			7,000.00	2,200.00	\$ 2,200.00	(4,800.00)
Finance Totals		74,253.13	\$ 77,549.49	\$ 73,910.75	\$ 73,048.04	\$ 74,180.42	\$ (862.71)

WATER

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY 21 New Amended Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommendedless FY21 Adopted=Difference
WATER OPERATIONAL							
Wages	44000-1100	123,364.41	127,730.34	132,034.75	133,883.24	133,883.24	1,848.49
Overtime	44000-1200				30,000.00	30,000.00	30,000.00
PT Wages	44000-1300	13,759.20	14,244.90	14,551.28	14,758.57	14,758.57	207.29
Other/Holiday	44000-1400	3,850.70	5,117.03	5,164.90	5,424.25	5,424.25	259.35
FICA	44000-2100	10,784.54	11,204.23	11,608.95	14,081.05	14,081.05	2,472.10
VRS	44000-2200	20,157.74	20,467.95	21,125.56	21,421.32	21,421.32	295.76
Health Insurance	44000-2300	18,960.00	22,800.00	23,880.00	23,640.00	23,640.00	(240.00)
Group Life Insurance	44000-2400	1,616.07	1,640.94	1,769.27	1,794.04	1,794.04	24.77
Long-Term Disability	44000-2500	269.52	224.28	196.99	199.75	199.75	2.76
Unemployment Insurance	44000-2600	75.00	75.00	40.00			(40.00)
Worker's Comp	44000-2700	3,631.73	3,569.05	4,820.67	5,021.94	6,174.24	1,353.57
Water Shed Mgmt	44000-3100	23,000.00	0.00	-			-
Testing Services	44000-3140	18,000.00	12,000.00	12,500.00	31,000.00	31,000.00	18,500.00
Professional Svcs	44000-3150	3,000.00	3,000.00	3,200.00	3,200.00	3,200.00	-
Repair & Maint. Svcs	44000-3310	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	-
Advertising	44000-3600	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Electrical Svcs	44000-5100	48,000.00	40,000.00	34,881.99	35,000.00	35,000.00	118.01
Water & Sewer	44000-5120	48,000.00	32,000.00	30,678.32	3,883.29	3,883.29	(26,795.03)
Postage	44000-5210	2,500.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Telecommunications	44000-5230	3,660.00	3,480.00	4,320.00	5,040.00	5,040.00	720.00
Property Insurance	44000-5304	3,028.50	3,084.61	3,668.40	3,106.98	3,106.98	(561.42)
Motor Vehicle Insurance	44000-5305	403.23	423.23	439.11	472.06	472.06	32.95
Travel-Mileage/Hotel/Conference	44400-5501	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	-
Lease/Rent Equipment	44000-5410			-			-
Permits	44000-5600			-	4,000.00	4,000.00	4,000.00
Dues & Memberships	44000-5810	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Office Supplies	44000-6001	5,000.00	2,500.00	2,500.00	2,500.00	2,500.00	-
Lab Supplies	44000-6004	12,500.00	15,000.00	15,000.00	15,000.00	15,000.00	-
Repair & Maint. Supplies	44000-6007	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	-
Fuel/Oil	44000-6008	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Vehicle & Equip Supplies	44000-6009	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	-
Uniforms	44000-6011	1,000.00	1,500.00	1,500.00	1,500.00	1,500.00	-
Chemicals	44000-6051	40,000.00	42,000.00	65,000.00	68,000.00	68,000.00	3,000.00
Equipment	44000-8005	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	-
Operational Totals		479,560.65	439,061.56	465,880.19	499,926.48	501,078.78	35,198.59

WATER

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY 21 New Amended Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommendedless FY21 Adopted=Difference
WATER MAINTENANCE DEPARTMENT							
Wages	45000-1100	87,277.84	91,330.52	100,570.37	101,978.35	101,978.35	1,407.98
PT Wages	45000-1200	1,941.69	616.31	642.01	650.97	650.97	8.96
Other Pay/Holiday	45000-1300	1,770.79	1,397.62	1,570.83	1,592.82	1,592.82	21.99
FICA	45000-2100	6,960.76	7,005.88	7,862.92	7,972.99	7,972.99	110.07
VRS	45000-2200	14,261.20	14,635.12	16,091.26	16,316.54	16,316.54	225.28
Health Insurance	45000-2300	20,520.00	20,520.00	21,492.00	5,264.18	5,264.18	(16,227.82)
Group Life Insurance	45000-2400	1,143.34	1,173.32	1,347.64	1,366.51	1,366.51	18.87
Long-Term Disability	45000-2500			-	-	-	-
Unemployment Insurance	45000-2600	-		-			-
Worker's Comp	45000-2700	3,496.36	3,496.36	6,820.59	7,203.95	7,348.03	527.44
Repair & Maint. Svcs	45000-3310	-		-			-
Miss Utility	45000-5130	600.00	600.00	600.00	800.00	800.00	200.00
Telecommunication	45000-5230	-		-			-
Motor Vehicle Insurance	45000-5305	1,259.63	1,322.09	1,371.69	1,474.64	1,474.64	102.95
Lease of Equipment	45000-5410	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Travel-Mileage/Conference/Hotel	45000-5501	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Dues & Memberships	45000-5810	200.00	200.00	200.00	200.00	200.00	-
Repair & Maint. Supplies	45000-6007	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	-
Maintenance Totals		163,431.61	166,297.22	182,569.31	168,820.96	168,965.04	(13,604.27)
W. Court Street Project	94000-8000						-
Water Sedimentation Basin	94000-8001						-
WTP Improvements	94000-8002						-
Debt Payments							
60W W/L Principle	95000-9000	13,695.00	14,320.00	14,760.00	16,210.00	16,210.00	1,450.00
60W W/L Interest	95000-9001	15,350.00	14,725.00	14,295.00	12,836.00	12,836.00	(1,459.00)
Refi Water Loan Principle	95000-9002	37,741.00	0.00	-			-
Refi Water Loan Interest	95000-9003	147,465.00	0.00	-			-
Mainstreet W/L Principle	95000-9004	70,848.10	67,050.58	68,570.00	76,620.00	76,620.00	8,050.00
Mainstreet W/L Interest	95000-9005	52,103.58	55,902.00	54,390.00	46,332.95	46,332.95	(8,057.05)
Sterling Debt Refi Prin	95000-9006		89,710.87	109,840.00	95,640.00	95,640.00	(14,200.00)
Sterling Debt Refi Interest	95000-9007		37,500.00	41,215.00	31,565.00	31,565.00	(9,650.00)
Debt Reserve				149,292.15		150,788.34	1,496.19
Capital Improvement Program	95000-9010	233,143.54	366,183.00	-			-
Debt Totals		570,346.22	645,391.45	452,362.15	279,203.95	429,992.29	(22,369.86)
Water Fund Expense Totals		1,366,528.04	1,409,197.51	1,275,342.13	1,106,960.00	1,260,177.09	(16,297.41)

SEWER

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY 21 New Amended Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommended less FY21 Adopted=Difference
SEWER REVENUE							
Sewer In-Town Base Charges	16080-0005	391,457.77	391,594.52	349,103.04	327,844.37	327,844.37	(21,258.67)
Sewer OT Base Charges	16080-0006	176,663.16	176,663.16	142,187.52	155,026.20	155,026.20	12,838.68
Sewer In-Town Usage Charge	16080-0007	284,208.46	284,208.46	260,898.74	255,899.08	255,899.08	(4,999.66)
Sewer OT Usage Charges	16080-0008	143,801.23	143,801.23	115,738.56	126,189.06	126,189.06	10,450.50
Penalties	16080-0009	12,000.00	10,000.00	7,300.00	18,000.00	18,000.00	10,700.00
Dormant Acct Fee	16080-0011	5,393.99	5,393.99	4,994.87	5,382.01	5,382.01	387.14
Avalability Fee	16080-0012			-			-
SBC-Rut. Creek Operations	19020-0003	42,000.00	42,000.00	42,000.00	42,000.00	42,000.00	-
SBC Sewer Rehab	19020-0004			-			-
Reimbursement of Const. Cost	19020-0005			13,797.00			(13,797.00)
Nutrient Credit	24040-0003	1,000.00	720.00	400.00	700.00	700.00	300.00
CARES Act Utility Forgiveness	33020-0002			15,409.56			(15,409.56)
Transfer from Other Funds	41040-0006			19,623.40			(19,623.40)
Revenue Totals		1,056,524.61	1,054,381.36	971,452.69	931,040.71	931,040.71	(40,411.98)
SEWER EXPENSES							
TOWN MANAGER							
Wages	12110-1100	27,510.00	28,481.10	29,666.60	\$ 30,081.93	30,081.93	415.33
PT Wages	12110-1300	3,693.05	3,823.06	3,981.54	\$ 4,036.73	4,036.73	55.19
FICA	12110-2100	2,387.03	2,503.76	2,574.08	\$ 2,610.08	2,610.08	36.00
VRS	12110-2200	4,250.03	4,563.91	6,229.99	\$ 6,317.21	6,317.21	87.22
Health Insurance	12110-2300	2,736.00	2,736.00	2,865.60	\$ 2,836.80	2,836.80	(28.80)
Group Life Insurance	12110-2400	340.73	365.89	397.53	\$ 403.10	403.10	5.57
STD/Long-Term Disability	12110-2500	198.07	168.04	156.64	\$ 158.83	158.83	2.19
Unemployment Insurance	12110-2600			-			-
Contingency	12110-5000	50,000.00	25,000.00	40,409.56		18,208.17	(22,201.39)
Town Manager Totals		91,114.91	67,641.76	86,281.54	46,444.68	64,652.85	(21,628.69)
FINANCE DEPARTMENT							
Wages	12420-1100	26,920.96	27,870.26	29,313.76	\$ 29,724.15	29,724.15	410.39
PT Wages	12420-1300	10,013.51	10,436.97	6,364.94	\$ 8,624.01	8,624.01	2,259.07
FICA	12420-2100	2,825.49	2,930.50	2,729.42	\$ 2,933.63	2,933.63	204.21
VRS	12420-2200	4,398.89	4,466.03	4,690.20	\$ 4,755.86	4,755.86	65.66
Health Insurance	12420-2300	4,924.80	4,924.80	5,158.08	\$ 5,106.24	5,106.24	(51.84)
Group Life Insurance	12420-2400	352.66	358.05	392.80	\$ 398.30	398.30	5.50
Unemployment Insurance	12420-2600			-			-
Banking Service Charges	12420-3160	1,000.00	2,000.00	1,500.00	100.00	100.00	(1,400.00)
Service Contracts	12420-3320	2,625.00	2,625.00	2,750.00	3,710.00	3,710.00	960.00
Postage	12420-5210			2,500.00	3,710.00	3,710.00	1,210.00
Supplies	12420-6001				2,200.00	2,200.00	
Finance Totals		53,061.31	55,611.61	55,399.20	31,538.05	61,262.21	3,663.01

SEWER

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY 21 New Amended Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommended less FY21 Adopted=Difference
SEWER OPERATIONAL DEPARTMENT							
Wages	44000-1100	122,742.21	113,625.42	125,441.77	127,197.95	127,197.95	1,756.18
PT Wages	44000-1300			-			-
Other/Holiday	44000-1400	3,563.47	3,423.78	3,779.20	5,051.42	5,051.42	1,272.22
FICA	44000-2100	9,662.38	8,786.34	9,885.40	10,117.08	10,117.08	231.68
VRS	44000-2200	20,056.08	18,207.73	20,070.68	20,351.67	20,351.67	280.99
Health Insurance	44000-2300	22,800.00	22,800.00	23,880.00	23,640.00	23,640.00	(240.00)
Group Life Insurance	44000-2400	1,607.92	1,459.74	1,680.92	1,704.45	1,704.45	23.53
Long-Term Disability	44000-2500	\$ -	199.09	185.59	188.18	191.95	6.36
Unemployment Insurance	44000-2600	75.00	50.00	50.00			(50.00)
Worker's Comp	44000-2700	2,478.88	2,096.49	2,063.48	2,195.31	2,239.22	175.74
Sludge & Trash Removal-Rut.Crk	44000-3120	2,000.00	2,400.00	2,000.00	2,000.00	2,000.00	-
Testing Services	44000-3140	25,000.00	30,000.00	35,000.00	53,500.00	38,000.00	3,000.00
Professional Svcs	44000-3150	3,000.00	3,000.00	3,200.00	3,200.00	3,200.00	-
Repair & Maint. Svcs-Rut Crk	44000-3310	15,000.00	20,000.00	20,000.00	20,000.00	15,000.00	(5,000.00)
Advertising	44000-3600	1,000.00	1,000.00	1,000.00	1,000.00	500.00	(500.00)
Electrical Svcs-Rut. Crk	44000-5100	45,000.00	41,000.00	35,316.60	35,000.00	35,000.00	(316.60)
Water, Sewer -Rut. Crk	44000-5120	10,600.60	20,000.00	12,285.67	6,000.00	6,000.00	(6,285.67)
Electrical Svcs-Pump Station	44000-5130	2,000.00	2,100.00	1,905.07	2,000.00	2,000.00	94.93
Water, Sewer-Pump Station	44000-5140	240.00	200.00	200.00	200.00	200.00	-
Postage	44000-5210	2,500.00	2,000.00	2,000.00	2,000.00	500.00	(1,500.00)
Telecommunications	44000-5230	2,880.00	3,480.00	3,660.00	4,080.00	4,080.00	420.00
Property Insurance	44000-5304	5,475.28	5,576.72	6,632.16	5,617.17	5,617.17	(1,014.99)
Motor Vehicle Insurance	44000-5305	382.72	401.70	416.77	448.05	448.05	31.28
Lease/Rent Equipment	44000-5410	-		-			-
Travel-Mileage/Hotel/Conference	44000-5501	4,000.00	2,000.00	4,000.00	4,000.00	4,000.00	-
Permits	44000-5600	8,000.00	8,000.00	8,000.00	8,000.00	4,000.00	(4,000.00)
Dues & Memberships	44000-5810	2,000.00	2,000.00	2,000.00	1,217.86	1,217.86	(782.14)
Office Supplies	44000-6001	500.00	2,500.00	2,500.00	2,500.00	2,500.00	-
Lab Supplies	44000-6004	4,000.00	4,000.00	6,000.00	6,000.00	6,000.00	-
Repair & Maint. Supplies-Rut. Crk	44000-6007	25,000.00	15,000.00	28,797.00	15,000.00	15,000.00	(13,797.00)
Fuel/Oil	44000-6008	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-
Vehicle & Equip Supplies	44000-6009	5,000.00	5,000.00	5,000.00	5,000.00	3,000.00	(2,000.00)
Uniforms	44000-6011	1,000.00	1,500.00	1,500.00	1,500.00	1,500.00	-
Chemicals-Rut Crk	44000-6051	7,000.00	7,000.00	7,000.00	7,000.00	2,500.00	(4,500.00)
Equipment-Rut Crk	44000-8001			-			-
Vehicles	44000-8005			-			-
Treatment Totals		356,564.54	350,807.01	377,450.31	377,709.15	344,756.82	(32,693.49)

SEWER

Account Name	Account Code	FY 19 Approved	FY 20 Approved	FY 21 New Amended Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommendedless FY21 Adopted=Difference
SEWER MAINTENANCE DEPARTMENT							
Wages	45000-1100	87,277.84	91,330.52	101,978.35	101,978.35	101,978.35	-
PT Wages	45000-1300	897.86	616.31	650.97	650.97	650.97	-
Other Pay/Holiday	45000-1400	1,770.79	1,397.62	1,592.82	1,592.82	1,592.82	-
FICA	45000-2100	6,880.91	6,880.91	7,972.99	7,972.99	7,972.99	-
VRS	45000-2200	14,261.20	14,635.12	16,316.54	16,316.54	16,316.54	-
Health Insurance	45000-2300	20,520.00	20,520.00	21,492.00	21,276.00	21,276.00	(216.00)
Group Life Insurance	45000-2400	1,143.34	1,173.32	1,366.51	1,366.51	1,366.51	-
Long-Term Disability	45000-2500			-	-	-	-
Unemployment Insurance	45000-2600	-		-			-
Worker's Comp	45000-2700	1,653.40	1,653.40	-			-
Repair & Maint. Services	45000-3310	-		-			-
Telecommunication	45000-5230	-		-			-
Motor Vehicle Insurance	45000-5305	1,259.63	1,322.09	1,371.69	1,474.64	1,474.64	102.95
Lease of Equipment	45000-5410	2,000.00	4,000.00	4,000.00	4,000.00	2,000.00	(2,000.00)
Travel-Mileage/Conference/Hotel	45000-5501	-		-			-
Misc	45000-5800	-		-			-
Dues & Memberships	45000-5810	-		-			-
Repair & Maint. Supplies	45000-6007	5,000.00	10,000.00	10,000.00	10,000.00	8,000.00	(2,000.00)
Fuel	45000-6008	-		-			-
Vehicle/Power Equipment Supplies	45000-6009	-		-			-
Uniforms	45000-6011	-		-			-
Equipment/Vehicles	45000-8005	-		-			-
Maintenance Totals		142,664.97	153,529.29	166,741.88	166,628.83	162,628.83	(4,113.05)
Sliplining Project	94000-8000			-			-
Debt Payments							
WWTP Loan Principle	95000-9000	53,270.00		-			-
WWTP Loan Interest	95000-9001	106,290.00		-			-
Sterling Bank WWTP Refi Prin	95000-9002		190,640.00	179,250.00	203,235.00	203,235.00	23,985.00
Sterling Bank WWTP Refi Int	95000-9003		79,680.00	67,250.00	67,075.00	67,075.00	(175.00)
Sewer Rehab Principle	95000-9004				11,450.00	11,450.00	
Sewer Rehab Interest	95000-9005				15,980.00	15,980.00	
Debt Reserve	95000-9010	253,558.87	118,838.69	39,079.76			(39,079.76)
Capital Program			37,633.00	-			-
Debt Totals		413,118.87	426,791.69	285,579.76	297,740.00	297,740.00	(15,269.76)
Sewer Fund Expense Totals		1,056,524.60	1,054,381.36	971,452.69	920,060.71	931,040.71	(70,041.98)

Garbage Fund

Account Name	Account Code	FY 19 Approved	FY 20 Approved	New FY 21 Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommended less FY21 Adopted=Difference
GARBAGE REVENUE							
Garbage IT Charges	16080-0005	80,677.30	121,052.00	121,677.40	121,264.00	121,264.00	(413.40)
Garbage OT Charges	16080-0006	24,083.20	17,574.80	17,119.00	17,140.20	17,140.20	21.20
Penalties	16080-0009	1,500.00	1,300.00	2,000.00	2,800.00	2,800.00	800.00
Transfer from Garbage Reserv	41040-0006			501.21		2,438.03	1,936.82
Transfer for Other Funds				556.59			(556.59)
Revenue Totals		106,260.50	\$ 139,926.80	\$ 141,854.20	\$ 141,204.20	\$ 143,642.23	\$ 1,788.03
TOWN MANAGER							
Wages	12110-1100	2,751.00	2,848.11	2,966.66	\$ 3,008.19	3,008.19	41.53
PT Wages	12110-1300	410.34	424.78	442.39	\$ 448.53	448.53	6.14
FICA	12110-2100	241.84	250.38	260.79	\$ 264.44	264.44	3.65
VRS	12110-2200	425.00	465.38	623.00	\$ 631.72	631.72	8.72
Health Insurance	12110-2300	273.60	273.60	286.56	\$ 283.68	283.68	(2.88)
Group Life Insurance	12110-2400	34.07	37.31	39.75	\$ 40.31	40.31	0.56
STD/Long-Term Disability	12110-2500	19.81	16.80	15.66	\$ 15.88	15.88	0.22
Contingency	12110-5000	5,505.11	835.88	-			-
Town Manager Totals		4,155.66	\$ 5,152.24	\$ 4,634.81	\$ 4,692.75	\$ 4,692.75	\$ 57.94
FINANCE DEPARTMENT							
Wages	12420-1100	1,450.27	1,501.39	1,582.78	\$ 1,604.94	1,604.94	22.16
PT Wages	12420-1300	400.54	417.48	163.20	\$ 221.13	221.13	57.93
FICA	12420-2100	141.59	146.79	133.57	\$ 139.69	139.69	6.12
VRS	12420-2200	236.97	245.33	253.25	\$ 256.79	256.79	3.54
Health Insurance	12420-2300	273.60	273.60	286.56	\$ 283.68	283.68	(2.88)
Group Life Insurance	12420-2400	19.00	19.67	21.21	\$ 21.51	21.51	0.30
Banking Service Charges	12420-3160	200.00	400.00	100.00			(100.00)
Finance Totals		2,721.97	3,004.26	2,540.57	2,527.74	2,527.74	(12.83)
GARBAGE EXPENSES							
Collection In-Town	43200-3160	73,411.44	110,737.20	113,125.44	114,598.32	114,598.32	1,472.88
Collection Out of Town	43200-3170	10,930.32	17,858.40	18,244.80	18,480.00	18,480.00	235.20
Garbage Totals		84,341.76	\$ 128,595.60	\$ 131,370.24	\$ 133,078.32	\$ 133,078.32	\$ 1,708.08
GARBAGE MAINTENANCE DEPARTMENT							
Wages	45000-1100	1,939.51	2,145.59	2,234.90	\$ 2,266.19	2,266.19	31.29
PT Wages	45000-1300	6,599.02	-	-			-
Other Pay/Holiday	45000-1400	39.35	31.06	34.91	\$ 35.40	35.40	0.49
FICA	45000-2100	159.80	163.34	173.64	\$ 176.07	176.07	2.43
VRS	45000-2200	316.92	350.59	357.58	\$ 362.59	362.59	5.01
Health Insurance	45000-2300	456.00	456.00	477.60	\$ 472.80	472.80	(4.80)
Group Life Insurance	45000-2400	25.41	28.11	29.95	\$ 30.37	30.37	0.42
Maintenance Totals		9,536.00	\$ 3,174.69	\$ 3,308.58	\$ 3,343.41	\$ 3,343.41	\$ 34.83
Garbage Fund Expense Totals		100,755.39	\$ 139,926.79	\$ 141,854.20	\$ 143,642.22	\$ 143,642.23	\$ 1,788.03

INDUSTRIAL DEVELOPMENT AUTHORITY

Account Name	Account Code	FY 19 Approved	FY 20 Approved	New FY 21 Total	FY 22 Department Request	FY 22 Town Manager Recommended	FY 22 Recommended less FY21 Adopted=Difference
IDA REVENUES							
Lease/Sale of Lots	701-41020-0001			300,000.00	75,000.00	75,000.00	(225,000.00)
BP Recoupment Rev	701-41030-0001	26,058.00	25,968.00	26,264.18			(26,264.18)
Zoning Fees		-		-			-
Bond Issue	701-41040-0001	16,239.00	9,673.75	8,592.50	7,476.25	7,476.25	(1,116.25)
Home Owners Reimb	701-41060-0001	1,332.00	1,345.11	-	1,350.00	1,350.00	1,350.00
Transfer from Other Funds				120,331.38			(120,331.38)
Revenue Totals		43,629.00	36,986.86	455,188.06	83,826.25	83,826.25	(371,361.81)
IDA EXPENSES							
PT Wages	45000-1300	6,599.02	7,395.72	13,008.13	7,811.60	7,811.60	(5,196.53)
FICA	45000-2100	504.83	565.77	613.38	597.59	597.59	(15.79)
Worker's Comp	45000-2700			310.64	328.09	328.09	17.45
Repair & Maint. Svcs	81500-3310	-		-			-
Professional Services	81500-3150	2,000.00	2,000.00	5,000.00			(5,000.00)
Electrical Svcs	81500-5100	325.00	325.00	200.00	200.00	200.00	-
Dues & Membership	81500-5810	2,756.00	2,749.00	2,731.00	2,731.00	2,731.00	-
Transfer to IDA fund bal	81500-9200	31,444.15	23,951.37	313,324.91	71,983.23	65,157.97	(248,166.94)
Small Business Grant				120,000.00			(120,000.00)
Capital expenses						7,000.00	
Expense Totals		43,629.00	36,986.86	455,188.06	83,651.51	83,826.25	(378,361.81)

FY22 PAY & BENEFIT COST ALLOCATION

Job Title	Portion of Time Per Fund			
	General	Water	Sewer	Garbage
Town Manager	27%	40%	30%	3%
Deputy Town Clerk	80%	10%	9%	1%
Town Manager Total				
Office Manager	50%	25%	24%	1%
Fiscal Assistant	23%	45%	30%	2%
Office Assistant (2)	20%	40%	39%	1%
Finance Total				
Chief of Police	100%	0%	0%	0%
Major	100%	0%	0%	0%
Detective	100%	0%	0%	0%
Officers (3)	100%	0%	0%	0%
PT Office Assistant (2)	100%	0%	0%	0%
PT Officer (2)	100%	0%	0%	0%
Holiday Pay	100%	0%	0%	0%
Retiree Health	100%	0%	0%	0%
Overtime	100%	0%	0%	0%
Police Total				
Director of Plant Utilities	0%	50%	50%	0%
WWTP Operator (2)	0%	0%	100%	0%
Holiday	0%	0%	100%	0%
Sewer Total				
Lead WTP Operator	0%	100%	0%	0%
WTP Operator (2)	0%	100%	0%	0%
PT WTP Operator	0%	100%	0%	0%
Holiday	0%	100%	0%	0%
Water Total				
Maintenance Foreman	9%	45%	45%	1%
Maintenance Tech. (4)	9%	45%	45%	1%
Maintenance Tech PT	30%	5%	5%	60%
Custodian	100%	0%	0%	0%
Holiday	9%	45%	45%	1%
Retiree Health	100%	0%	0%	0%
Utility Total				

Undesignated Fund Balance and Contingency Calculation For FY22

1/31/2020

Permanent Fund principal for the <u>General</u> Fund	GF Revenues	\$ 1,095,067
(based on proposed FY22 Budget)	Administration Fee (covered in W & S Funds)	-
Reserve per October 2010 policy <u>15%</u>	Net GF Revenues	\$ 1,095,067
GF target Permanent Fund principal \$ 164,259.98	Reserve per @	25%
	GF target Permanent Fund principal	\$ 273,767 ←

Required contingency in the General Fund	GF Expenses	\$ 1,202,614
(based on proposed FY22 Budget)	Reserve per October 2010 policy	3.0%
	GF Contingency	\$ 36,078 ←

Permanent Fund principal for the Water Fund (based on the proposed FY22 Budget)

<u>Fund 501 WATER FUND</u>	<u>FY21 Budget</u>		
DEBT SERVICE	\$ 452,362	Debt	452,362
ALL OTHER EXPENSES	\$ 787,174	25%/Operation	\$ 196,793
Total		WF target Permanent Fund principal	\$ 649,156

Permanent Fund principal for the Sewer Fund (based on the proposed FY22 Budget)

<u>Fund 502 SEWER FUND</u>	<u>FY21 Budget</u>		
DEBT SERVICE	\$ 246,500	Debt	246,500
ALL OTHER EXPENSES	\$ 637,043	25%/Operation	\$ 159,261
Total		SF target Permanent Fund principal	\$ 405,761

Permanent Fund principal for the Garbage Fund (based on the proposed FY22 Budget)

<u>Fund 514 GARBAGE FUND</u>	<u>FY21 Budget</u>		
ALL EXPENSES	141,298	25% operations	\$ 35,324
		Garb target Permanent Fund principal	\$ 35,324

Total of all undesignated fund balances \$ 1,364,007

General Fund Permanent Fund	\$ 273,767
General Fund Contingency	\$ 36,078
Water Fund Permanent Fund	\$ 649,156
Sewer Fund Permanent Fund	\$ 405,761

TOWN OF AMHERST DEBT BALANCES & DEBT PAYMENTS

Description	Original Loan Amount	Outstanding Loan Balance at 12/31/20	Interest Rate	Maturity Date	Principal Payment FY22	Interest Payment FY22	Total Debt Payment FY22
Sterling Debt Refi	\$ 3,933,409.44	\$ 3,254,453.94	3.35%	6/30/2030	\$ 298,870.82	\$ 98,639.33	\$ 397,510.15
Mainstreet Water Line	\$ 2,368,672.03	\$ 2,153,213.11	2.25%	1/1/2047	\$ 75,766.36	\$ 47,185.32	\$ 122,951.68
60 W. Water Line	\$ 565,935.00	\$ 447,615.17	3.00%	7/1/2043	\$ 15,968.57	\$ 13,075.35	\$ 29,043.92
Sewer Sliplining Project	\$ 3,414,000.00	\$ 3,414,000.00	3.63%	4/10/2060	\$ 11,417.55	\$ 1,831.50	\$ 13,249.05

Outstanding Debt Balances						
	Sliplining	Sterling Refi	60 WL	Main St. WL	Total	
FY 2021		3,109,928.14	439,807.44	\$ 2,115,960.92	\$ 5,665,696.50	
FY 2022	3,402,582.45	2,811,057.32	423,838.87	\$ 2,040,194.56	\$ 8,677,673.20	
FY 2023	3,333,398.28	2,502,033.62	407,387.66	\$ 1,962,713.87	\$ 8,205,533.43	
FY 2024	3,263,381.07	2,182,512.13	390,439.21	\$ 1,883,480.05	\$ 7,719,812.46	
FY 2025	3,192,270.78	1,852,136.24	372,978.48	\$ 1,802,453.45	\$ 7,219,838.95	
FY 2026	3,120,176.53	1,510,537.21	354,990.01	\$ 1,719,593.49	\$ 6,705,297.24	
FY 2027	3,047,084.73	1,257,332.59	336,457.83	\$ 1,634,858.70	\$ 6,275,733.85	
FY 2028	2,973,094.88	892,130.20	317,365.51	\$ 1,548,206.65	\$ 5,730,797.24	
FY 2029	2,897,967.90	389,981.55	297,696.13	\$ 1,459,593.96	\$ 5,045,239.54	
FY 2030	2,821,801.40	0	277,432.25	\$ 1,368,976.27	\$ 4,468,209.92	
FY 2031	2,744,580.98		256,555.89	\$ 1,276,308.21	\$ 4,277,445.08	
FY 2032	2,666,393.84		235,048.55	\$ 1,181,543.40	\$ 4,082,985.79	

Water Treatment Plant Renovation Bond is slated to come on-line beginning in FY2023 with a partial payment. Annual payments will be approximately \$175,000/year for thirty years.

FY22 TOWN OF AMHERST VEHICLES

MAKE	MODEL	YEAR	VIN NUMBER	MILEAGE
POLICE				
Ford	Interceptor (Watts)	2017	254	96,826
Ford	Interceptor (Harler)	2016	8694	96,514
Ford	Explorer (Shiflett)	2014	8654	69,475
Ford	Interceptor (Payne)	2017	7002	58,557
Ford	Interceptor (Robinson)	2015	1494	84,491
Ford	Interceptor Sedan (Martin)	2014	1248	102,901
MAINTENANCE				
Ford	SUV	2007	7723	99,341
Dodge	Pickup	2014	4675	57,281
Chevy	Pickup	2011	5012	72,641
Dodge	Work Truck	2013	7481	5,232
GMC	Bucket Truck	1995	5212	114,977
GMC	Dump Truck	2003	9981	49,116
Ford	Explorer (Office)	2011	4253	65,454
UTILITIES				
Dodge	Wastewater	2012	9843	64,720
Dodge	Water	2008	4271	91,065

Town of Amherst, Virginia
 Balance Sheet
 Governmental Funds
 June 30, 2020

	<u>General</u>	<u>Forfeited Assets Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,621,768	\$ 2,820	\$ 1,624,588
Cash and cash equivalents, restricted	-	330	330
Receivables (net of allowance for uncollectibles):			
Taxes receivable	900	-	900
Accounts receivable	79,222	-	79,222
Due from other governmental units	159,822	-	159,822
Total assets	<u>\$ 1,861,712</u>	<u>\$ 3,150</u>	<u>\$ 1,864,862</u>
LIABILITIES			
Accrued liabilities	\$ 26,452	\$ -	\$ 26,452
Total liabilities	<u>\$ 26,452</u>	<u>\$ -</u>	<u>\$ 26,452</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 900	\$ -	\$ 900
Total deferred inflows of resources	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 900</u>
FUND BALANCES			
Restricted	\$ -	\$ 330	\$ 330
Assigned	-	2,820	2,820
Unassigned	1,834,360	-	1,834,360
Total fund balances	<u>\$ 1,834,360</u>	<u>\$ 3,150</u>	<u>\$ 1,837,510</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,861,712</u>	<u>\$ 3,150</u>	<u>\$ 1,864,862</u>

The notes to financial statements are an integral part of this statement.

Town of Amherst, Virginia
Statement of Net Position
June 30, 2020

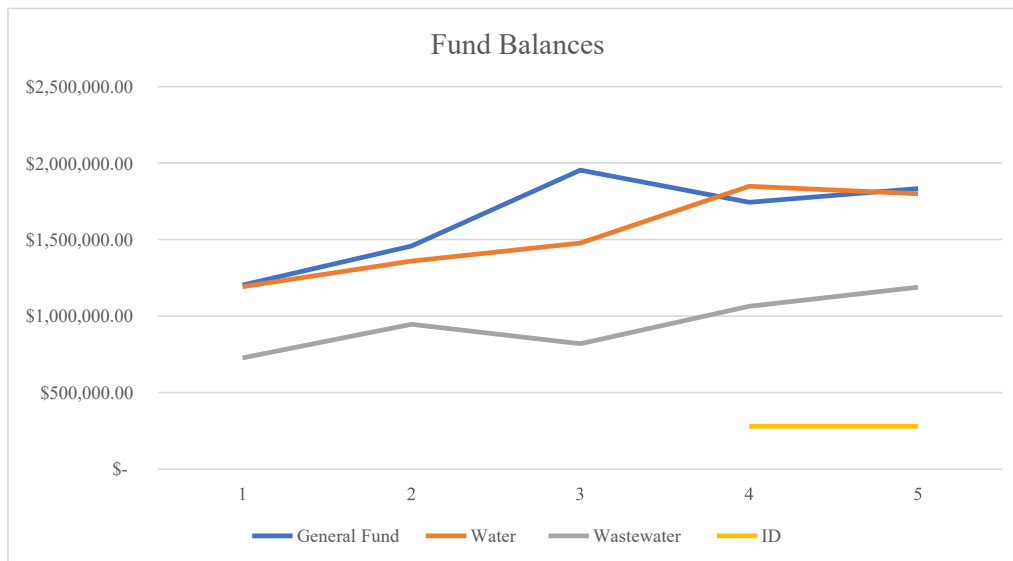
	Primary Government			Component Unit IDA
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 1,624,588	\$ 3,037,080	\$ 4,661,668	\$ 563,081
Cash and cash equivalents, restricted	330	-	330	-
Receivables:				
Taxes receivable	900	-	900	-
Accounts receivable	79,222	264,247	343,469	-
Due from other governmental units	159,822	-	159,822	-
Inventories	-	93,173	93,173	-
Capital assets (net of accumulated depreciation):				
Land and land improvements	1,217,364	25,084	1,242,448	-
Buildings and improvements	700,601	-	700,601	-
Plant	-	2,372,220	2,372,220	-
Machinery and equipment	107,606	14,390	121,996	-
Infrastructure	-	6,995,811	6,995,811	-
Construction in progress	-	987,220	987,220	-
Total assets	<u>\$ 3,890,433</u>	<u>\$ 13,789,225</u>	<u>\$ 17,679,658</u>	<u>\$ 563,081</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 146,395	\$ 117,623	\$ 264,018	\$ -
OPEB related items	8,590	9,659	18,249	-
Total deferred outflows of resources	<u>\$ 154,985</u>	<u>\$ 127,282</u>	<u>\$ 282,267</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ 35,600	\$ 35,600	\$ 333
Accrued liabilities	26,452	-	26,452	-
Long-term liabilities:				
Due within one year	4,316	381,058	385,374	-
Due in more than one year	936,047	6,556,059	7,492,106	-
Total liabilities	<u>\$ 966,815</u>	<u>\$ 6,972,717</u>	<u>\$ 7,939,532</u>	<u>\$ 333</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 138,793	\$ 77,780	\$ 216,573	\$ -
OPEB related items	2,229	2,506	4,735	-
Total deferred inflows of resources	<u>\$ 141,022</u>	<u>\$ 80,286</u>	<u>\$ 221,308</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 2,025,571	\$ 4,419,005	\$ 6,444,576	\$ -
Restricted for forfeited assets	330	-	330	-
Unrestricted	911,680	2,444,499	3,356,179	562,748
Total net position	<u>\$ 2,937,581</u>	<u>\$ 6,863,504</u>	<u>\$ 9,801,085</u>	<u>\$ 562,748</u>

The notes to financial statements are an integral part of this statement.

Fund Balances and Analysis of Reserves

Fund Balances, by Fund

Year	General Fund	Water	Wastewater	IDA
2016	\$ 1,203,035.00	\$ 1,191,623.00	\$ 726,216.00	
2017	\$ 1,458,055.00	\$ 1,360,124.00	\$ 946,198.00	
2018	\$ 1,954,032.00	\$ 1,477,324.00	\$ 819,116.00	
2019	\$ 1,743,817.00	\$ 1,848,141.00	\$ 1,063,572.00	\$ 280,479.00
2020	\$ 1,834,360.00	\$ 1,799,144.00	\$ 1,188,806.00	\$ 562,748.00



Losses:

General Fund loss from FY 18-19 reflects transfer of funds to the IDA fund, rather than combined.

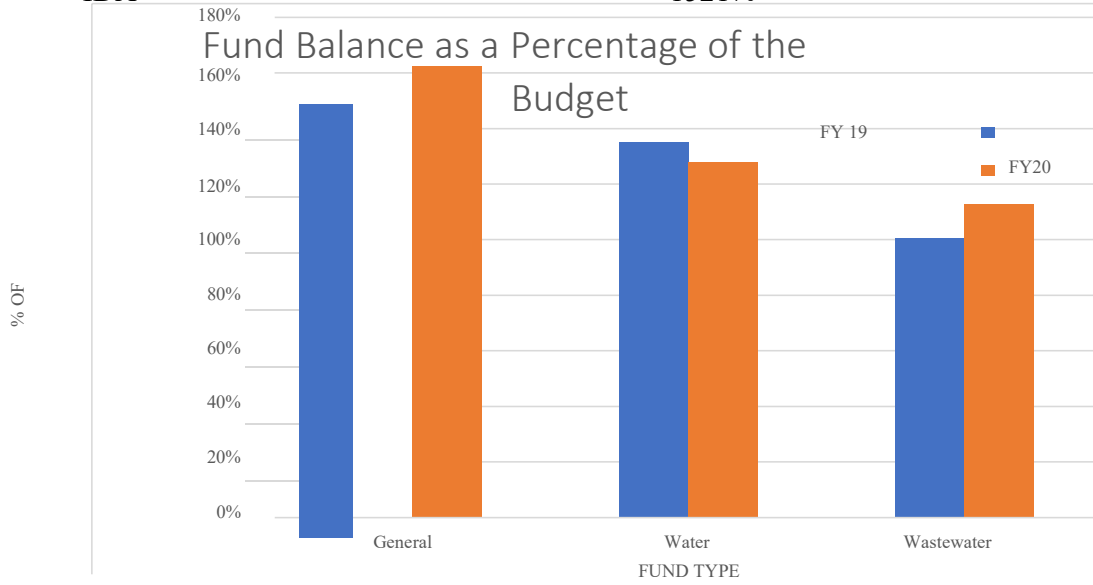
Wastewater Fund loss in from FY 17-18 reflects engineering expenses for sliplining project.

Water fund lostt in FY 20 is engineering funds paid by the Town for the WTP upgrade.

Fund

Fund Balance as a Percentage of Budget

	FY 19	FY20	
General	152%	162%	General
Water	135%	128%	Water
Wastewater	101%	113%	Wastewater
IDA		1521%	IDA



From: [Bobby Shiflett](#)
To: [Sara Carter](#)
Subject: Fwd: 20 KW generator
Date: Wednesday, May 5, 2021 11:18:28 PM

Get [Outlook for Android](#)

From: Steve Drummond <drummondelectrical@gmail.com>
Sent: Wednesday, May 5, 2021 8:34:18 PM
To: Bobby Shiflett <bobby.shiflett@amherstva.gov>
Subject: 20 KW generator

This estimate is for a 20 KW Briggs & Stratton 10 year warranty generator and a 400 amp transfer switch. This generator will supply the entire building when power goes off generator will come up and start running within 20 seconds. Transfer switch will be located to the right of both panels and be fed out of the meter base into the transfer switch. Out of the transfer switch and back into both panel boxes in the basement all boxes and connections will be an inside. To prevent anybody messing with. The generator will be located on the outside of the building on a concrete pad and fed back into the transfer switch. All parts including wire battery for generator pipe and flex are included in my price. My price does not include propane. But an average price is about \$2500 that's with tank rental and a full tank. All Briggs & Stratton generators also must be maintain once a year which means an all change/spark plugs/air filter/valve stem check to maintain Warranty.
Total \$9619.80

Steve Drummond
Drummond Electrical Inc.
(434) 944-1247

From: [Bobby Shiflett](#)
To: [Sara Carter](#)
Subject: Fwd: 35KW generator
Date: Wednesday, May 5, 2021 11:18:13 PM

Get [Outlook for Android](#)

From: Steve Drummond <drummondelectrical@gmail.com>
Sent: Wednesday, May 5, 2021 8:46:39 PM
To: Bobby Shiflett <bobby.shiflett@amherstva.gov>
Subject: 35KW generator

This price is for 35 kw Briggs & Stratton five year warranty liquid cool generator. This Generator has lots of room for I don't want in the future. This generator will sit on a concrete pad and also will be tied to a 400 amp transfer switch inside. The transfer switch will be located to the right of the panel boxes inferred from the meter base to the transfer from the transfer switch to the generator this price includes all materials and labor for the job. I have this generator in stock and I am selling it at cost.

Total \$17344

Steve Drummond
Drummond Electrical Inc.
(434) 944-1247



4262 S. Amherst Hwy., Suite 100 ♦ Madison Heights, Virginia 24572 ♦ (434) 845-3988 ♦ Fax (434) 845-0506 ♦ www.HickeyElectricCo.com

State Registration # 2701-030394A

GENERATOR PROPOSAL

Valid for 30 days

Date: March 3,2021

**To: Town of Amherst Police
174 S. Main St.
Amherst Va.24521**

**Att: Robert Shiflett
Bobby.shiflett@amherstva.gov**

From: Fred Hickey

Re: Installation of a 20KW Briggs and Stratton Generator with a 10-year warranty and a 200-amp transfer switch with a 6-year warranty

Included:

- All Material and Labor
- Permits
- first year service agreement
- 5 to 10-hour oil change
- Startup and walk through of the operation of the unit
- Load management control
- precast concrete pad

Not Included:

Gas Piping and Gas

Total Cost: \$ 12,658.00

Terms of payment as follows: 50% Down payment, balance upon completion

****FINANCING AVAILABLE-** Please call for more information

Payments after 30 days are subject to a Finance Charge of 1-1/2% per month, which is an Annual Rate of 18% per year on the balance existing on the billing date. In the event the account is placed with an attorney for collection, the invoiced party shall pay all costs and expenses, plus and including attorney's fees. All quotes are good for 30 days. Jurisdiction for all matters arising from this contract shall be the City of Lynchburg, Virginia.

Special Provisions:

Any additional work outside that described above will require a Change of Work order and may require additional costs, this includes trenching if rock is hit.

You may accept this proposal and authorize the work to be scheduled by signing below and returning by mail or fax to 845-0506.



Accepted and Authorized by _____ Date _____

20kW¹ Fortress™ Standby Generator



FORTRESS™ The Smart Choice

Introducing our dealer exclusive line. Available at your local Briggs & Stratton Dealer with these great features:



Parts • Labor • Travel
Limited
Warranty⁴



New Upgraded Control System

- New AVR optimizes generator performance with tighter voltage control
- LCD display that displays multi-line text and graphics
- Default exercise cycle setting of 16 seconds
- Low speed exercise available to save fuel and reduce noise
- Monitors cold temperatures to avoid moisture buildup in engine oil
- Cleaner power with improved frequency regulation

Designed for Easy Installation & Maintenance

- Approved for installation as close as 18" to a building²
- Hinged lid with removable side panels for better service access to the engine and alternator
- Controller, battery charger, and AVR can be replaced separately
- Cold weather kit included
- External on/off switch located on back of enclosure

Commercial Vanguard® Engine

- Easy conversion between natural gas (NG) and liquid propane vapor (LPV) during installation
- Advanced debris management keeping engine clean and cool for enhanced durability and performance
- Dynamically balanced crankshaft minimized engine noise and vibration

Charging System

- Independent battery charger
- Optimizes battery life with a 3-stage battery charger (bulk, absorption, and float stage)

Corrosion Resistant Enclosure & Base

- Made with automotive grade galvanized steel or aluminum to resist rust
- Powder-coated paint for years of protection against chips and abrasions
- Certified to withstand hurricane-force winds up to 175mph⁵

Briggs & Stratton® Full Synthetic Generator Oil

- Shields the engine from low temperature sludge buildup and high temperature deposits
- Reduces engine wear, scoring and abrasion

Compatible with Symphony® II Power Management System

- Customizable to your home's needs
- Automatically balances the power of your home's electrical load including high wattage items like air conditioning units and electric ovens
- Compatible transfer switches and modules sold separately

Generator Set Rating

Model	Enclosure Type	Voltage	Phase ³	Hz	Circuit Breaker Amps	Liquid Propane Vapor		Natural Gas		Limited Warranty ⁴
						LPV kW ¹	LPV Amps	NG kW ¹	NG Amps	Parts, Labor, Travel
040587	Steel	120/240	1	60	100	20	83.3	18	75.5	6 Year
040589	Aluminum	120/240	1	60	100	20	83.3	18	75.5	6 Year
040609	Aluminum	120/240	1	60	100	20	83.3	18	75.5	10 Year

¹ This generator is certified in accordance with UL (Underwriters Laboratories) 2200 (stationary engine generator assemblies) and CSA (Canadian Standards Association) standard C22.2 No. 100-14 (motors and generators).

² The installation manual contains specific instructions related to generator placement in addition to NFPA 37, including the requirement that carbon monoxide detectors be installed and maintained in your home.

³ Single phase units are rated at 1.0 power factor and three phase units are rated at 0.8 power factor.

⁴ See operator's manual or BRIGGSandSTRATTON.com for complete warranty details.

⁵ Up to 175 mph, when installed in accordance with the installation manual.



Engine Specifications

Engine	
Engine Brand	Vanguard
Engine Speed (RPM)	3600
Engine Fuel	Liquid Propane Vapor (LPV) or Natural Gas (NG)
Engine Cylinder Configuration	OHV
Number of Cylinders	2
Displacement (L / Ci)	0.993 / 60.60
Compression Ratio	9:7:1
Governor Type	Electronic
Frequency Regulation	+/- 0.3 Hz (0.5%)
Valves	OHV with Hardened Seats
Ignition System	Fixed Timing Magnatron®
Starter Motor Rating Voltage	12 Volt
Battery Required	12 Volt, Group BCI 26 or 51, 540 CCA Minimum
High Temperature Switch	Included
Dura-Bore Cast Iron Cylinder Sleeve	Included

Lubrication	
Oil Capacity (L / qt)	2.3 / 2.46
Low Pressure Switch	Included
Lubrication System	Full Pressure
Oil	Briggs & Stratton 5W30 Full Synthetic
Low Oil Pressure Sensor	Yes

Alternator Specs	
Manufacturer	Briggs & Stratton
Type	Self-Excited, 4-Lead
Voltage Regulator	Automatic
Insulation	Class F
Peak Motor Starting kVA	41

Controller Features	
Generator Sensing	Single phase voltage monitoring
LCD Display	Displays multi-line text and graphics
Fault Display	Provides up to 39 detailed fault codes
Exercise Cycle	Six exercise length options Default: Start and run for 16 seconds; Abort exercise below 40° F (internal temperature)

Operations

Fuel Consumption ²	Full Load	1/2 Load	No Load
	BTU / hr	NG - 260,000 LPV - 337,500	NG - 187,000 LPV - 207,500
ft ³ / hr	NG - 260 LPV - 135	NG - 187 LPV - 83	NG - 99 LPV - 40
m ³ / hr	NG - 7.36 LPV - 3.82	NG - 5.30 LPV - 2.35	NG - 2.80 LPV - 1.13
g / hr	LPV - 3.65	LPV - 2.24	LPV - 1.08

Sound Rating At 7 Meters	
Low Idle Mode	64 dBA ⁴
No Load	67 dBA ⁴



Parts • Labor • Travel
Limited
Warranty³

Unlike some other standby generator manufacturers, our warranty covers **parts, labor AND travel for the full length of the warranty** with no start-up costs!

¹ This generator is certified in accordance with UL (Underwriters Laboratories) 2200 (stationary engine generator assemblies) and CSA (Canadian Standards Association) standard C22.2 No. 100-14 (motors and generators).
² Fuel consumption rates are estimated based on normal operating conditions at ½ load. Generator operation may be greatly affected by elevation and the cycling operation of multiple electrical appliances – fuel flow rates may vary depending on these factors.
³ See operator's manual or BRIGGSandSTRATTON.com for complete warranty details.
⁴ Lowest no-load measurement per ISO 3744. Sound level measurement at other locations around generator may be different depending upon installation configuration.



Additional Information

Operations

Engine Warm Up (sec)	20 seconds after all settable delays
Engine Cool Down (min)	5
Response Time (sec)	Immediate after engine warm up

Weight and Dimensions

Assembled Weight (lbs / kg)	Steel - 489 / 222 Aluminum - 440 / 200
Overall Dimensions (in / mm)	50.5 x 33.8 x 30.6 / 1283 x 859 x 777
Packaged Weight (lbs / kg)	Steel - 634 / 288 Aluminum - 580 / 263
Packaged Dimensions (in / mm)	68.1 x 41 x 39.9 / 1730 x 1041 x 1013

Enclosure Material Galvanneal Steel or Aluminum with Corrosion Resistant Paint

Available Transfer Switches

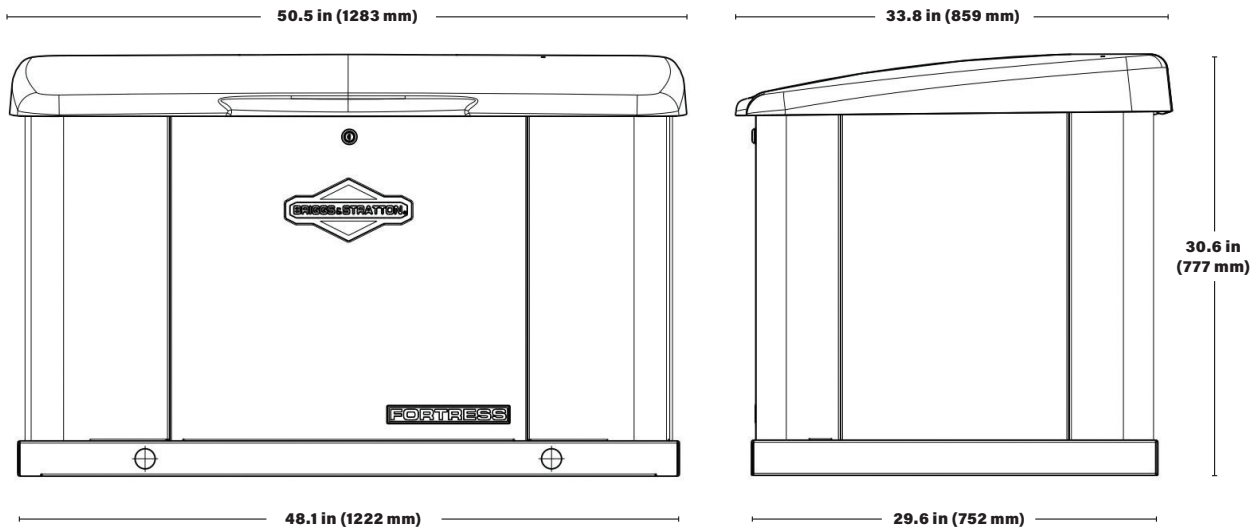
071100	100 Amp
071150	150 Amp
071200	200 Amp
071071	Symphony® II 100 Amp
071070	Symphony® II 150 Amp
071068	Symphony® II 200 Amp
071057	Symphony® II Dual 200 Amp

Certifications

- CARB Compliant***
- FCC Part 15 Class B / CAN ICES - 003 (B)**
- NFPA 37 Compliant**
- cUL Listed to CSA 22.2 No. 100-14**
- UL2200 Listed**
- EPA Certified Fuel System**
- Complies with NFPA 37 4.1.4.1.2**

Available Accessories

Maintenance Kit	6036
E-Stop Kit	6491
Power Management Low Voltage Module	71052, 71053
Power Management High Voltage Module	71051
Generator Status LED Kit	6535
Battery Warmer	6578
InfoHub Universal	6574



* CARB does not regulate emergency standby generators outputting less than 50 HP. Only the EPA standards apply.

¹ This generator is certified in accordance with UL (Underwriters Laboratories) 2200 (stationary engine generator assemblies) and CSA (Canadian Standards Association) standard C22.2 No. 100-14 (motors and generators).



Support every step of the way

Need help? Visit powernow.com

Complete the web form and a local dealer will contact you to answer questions on our generators, transfer switches and accessories.

¹ This generator is certified in accordance with UL (Underwriters Laboratories) 2200 (stationary engine generator assemblies) and CSA (Canadian Standards Association) standard C22.2 No. 100-14 (motors and generators).

Briggs & Stratton has a policy of continuous product improvement and reserves the right to modify its specifications at any time and without prior notice.

Not for Prime Power or use where standby systems are legally required, for serious life safety or health hazards, or where lack of power hampers rescue of fire-fighting operations.

BS1155 - 9/19

BRIGGS & STRATTON CORPORATION
POST OFFICE BOX 702
MILWAUKEE, WI 53201 USA

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YOU. POWERED.



CHARLOTTESVILLE GENERATORS
 676 Four Seasons Drive
 Ruckersville, VA 22968
 (434) 960-4384
 www.charlottesvillegenerators.com



March 3, 2021

Dear Bobby Shifflett:

Thank you for the opportunity to conduct an in-home survey and review your standby power needs in detail. At CHARLOTTESVILLE GENERATORS, we strive to provide our customers with the best automatic standby solution, and offering Generac automatic standby generators allows us to offer the generator and transfer switch option that meets your unique requirements. As a result, we are pleased to offer you this personalized proposal.

Proposal For:

Bobby Shifflett
 Amherst County Police Department
 174 S. Main St
 Amherst, VA 24521
 H: (434) 946-7874
 Bobby.shifflett@amherstva.gov

22kW Air-Cooled Standby Generator with Wi-Fi, Aluminum Enclosure, 200 SE (Model 7043-3) Proposal

22kW Air-Cooled Standby Generator with Wi-Fi, Aluminum Enclosure, 200 SE (not CUL) (Model 7043-3)

RECOMMENDED



QTY Generac items

1 22kW Air-Cooled Standby Generator with Wi-Fi, Aluminum Enclosure, 200 SE (not CUL) (Model 7043-3)

Generac's Guardian Series generators provide the automatic backup power you need to protect your home and family during a power outage. Connected to your existing LP or natural gas fuel supply, it kicks in within seconds of sensing power loss— automatically—and runs for as long as necessary until utility power returns.

Now coming with FREE Mobile Link™, allowing you to monitor the status of your generator on a phone, tablet or computer from anywhere in the world. Giving you the ability to connect your account to your authorized service dealer for fast, friendly and convenient assistance.

- Mobile Link™ Remote Monitoring.
- 5-Year Limited Warranty
- True Power™ Technology delivers best-in-class power
- Generac generators and engines are Engineered and Built in the USA*
- Generac's G-Force Engines are capable of handling the rigors of generator use
- 24/7/365 Customer Support Team
- Tough, Durable All-Aluminum Enclosures
- Smart, User-Friendly Controls

*Built in the USA using domestic and foreign parts

QTY Generac items

1 Generac Smart Switch, Service Rated, 200 amps, 120/240, 1Ø, NEMA 3R

1 Wet Cell Battery - 26R

1 10-Year Extended Limited Warranty – Air-cooled - Evolution Controller

10 Year Extended Limited Warranty for Air-Cooled Product - 2014 or newer models. Warranty covers 10 years parts and labor. Can be purchased within 12 months of end-user purchase date, which will remain as the start date. Unit must be registered and end-user proof of purchase must be available upon request. Available on Generac®, Guardian®, Honeywell and Centurion® brand products - not available on CorePower, EcoGen, Synergy or internationally.

QTY Installation & Material

1 Standard Install and Material with Pad

Installation of Generator to include:

Transport and set generator on 4 inch thick preformed concrete pad.

All material to include all power wire, control wire, load management wire, conduit, fittings. liquidtight waterproof connectors, ground bars, gravel as needed.

All labor - generator wiring and setup by Generac trained technician. Includes rewiring electrical service, generator power and control, load management wiring, Rewiring Service entrance wiring as needed.

Coordination with power company, gas company, county inspectors. County electrical permit as needed.

Does not include work or material by gas company.

Sub-Total:	\$10,495.81
Sales Tax:	\$0.00
Total:	\$10,495.81
Down Payment:	\$0.00
Balance Due:	\$10,495.81

Generac is the #1 standby generator on the market today. CHARLOTTESVILLE GENERATORS is a factory-authorized and certified dealer, trained in the proper application, installation, and service of all Generac automatic standby generators, assuring you the highest quality service and support for your generator.

Thank you for the opportunity to offer a Generac automatic standby generator to protect your home and family during a power outage. We will contact you to answer any additional questions and finalize the details of the installation of your automatic standby generator. Please feel free to contact us at (434) 960-4384 at any time.

All quotes are valid for 30 days.

Sincerely,

DAVE DAWSON

I accept this proposal and wish to proceed with the purchase and installation of my Generac automatic standby generator.

Customer Name/Signature

Date

Dealer Name/Signature

Date

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

Additional Comments:

Selected payment option: Cash/check

Notice of Cancellation

Date of Purchase: _____

You may CANCEL this transaction, without any Penalty or Obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when you received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your Notice of Cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this Cancellation Notice or any other written notice, or send a telegram, to CHARLOTTESVILLE GENERATORS, at 676 Four Seasons Drive Ruckersville, VA 22968 NOT LATER THAN MIDNIGHT OF

_____.

I HEREBY CANCEL THIS TRANSACTION.

(Date)

(Signature)



CHARLOTTESVILLE GENERATORS
 676 Four Seasons Drive
 Ruckersville, VA 22968
 (434) 960-4384
 www.charlottesvillegenerators.com

Sizing Report

Sizing Information for:
 Bobby Shifflett
 Amherst County Police Department
 174 S. Main St
 Amherst, VA 24521

Rated Nominal Voltage 240
 Generator Fuel Choice Propane
 Sizing Method (NEC 220) Part IV
 (Part III required for selected circuit implementation, Both valid for whole house)

General Lighting & Receptacles		Load (kW)
Square Footage Being Covered (ft ²)	3000	9
Small Appliance Circuits (20 amps)		
Kitchen Circuits	2	3
Laundry Circuits	1	1.5

Fixed-In-Place Appliances & Motors	Managed Loads	Estimated (kW)	Nameplate (amps)	240 V	Load (kW)
Microwave		1.3	0		1.3
Oven		5.0	0	X	5.0
Furnace (Forced Air)		0.7	0		0.7
Water Heater		5.0	0	X	5.0
Refrigerator		0.8	0		0.8

Air Conditioning & Cooling	Managed Loads	Estimated (kW)	Nameplate (amps)	240 V	Load (kW)

Heating & Heat Pumps	Managed Loads	Estimated (kW)	Nameplate (amps)	240 V	Load (kW)
Heat Pump (3 Ton)	X	3.0	0	X	0.0
Heat Pump (2.0 Ton)		2.0	0	X	2.0
Heat Pump Electric Element		5.0	0	X	5.0

Transient Requirement	Estimated (LRA)	Actual (LRA)	Utilized (LRA)
Largest Motor's Starting Amps (LRA)	86	0	86

	Load (kW)	NEC Required
Summary NEC Load		
General Lighting & Receptacles	13.5	
Fixed-in-Place Appliances & Motors	12.7	
Sum of all General Loads	26.2	16.5
Cooling	0.0	0.0
Heating (w/demand factors)	7.0	5.2
Larger of Heating & Cooling	7.0	5.2
Sizing based on requirements of NEC Article 220, Part IV		21.7
Elevation		0 ft
Minimum size generator for motor starting requirements		13
BTU load required		355000

22 kW Generac Model Generator Recommended



Customer Ratings and Reviews

★★★★★ 5.0 /5.0 **Overall Rating**

100% of customers recommend this dealer

★★★★★ 5.0 /5.0 Regular servicing

DaveS from Louisa **State** : VA

On time, professional, answered all my questions. Great team.

★★★★★ 5.0 /5.0 Excellent, Ethical, Professional Company

Wags from EARLYSVILLE **State** : VA

I had my Generac whole house generator installed 5 years ago and have had outstanding reliability. It has flawlessly run during each power outage without any effort on my part. Smart Homes of Virginia competently figured my electrical needs utilizing transfer switches to provide the most economical performance. My system provides backup power to run two 2.5 ton electric heatpumps plus typical household electrical needs. I am on the annual maintenance plan and have always received exceptional and courteous service. These guys are great!

★★★★★ 5.0 /5.0 Excellent Service Provider

JackPCR from Mineral **State** : VA

My Generac has been installed since December 2011. The installer did not offer a service contract. I found a dealer who did offer a contract. He serviced my generator twice a year for about 6 years. After my last renewal (and paid) he went out of business along with my prepayment. I contracted another dealer. His plan included 4 visits per year. They did make 4 visits but did absolutely no work. They were at my home less than 10 minutes each visit. I was not home for the first two visits so I had no idea what service they were providing. As it turned out I didn't miss anything.

I contacted Generac to learn what maintenance they prescribe and to get recommendations for a reliable service provider. Generac only recommends to their dealers what the service should be. They do not certify the service plans of their dealers nor do they have any audit of what dealers do.

I settled on Charlottesville Generators. This dealer has a written service plan that details exactly what they do. Their plan very closely matches the Generac manual. Based on my prior unfortunate experiences I had a list of written questions which were promptly answered in writing. Unlike the other prior "service providers" they do not get paid in advance for the year but rather they bill after the service call is completed.

Today was my first service call with Charlottesville Generator. As promised, they called in advance to let me know they were coming. The technician (Eric) was very professional and it was immediately obvious he was exceptionally knowledgeable about my 36KW Generac. Eric was here nearly 2 hours. He corrected a number of items that were neglected by prior dealers. I am very pleased with my new service provider and I believe I received their routine level of service. I highly recommend Charlottesville Generator (434-326-4564).

 5.0 /5.0 Great Service

CM **from** Gordonsville **State** : VA

We couldn't be more pleased with the regular service call by your agent, Eric. He was friendly and went out of his way to be helpful. He answered all of my questions and was very professional. He is a credit to the business.

 5.0 /5.0 More than satisfied !!!

Happy1111 **from** Earlysville **State** : VA

I had a generator problem with a potential bad weather warning in the next few days. Fortunately I found out about Charlottesville Generators. They responded to my call quickly, fixed my problem and left me with a smile on my face! Eric, my service technician was great. He was professional, very knowledgeable and took the time to answer every question I had. It's great to get service from a company that really wants me to be a satisfied customer. Needless to saythey passed with flying colors!



TOWN OF AMHERST

P.O. Box 280 174 S. Main Street Amherst, VA 24521
Phone (434)946-7885 Fax (434)946-2087

To: Jack Hobbs/Town Council
From: Tracie Wright
Date: February 27, 2017
Re: Cigarette Tax

On February 4, 2017 during the Council Work Session, desire to move forward with a proposed Cigarette/Tobacco Tax was expressed. At that time, I was asked to investigate the difference between the words Cigarette and Tobacco and research the possible revenue that such a tax may generate.

The Code of Virginia, Section 58.1-1021 does in fact mention a Tobacco Tax that includes loose leaf tobacco and snuff. However, in my error this is a tax controlled by the Virginia Department of Taxation on all "tobacco" distributed within the Commonwealth of Virginia and the revenue generated by this is used for the Virginia Health Care Fund.

Section 58.1-3830 of the Code of Virginia is where it is found that cities, towns and counties are authorized to levy taxes on the sale of cigarettes. Packs and cartons of cigarettes as well as "roll-your-own" (.09 ounces of "roll-your-own tobacco equals one individual cigarette) tobacco are the only items that this tax applies to in this section and any usage of the terms Cigarette or Tobacco interchangeably, are basically referring to the "Cigarette Tax."

The discussion around the proposed "Cigarette Tax," is not new and therefore, basic research, information and steps to take on implementation have been gathered previously and compiled in the August 2016 Town Council Agenda. In addition to what was included with that agenda I have contacted the three retailers that are located within Town limits to question the amount of cigarette sales they have per month. These three retailers include; Dollar General, Food Lion, and Quickee Food Store. I have been asked to keep individual sales amounts confidential. However, I was able to compile some figures based on the information I received to report an estimate on the amount of revenue that may be generated by the proposed tax and at different tax rates. The figures below are yearly projected revenue totals for the first year based on the current information I received. The revenue amounts listed below are the revenue totals after the \$.02 stamp cost per pack, therefore, \$.02 would have to be added to each revenue total to get the total cost of the implemented tax.

5 Cent Revenue	10 Cent Revenue	15 Cent Revenue	20 Cent Revenue	25 Cent Revenue
\$ 8,922.90	\$ 17,845.79	\$26,769.00	\$ 35,691.59	\$ 44,614.49

After the Council Work Session I was also given contact information for Jeff Smith III who represents cigarette wholesalers as a go to for helpful information. He was able to give me a simplified spreadsheet that list the tax imposed by the cities and towns that currently have a “cigarette tax” implemented as well as a couple of economic research papers I think would be very beneficial for you all to read in detail that could change the figures provided to you above.

To summarize the articles, it is found that cigarette tax implementation causes a “cross-border” effect. Meaning that if practical, residents will cross outside town or city borders to areas without taxes or with lower taxes. According to the *Mangum Economics* research this effect is more profound in smaller localities because it takes less time and effort to travel outside their home area to make purchases elsewhere. Although, we of course will generate new revenue due to initial implementation, both researches show that following the first year of implementation or tax increases, revenues actually begin to drop rather than generate the same or more revenue as hoped for. Not only does the “cross-border” effect put a hit on the projected cigarette tax revenue, but as mentioned in *The Beacon Hill Institute* research, cigarette consumers who drive to other areas for their cigarette purchases at a lower cost are also making their other purchases there as well, such as gas, beverages and thereby other areas of the local economy may suffer as a result.

To give you all the information that you have asked for, I have included the following. Please be aware some information may be a repeat from the August 2016 information provided by Jack:

1. Code referencing the Town’s ability to implement the Cigarette Tax.
2. Forms that were provided to us from the Town of Appomattox in order to gather information and begin implementation of the tax.
3. Appomattox Ordinance
4. Appomattox Public Hearing Advertisement
5. Tax rates throughout Virginia-Please be advised that this shows up several times throughout the compiled data, however, Jeff Smith advises not to go by any other repository but what was provided directly from him.
6. Research Study Papers

Staff Recommendation:

Based on the research information provided I would recommend that if Council were to agree on a cigarette tax at all that they begin by adopting a relatively low tax rate to start, rather than the mentioned \$.25 tax. This would help us evaluate the economic impact the tax will have on other revenue sources in the Town. As mentioned in the research articles, the Town of Amherst is a small locality with only three retailers within its limits and we are at risk for the cross-border effect.

Provisions from the Code of Virginia re local cigarette taxes

§ 58.1-3830. Local taxes not prohibited; use of dual die or stamp to evidence payment of both county, city, or town and state tax on cigarettes.

A. No provision of Chapter 10 (§ 58.1-1000 et seq.) of this title shall be construed to deprive counties, cities and towns of the right to levy taxes upon the sale or use of cigarettes, provided such county, city or town had such power prior to January 1, 1977. The governing body of any county, city or town which levies a cigarette tax and permits the use of meter impressions or stamps to evidence its payment may authorize an officer of the county, city or town or joint enforcement authority to enter into an arrangement with the Department of Taxation under which a tobacco wholesaler who so desires may use a dual die or stamp to evidence the payment of both the county, city, or town tax, and the state tax, and the Department is hereby authorized to enter into such an arrangement. The procedure under such an arrangement shall be such as may be agreed upon by and between the authorized county, city, town or joint enforcement authority officer and the Department.

B. Any county cigarette tax imposed shall not apply within the limits of any town located in such county where such town now, or hereafter, imposes a town cigarette tax. However, if the governing body of any such town shall provide that a county cigarette tax, as well as the town cigarette tax, shall apply within the limits of such town, then such cigarette tax may be imposed by the county within such town.

§ 58.1-3831. Tax in certain counties.

Fairfax and Arlington Counties shall have the power to levy tax upon the sale or use of cigarettes. Such tax shall be in such amount and on such terms as the governing body may by ordinances prescribe, not to exceed five cents per pack or the amount levied under state law, whichever is greater. The provisions of § 58.1-3830 shall apply to such counties, mutatis mutandis.

§ 58.1-3832. Local ordinances to administer and enforce local taxes on sale or use of cigarettes.

Any county, city or town having a tax upon the sale or use of cigarettes may by ordinance, provide for the administration and enforcement of any such cigarette tax. Such local ordinance may:

1. Provide for the registration of any distributor, wholesaler, vendor, retailer or other person selling, storing or possessing cigarettes within or transporting cigarettes within or into such taxing jurisdiction for sale or use. Such registration may be conditioned upon the filing of a bond with a surety company authorized to do business in Virginia as surety, which bond shall not exceed one and one-half times the average monthly liability of such taxpayer. The county, city or town may revoke registration if such bond is impaired, but for no other reason. Any such distributor, wholesaler, retailer or other person whose business and residence is outside the taxing jurisdiction, who shall sell, store or possess in the taxing jurisdiction therein any cigarettes shall, by virtue of such sale, storage or possession submit himself to its legal jurisdiction and appoint as his attorney for any service of lawful process such officer or person as may be designated in the local ordinance for that purpose. A copy of any such process served on the said officer or person shall be sent forthwith by registered mail to the distributor, wholesaler or retailer.

2. Provide for the use of a tax stamp or meter impression as evidence of payment of the tax or other method or system of reporting payment and collection of such tax. Any local tax stamp or meter impression required to be used to evidence payment of the tax shall be of the same stamp technology that is used or required by the Commonwealth for the state cigarette tax stamp pursuant to Chapter 10 (§ 58.1-1000 et seq.).

3. Provide that tobacco products found in quantities of more than six cartons within the taxing jurisdiction shall be conclusively presumed for sale or use within the jurisdiction and may be seized and confiscated if:

a. They are in transit, and are not accompanied by a bill of lading or other document indicating the true name and address of the consignor or seller and of the consignee or purchaser, and the brands and quantity of cigarettes so transported, or are in transit and accompanied by a bill of lading or other document which is false or fraudulent, in whole or in part; or

b. They are in transit and are accompanied by a bill of lading or other document indicating:

(1) A consignee or purchaser in another state or the District of Columbia who is not authorized by the law of such other jurisdiction to receive or possess such tobacco products on which the taxes imposed by such other jurisdiction have not been paid, unless the tax of the state or District of destination has been paid and the said products bear the tax stamps of that state or District; or

(2) A consignee or purchaser in the Commonwealth of Virginia but outside the taxing jurisdiction who does not possess a Virginia sales and use tax certificate, a Virginia retail cigarette license and, where applicable, both a business license and retail cigarette license issued by the local jurisdiction of destination; or

c. They are not in transit and the tax has not been paid, nor have approved arrangements for payment been made, provided that this subparagraph shall not apply to cigarettes in the possession of distributors or public warehouses which have filed



TOWN OF APPOMATTOX
210 Linden Street
P O Box 705
Appomattox, VA 24522
(434) 352-8268 FAX (434) 352-2126

CIGARETTE DISTRIBUTORS

Retailer's Name: _____

Business Address: _____

The names and address of my cigarette distributors are as follows: (Please PRINT or TYPE)

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Individual completing this form:

Signature

Date

Printed Name



TOWN OF APPOMATTOX
 210 Linden Street
 P O Box 705
 Appomattox, VA 24522
 (434) 352-8268 FAX (434) 352-2126

CIGARETTE TAX STAMPS ORDER FORM

Applicant: _____

Mailing Address: _____

Federal Tax Identification Number: _____

The name of the store you are purchasing for: _____

Signature: _____

The above named applicant hereby applies to Stacey H. Wilkes, Treasurer for the following number of rolls of Cigarette Tax Stamps:

No. Rolls _____ x 15,000/roll = _____ heat applied stamps

(.25 each stamp) = \$ _____

No. Stamps _____ x .25/self adhesive stamp \$ _____

Total Stamps purchased _____ Total tax Amount = \$ _____

Add Mailing fee \$5.00/roll and/or \$1.00/sheet \$ _____

Total Amount Due \$ _____

*******Make check payable to the Town of Appomattox*******

Please indicate your FedEx account # if you want delivery by FedEx _____

OFFICE USE ONLY

Approved by Stacey H. Wilkes

Signature _____ Date _____

Beginning Serial Numbers _____ Ending Serial Numbers _____

Date Payment Received _____ Amount Received _____

Date Picked Up _____ or Date Mailed _____

Signature _____

(Authorized Representative of Company to Pick-up Stamps)



TOWN OF APPOMATTOX
210 Linden Street
P O Box 705
Appomattox, VA 24522
(434) 352-8268 FAX (434) 352-2126

CIGARETTE TAX STAMPS REFUND FORM

Applicant: _____

Mailing Address: _____

I hereby certify, under penalty of perjury, that the information listed on this form is true and correct, to the best of my knowledge.

Signature: _____

The above named applicant hereby applies to Stacey H. Wiles, Treasurer for a credit/refund of the following number of cigarette tax stamps.

Number of FULL sheets _____ x \$25.00 / sheet = \$ _____
Total Tax Refund \$ _____

Reason for Refund: _____

Mutilated/Destroyed Stamps: (No refund checks under \$5.00 you may request a credit on next purchase)

No. of Stamps: _____ @ \$ 0.25 each = \$ _____
Total Tax Refund \$ _____

Reason for Refund: _____

Please specify: Refund check _____ OR Credit on next purchase _____

OFFICE USE ONLY

Approved by Stacey H. Wilkes, Treasurer

Signature

Date

P. O. BOX 705
210 LINDEN STREET
APPOMATTOX, VA 24522

PHONE: (434) 352-8268
FAX: (434) 352-2126
www.townofappomattox.com

Town of Appomattox



MAYOR
PAUL D. HARVEY

COUNCIL MEMBERS:
STEVEN T. CONNER
TIMOTHY W. GARRETT
N. H. (JIMMY) MAYBERRY
C. LEWIS MCDEARMON, JR.
CLAUDIA G. PUCKETTE
MARY LOU SPIGGLE

CLERK OF COUNCIL
ROXANNE W. PAULETTE, CMC

September 23, 2014

Dear Sir or Madam:

The Town of Appomattox adopted a Cigarette Tax ordinance that will become effective on October 1, 2014. The Town of Appomattox received the Cigarette Stamps on Friday, September 19, 2014 and they are now on sale to wholesalers and retailers that sell cigarettes in the town limits. Attached to this memo are the forms to be completed and returned to me and a copy of the ordinance for your review.

If you have any questions, please feel free to call or email me at swilkes@appomattoxva.gov.

Sincerely,

Stacey H. Wilkes
Treasurer



TOWN OF APPOMATTOX
 210 Linden Street
 P O Box 705
 Appomattox, VA 24522
 (434) 352-8268 FAX (434) 352-2126

**MONTHLY CIGARETTE TAX
 DISTRIBUTION ACCOUNTING FORM**

APPLICANT: _____

MAILING ADDRESS: _____

FEDERAL TAX IDENTIFICATION NUMBER: _____

CIGARETTE TAX LICENSE NUMBER: _____

FOR THE PERIOD OF _____ ENDING _____

1. Quantity of cigarette packages sold/delivered in Appomattox _____
2. Quantity of Stamps on hand, affixed. _____
3. Quantity of Stamps on hand, un-affixed. _____

List each Dealer/retailer or seller, within the corporate limits of the Town of Appomattox to whom cigarettes were sold and quantity sold. If additional space is required, please use a separate sheet of paper.

NAME	QUANTITY

This form must be completed and mailed to the Treasurer no later than the 20th day of the month following the reporting period.



TOWN OF APPOMATTOX
210 Linden Street
P O Box 705
Appomattox, VA 24522
(434) 352-8268 FAX (434) 352-2126

RETAIL ADDITIONS & DELETIONS FORM

WHOLESALE INFORMATION

TRADE NAME: _____

BUSINESS LOCATION: _____

MAILING ADDRESS: _____

ADD THE FOLLOWING RETAILERS

TRADE NAME: _____

BUSINESS LOCATION: _____

MAILING ADDRESS: _____

TRADE NAME: _____

BUSINESS LOCATION: _____

MAILING ADDRESS: _____

DELETE THE FOLLOWING RETAILERS

TRADE NAME: _____

BUSINESS LOCATION: _____

MAILING ADDRESS: _____

TRADE NAME: _____

BUSINESS LOCATION: _____

MAILING ADDRESS: _____

Town of Appomattox, VA
Wednesday, October 21, 2015

Chapter 175. Taxation

Article VI. Cigarette Tax

[Adopted 6-9-2014^[1]]

[1] *Editor's Note: This ordinance provided an effective date of 10-1-2014.*

§ 175-32. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

AGENT

Every local dealer and other person who shall be authorized by the Town Treasurer to purchase and affix stamps to packages of cigarettes under the provisions of this article.

DEALER

Every manufacturer, jobber, wholesale dealer or other person who supplies a seller with cigarettes.

PACKAGE

Every package, box can or other container of any cigarettes to which the Internal Revenue stamp of the United States government is required to be affixed by and under federal statutes and regulations and in which retail sales of such cigarettes are normally made or intended to be made.

SALE

Every act or transaction, irrespective of the method or means employed, including the use of vending machines and other mechanical devices, whereby title to any cigarettes shall be transferred from the seller, as defined in this section, to any other person within the Town.

SELLER

Every person engaged in the business of selling cigarettes whose transfer title or in whose place of business title to any such cigarettes is transferred within the Town for any purpose other than resale.

STAMP

The small gummed piece of paper or decalcomania to be sold by the Town Treasurer and to be affixed by the agent to every package of cigarettes; it shall also denote any insignia or symbol printed by a meter machine upon any such package under authorization of the Town Treasurer.

TREASURER

The Town Treasurer and every person duly authorized by him to serve as his representative.

§ 175-33. Tax levied; amount.

There is hereby levied and imposed by the Town, in addition to any other taxes which may be or have been imposed, a tax to be paid and collected as provided in this article on each and every sale of cigarettes made in the Town. The tax is to be paid by the seller, local dealer or other agent by affixing a stamp, or causing a stamp to be affixed, to every package of cigarettes, in the kind and manner required in this article and at the applicable rates as follows: The rate or amount of tax levied or imposed on cigarettes shall be at the rate of \$0.27 for each 20 cigarettes or fractional part thereof.

§ 175-34. Preparation and sale of stamps; duties of Treasurer.

- A. The Town Treasurer shall acquire, keep and sell necessary stamps to local dealers and other agents, the stamps to be of such denominations and quantities as may be necessary for the payment of the tax imposed in this article.
- B. In the sale of such stamps to a local dealer or other agent, the Treasurer shall allow a discount of \$0.02 per stamp of the face value thereof to cover the cost which will be incurred by such dealer or agent in affixing the stamps to packages of cigarettes.
- C. The Town Treasurer may, from time to time and as often as he deems advisable, provide for the issuance and exclusive use of stamps of a new design and forbid the use of stamps of any other design. The Treasurer is empowered to make and carry into effect such reasonable rules and regulations relating to the preparation, furnishing, sale and redemption of stamps as he may deem necessary. In redeeming stamps or making refunds for destroyed stamps, he shall not in any case refund more than 90% of the face value of such redeemed or destroyed stamps. He is further authorized and empowered to prescribe the method to be employed, the conditions to be observed, and any other necessary requirements not contrary to this article in the use of meter machines for printing upon packages of cigarettes an insignia to represent the payment of the tax and in lieu of stamps.
- D. In addition to powers granted in Subsections A through C of this section, the Town Treasurer is further authorized and empowered to:
 - (1) Prescribe, adopt, promulgate and enforce rules and regulations relating to the method and means to be used in the cancellation of stamps;
 - (2) Delegate his powers to agents or others, including the police officers of the Town;
 - (3) Act in any other matters pertaining to the administration and enforcement of the provisions of this article.

§ 175-35. Inspections.

The Town Treasurer, or his duly authorized agent, is empowered to examine books, records, invoices and papers related to purchases, sales, etc., of cigarettes, and to examine all cigarettes in and upon any premises where cigarettes are placed, sold, stored, offered for sale or displayed for sale by a seller.

§ 175-36. Seizure and disposition of untaxed cigarettes.

- A. If the Town Treasurer or his agent discovers any cigarettes subject to the tax imposed under this article, but upon which such tax has not been paid and upon which stamps have not been affixed or evidence of payment is not shown thereon by printed markings of a meter machine in compliance with the provisions of this article, then the Treasurer or duly authorized agents or officers, any of them, may seize and take possession forthwith of such cigarettes, which shall thereupon be deemed to be forfeited to the Town. Such cigarettes may, within a reasonable time thereafter, and after written notice is posted at the front door of the municipal building at least five days before the date given therein for sale, shall sell such cigarettes in the place designated in such notice.
- B. Any property, other than motor vehicles, used in the furtherance of any illegal evasion of the tax may be seized, confiscated and disposed of as provided in Subsection A of this section. No credit from any sale or other disposition shall be allowed toward any tax or penalties owed.
- C. The seizure and sale of any property shall not be deemed to relieve any of the persons of any other penalties provided in this article.

§ 175-37. Obligation of dealers and agents regarding stamps.

- A. Every local dealer in cigarettes and every agent appointed under this section shall purchase necessary stamps from the Town Treasurer to pay the tax imposed under this article and shall affix or cause to be affixed a stamp of the monetary value provided by this article to each package of cigarettes prior to delivering or furnishing such cigarettes to any seller who is not also an agent.
- B. Nothing contained in this section shall be deemed to preclude any dealer from authorizing and employing any agent to purchase and affix such stamps in his behalf or to have a stamp meter machine used in lieu of stamps to effectuate the provisions of this article.
- C. Stamps or printed markings of a meter machine shall be placed upon each package of cigarettes in such a manner as to be readily visible to the purchaser.
- D. It shall be the responsibility of every seller to determine that each package of cigarettes offered for sale shall have a proper stamp affixed thereto in compliance with the provision of this article.
- E. If inspection by the agents of the Town discloses unstamped or improperly stamped packages of cigarettes, the seller, when such cigarettes were obtained from a local dealer, shall immediately notify such dealer, and upon such notification, such dealer shall forthwith either affix to the unstamped or improperly stamped package, container or item the proper amount of stamps or he shall replace such package, container or item with others to which stamps have been properly affixed. If a seller, who is not also an agent, acquires or has in his possession unstamped or improperly stamped cigarettes, the seller shall forthwith notify the Treasurer of such fact. The Treasurer shall thereupon affix or cause to be affixed the proper stamps to such cigarettes. The cost of such stamps at face value shall be advanced by such seller.
- F. The Treasurer, by proper rules and regulations, may require every local dealer, agent or seller to cancel stamps upon all packages of cigarettes in his possession.
- G. Every local dealer and seller shall maintain and keep for a period of at least two years such records of cigarettes received and sold by him as may be required by the Treasurer; such records shall be made available for examination in the Town by the Treasurer upon demand, and the means, facilities and opportunities for making any such examination shall be made available at all reasonable times.

§ 175-38. Presumptions based on quantity.

Cigarettes found in quantities of more than six cartons within the Town shall be conclusively presumed for sale therein and may be seized and confiscated if:

- A. They are in transit and are not accompanied by a bill of lading or other document indicating the true name and address of the consignor or seller and of the consignee or purchaser, and the brands and quantity of cigarettes so transported, or they are in transit and accompanied by a bill of lading or other document which is false or fraudulent, in whole in part;
- B. They are in transit and are accompanied by a bill of lading or other document indicating:
 - (1) A consignee or purchaser in another state or the District of Columbia who is not authorized by the law of such other jurisdiction to receive or possess such cigarettes on which the taxes imposed by such other jurisdiction have not been paid, unless the tax of the state or district of destination has been paid and the products bear the tax stamps of that state or district; or
 - (2) A consignee or purchaser in the commonwealth but outside the Town who does not possess a state sales and use tax certificate, a state retail cigarettes license and, where applicable, both a business license and retail cigarettes license issued by the local jurisdiction of destination; or
- C. They are not in transit and the tax has not been paid, nor have approved arrangements for payment been made, provided that this subsection shall not apply to cigarettes in the possession of distributors or public warehouses which have filed notice and appropriate proof with the Town that those cigarettes are temporarily within the Town and will be sent to consignees or purchasers outside the jurisdiction in the normal course of business.

§ 175-39. Presumption based upon stamps or markings.

If any package of cigarettes is found in the possession of a seller without proper stamps or authorized printed markings thereon, and the seller is unable to submit evidence establishing that he received such packages, containers or items within the immediately preceding 48 hours, and that he has not offered the same for sale, then it shall be presumed that such packages, containers, or items are being kept in violation of the provisions of this article, and the seller shall be subject to the tax and a penalty in the amount of 50% thereof, even though such seller is also an agent.

§ 175-40. Disposition of revenue.

Revenue derived from the tax imposed in this article shall be deposited by the Town Treasurer to the credit of the general fund of the Town for utilization for such legal purposes as the Council of the Town may from time to time determine.

§ 175-41. Illegal acts.

It shall be unlawful and a violation of this article for any dealer or other person liable for the tax to:

- A. Perform any act or fail to perform any act for the purpose of evading the payment of any tax imposed by this article or of any part thereof, or to fail or refuse to perform any of the duties imposed under him under the provisions of this article or to fail or refuse to obey any lawful order which may be issued under this article;

- B. Falsely or fraudulently make, or cause to be made, any invoices or reports, or to falsely or fraudulently forge, alter or counterfeit any stamp, or to procure or cause to be made, forged, altered or counterfeited any such stamp or knowingly and willfully to alter, publish, pass or tender as true any false, altered, forged or counterfeited stamp or stamps;
- C. Sell, offer for sale or authorize or approve the sale of any cigarettes upon which the Town stamp has not been affixed;
- D. Possess, store, use, authorize or approve the possession, storage or use of any cigarettes in quantities of more than 60 cigarettes upon which the Town stamp has not been affixed;
- E. Transport, authorize or approve the transportation of any cigarettes in quantities of more than 60 packages into or within the Town upon which the Town stamp has not been affixed, if they are:
 - (1) Not accompanied by a bill of lading or other document indicating the true name and address of the consignor or seller and the consignee or purchaser and the brands and quantity of cigarettes transported;
 - (2) Accompanied by a bill of lading or other document which is false or fraudulent in whole or part; or
 - (3) Accompanied by a bill of lading or other document indicating:
 - (a) A consignee or purchaser in another state or District of Columbia who is not authorized by the law of such other jurisdiction to receive or possess such tobacco products on which the taxes imposed by such other jurisdiction have not been paid unless the tax on the jurisdiction of destination has been paid and such cigarettes bear the tax stamps of the jurisdiction; or
 - (b) A consignee or purchaser in the state but outside the taxing jurisdiction who does not possess a state sales and use tax certification, a state retail tobacco license and, where applicable, a business license and a retail tobacco license issued by the local jurisdiction of destination;
- F. Reuse or refill with cigarettes any package from which cigarettes have been removed, for which the tax imposed has been theretofore paid; or
- G. Remove from any package any stamp with intent to use or cause the package to be used after such package has already been used or to buy, sell or offer for sale or give away any used, removed, altered or restored stamps to any person, or to reuse any stamp which had therefore been used for evidence of the payment of any tax prescribed by this article or to sell, or offer to sell, any stamp provided for in this article.

§ 175-42. Violations and penalties

Any persons violating any of the provisions of this article shall be guilty of a Class 1 misdemeanor. Any fine and/or imprisonment pursuant to conviction of a Class 1 misdemeanor shall not relieve any such person from the payment of any tax, penalty or interest imposed by this article.

§ 175-43. Each violation a separate offense.

The sale of any quantity or the use, possession, storage or transportation of more than 60 packages of cigarettes upon which the Town stamp has not been affixed shall be and constitutes a separate violation. Each continuing day of violation shall be deemed to constitute a separate offense.

§ 175-44. through § 175-50. (Reserved)

PUBLIC HEARING NOTICE
TOWN OF APPOMATTOX
CIGARETTE TAX ORDINANCE

The Appomattox Town Council will hold a public hearing on Tuesday, May 27, 2014 at 7:00 p.m. in the Council Chambers of the Appomattox Municipal Building located at 210 Linden Street, Appomattox, Virginia.

The purpose of this public hearing will be to receive public comments concerning adoption by the Town Council of:

1. To amend Chapter 175 by adding a new article, entitled Article VI which provides for a Cigarette Tax. The proposed ordinance would be levied and imposed by the town, in addition to any other taxes which may be or have been imposed, a tax to be paid and collected as provided in this article on each and every sale of cigarettes made in the town. The tax is to be paid by the seller, local dealer or other agent by affixing a stamp, or causing a stamp to be affixed to every pages of cigarettes, in the kind and manner required in this article and at the applicable rates as follows: The rate or amount of tax levied or imposed on cigarettes shall be at the rate of twenty-seven cents (\$.27) for each twenty (20) cigarettes or fractional part thereof.

A complete copy of the proposed ordinance is available at the Appomattox Town Office, 210 Linden Street, Appomattox, Virginia or by calling Roxanne W. Casto, Clerk of Council at 434-352-8268.

Local Cigarette Taxing Jurisdictions - Provided by Jeff Smith
VIRGINIA

CITIES/TOWNS	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack
Abingdon	25	10	10	10	10	10	10	
Alexandria	126	115	115	100	80	80	80	80
Altavista	27							
Appalachia	20	20	20			5	5	5
Appomattox	27	27	27	0	0	0	0	0
Ashland	22	22	22	22	19	19	19	19
Bedford City	30	30	30	30	30	30	30	30
Berreyville	10	10	10	0	0	0	0	0
Big Stone Gap	10	10	5	5	5	5	5	5
Blacksburg	30	30	30	30	30	30	30	30
Blackstone	22	22	22	22	22	22	22	22
Bluefield	10	10	10	10	10	10	6	6
Bridgewater	10	10	10	10	0	0	0	0
Bristol	17	14	11	4	4	4	4	4
Broadway	20	20	10	10	10	0	0	0
Charlottesville	55	55	55	35	35	35	35	35
Chesapeake	50	50	50	50	50	50	50	50
Chilhowie	8	8	8	6	6	6	6	6
Christiansburg	40	40	40	40	40	40	40	40
Claremont	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Clincho	5	5	5	5	5	5	5	
Clifton	30	30	30	30	30	30	30	30
Clifton Forge	4	4	4	20	20	20	20	
Clintwood	10	10	10	10	5	5	5	
Coeburn	15	15	15	15	15	15	15	5
Colonial Beach	30	30	30	30	25	25	25	
Covington	30	30	30	30	30	30	30	20
Culpeper	10	10	10	10	10	10	10	10
Damascus	10	10	10	10	10	10	10	10
Dumfries	55	55	55	60	60	60	60	60
Eastville	30	30	0	0	0	0	0	0
Elkton	20	20	20	20	20	10	10	0
Fairfax City	85	85	85	85	85	85	85	75
Falls Church	85	75	75	75	75	75	75	75
Farmville	27	27	27	27	0	0	0	0
Franklin City	60	60	60	60	60	50	50	50

Local Cigarette Taxing Jurisdictions

VIRGINIA

CITIES/TOWNS	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack
Fredericksburg	31	31	31	31	31	31	31	31
Glen Lyn	10	10	10	10	0	0	0	0
Gordonsville	15	10	10	10	10	10	10	10
Grottoes	20	20	20	15	10	0	0	0
Grundy	5	5	5	5	5	5	5	5
Hampton	85	85	80	80	80	75	65	65
Harrisonburg	30	30	30	30	30	30	30	30
Haymarket	75	75	75	50	50	50	30	30
Haysi	20	20	20	20	5	5	5	5
Herndon	75	75	75	75	75	75	75	50
Hillsboro	5	5	5	5	5	5	5	5
Honaker	10	10	10	10	10	5	5	5
Iron Gate	20	20	20	10	10	10		
Kilmarnock	30	30	30	30	30	30	30	30
Leesburg	75	75	75	75	75	75	75	50
Lovettsville	40	40	40	40	40	40	40	40
Luray	15	15	15	15	15	15	15	
Lynchburg	35	35	35	35	35	35	35	35
Manassas	65	65	65	65	65	65	50	50
Manassas Park	65	65	50	50	50	50	50	50
Marion	12	12	12	12	12	12	12	12
Martinsville	20	20	20	20	20	20	20	20
Middleburg	55	55	55	55	55	55	55	55
Middletown	25	25	25	25	25	25	25	25
Mt. Jackson	45	45	40	40	40	35	30	25
New Market	20	20	20	15	15	10	10	
Newport News	85	85	85	85	85	75	65	65
Norfolk	85	80	80	75	75	75	75	75
Norton	25	25	15	15	15	15	15	
Orange	12	12	12	12	12	12	12	12
Pearisburg	10							
Petersburg	10	10	10	10	10	10	10	10
Poquoson City	20	20	20	20	20	10	10	10
Portsmouth	90	90	90	60	60	60	60	60
Pound	10	10	10	10	10	10	10	5
Pulaski	25	25	25	25	25	25	25	25

Local Cigarette Taxing Jurisdictions
VIRGINIA

CITIES/TOWNS	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack
Purcellville	65	65	65	65	65	65	50	50
Radford	15	15	15	15	15	15	15	15
Rich Creek	10	10	5	0	0	0	0	0
Roanoke	54	54	54	54	54	54	54	54
Rocky Mount	10	10	10	10	10	10	0	0
Roundhill	20	20	20	15	15	15	0	0
Salem	45	45	45	45	15	15	15	15
Saltville	10	10	10	10	5	5	5	5
Scottsville	35	35	35	35	10	10	10	10
Shenandoah	20	20	10	10	10	10	10	0
Smithfield	35	35	35	25	25	25	25	25
St. Paul	5	5	5	5	5	5	5	5
Stanley	20	20	20	20	20	15	15	15
Staunton	30	30	30	15	15	15	15	15
Stephens City	25	25	25	25	25	25	25	25
Strasburg	25	25	25	25	25	25	25	25
Stuart	10	10	10	10	10	10	10	10
Suffolk	75	75	50	50	50	50	50	50
Tappahannock	15	15	15	15	15	15	15	15
Tazewell	10	10	10	6	3	3	3	3
Timberville	20	20	15	10	10	10	10	10
Vienna	75	75	75	75	75	75	75	75
Vinton	25	25	25	25	20	20	20	20
VA Beach	75	75	70	70	65	65	65	61
Warrenton	15	15	15	15	15	15	15	15
Warsaw	25	25	25	25	25	25	25	25
Waynesboro	20	20	20	20	20	20	20	20
White Stone	15	15	15	15	15	15	0	0
Williamsburg	30	30	30	30	30	25	25	25
Winchester	35	35	35	25	25	25	25	10
Windsor	25	25	25	25	25	25	25	25
Wise	10	10	10	10	10	5	5	5
Woodstock	25	25	25	25	25	10	10	10
Wytheville	15	15	15	15	15	9	9	9

Local Cigarette Taxing Jurisdictions
VIRGINIA

	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
CITIES/TOWNS	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack	RATE cents per pack
COUNTIES								
Arlington	30	30	30	30	30	30	30	30
Fairfax	30	30	30	30	30	30	30	30

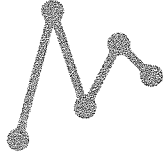
Updated 7/7/2016

The Effect of Local Cigarette Taxes on Local Tobacco Tax Revenue in Virginia



March 2016

Report prepared by



MANGUM
economics



Dr. Mangum earned his Ph.D. in economics at George Mason University in 1995. He has more than two decades of experience in quantitative analysis and policy development at the federal and state level.

Mangum Economic Consulting, LLC is a Richmond, Virginia based firm that specializes in producing objective economic, quantitative, and qualitative analysis in support of strategic decision making. Examples of typical studies include:

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Introduction

This report assess how changes in the local cigarette taxes imposed by some Virginia cities, towns, and two counties affect local tax revenue over time. The remainder of the report is divided into three sections. In “The Issue” section, we discuss the recent proliferation of local cigarette taxes in Virginia, the likely cause of that proliferation, and how it creates a competitive dynamic between Virginia localities that is not unlike the cross-border dynamic that exists between states. In the “Literature Review” section, we provide some context for our analysis by briefly reviewing the existing empirical literature on the effect of cigarette taxes on the cross-border sales of cigarettes between states. In the “Empirical Analysis” section we employ data on local cigarette taxes and local tobacco tax revenue in Virginia localities over the period from fiscal year 2010 to fiscal year 2015 to quantify the effect that local tax increases have on local revenue over time. Finally, in the “Conclusion” section we provide a brief summary of our findings.

The Issue

Pursuant to sections 58.1-3830 and 58.1-3831 of the Code of Virginia, all cities and towns in Virginia and the counties of Arlington and Fairfax are permitted to impose a local tax on the sale and use of cigarettes in addition to the tax that the state of Virginia imposes on the sale and use of cigarettes. Other than Arlington and Fairfax, no other Virginia counties are permitted to impose this tax. According to data from the Virginia Wholesale Distributors Association and the Virginia Auditor of Public Accounts, between 2010 and 2015 the number of localities that actually chose to levy a tax on the sale and use of cigarettes grew from 80 to 106 – a one-third increase in just five years.

In all likelihood, this rapid escalation in the number of taxing jurisdictions was driven at least in part by the changing fiscal fortunes that localities experienced over this period as a result of the Great Recession. In 2007, the last full fiscal year before the start of the recession, Virginia cities and towns experienced an aggregate 7.0 percent year-over-year increase in total local revenue. In contrast, by 2010 that figure had collapsed to a minus 3.1 percent year-over-year decline in total local revenue.¹ Much of this decrease was driven by reductions in real property tax revenue, the primary revenue source for most localities, and a revenue source that was severely impacted by the housing market collapse that precipitated the Great Recession. As a result of this decline, many localities began to search for alternative revenue sources, and local cigarette taxes provided one such alternative.

¹ *Data Source:* Virginia Auditor of Public Accounts.

It is important to realize, however, that this proliferation of local taxes on the sale and use of cigarettes creates a situation that is not unlike the cross-border differences in cigarette taxes that exist between states. Just as an individual who lives on the border between Virginia and Maryland has an option of purchasing cigarettes in Maryland where the state tax on cigarettes is \$2.00 a pack or in Virginia where the state tax is \$0.30 a pack,² an individual within Virginia who lives, for example in the City of Franklin, has the option to purchase cigarettes in Franklin where the local tax on cigarettes is \$0.60 a pack or in surrounding Southampton County where there is no local tax on cigarettes.³

In both cases, the cross-border differences in cigarette taxes, and therefore in the price of a pack of cigarettes, can alter the geographic purchasing preferences of cigarette buyers, particularly over time. However, the competitive pressure exerted by these cross-border price differences is likely to be much higher within a state, as opposed to between states, because within a state cigarette consumers generally have ready access to nearby competitive alternatives. All else equal, this should have the same effect on localities that it does on any other participant in a competitive market. Which is to say that competition will place downward pressure on the profit (*i.e.*, tax revenue) that can be generated through any price increase (*i.e.*, tax increase).

Literature Review

As demonstrated by Orzechowski and Walker, since the 1970s many states have significantly increased their cigarette taxes and this has effectively created significant price differentials across states.⁴ As a result, most, if not all, of the empirical analysis that has been done to date on the effect of cigarette taxes on the cross-border sales of cigarettes has focused on the movement of cigarette purchases across state borders, as opposed to across the borders of localities within a state.

One of the more comprehensive of those studies was by Lovenheim, and was published in 2008.⁵ That analysis used data from the Census Bureau on tobacco consumption to empirically quantify the effect that higher state cigarette taxes have on smoking behavior. What Lovenheim found was that, although higher taxes appear to have little effect on tobacco consumption, they do have an effect on where people purchase their cigarettes, and that effect is much larger the closer they are to the border. According to Lovenheim, between 13 and 25

² *Data Source:* Tax Foundation.

³ *Data Source:* The Virginia Wholesale Distributors Association and Orzechowski & Walker.

⁴ Orzechowski, William, and Robert Walker. *The Tax Burden on Tobacco. Historical Compilation, Volume 49.* Arlington: Orzechowski and Walker, 2014. This report has been published annually since 1949. Since 1989, it has been produced by the consulting firm of Orzechowski & Walker.

⁵ Lovenheim, Michael F. "How Far to the Border: The Extent and Impact of Cross-Border Casual Cigarette Smuggling." *National Tax Journal* 61 No. 1 (March, 2008): 7-33.

percent of consumers purchase their cigarettes outside of their home state in a lower-priced state or Native American reservation. Based on that finding, he concluded that, “cigarette taxation may be a poor policy instrument with which to decrease smoking and increase home state tax revenues.”⁶ An earlier study by Stehr in 2005⁷ and a subsequent analysis by Connelly, Goel, and Ram in 2009,⁸ both of which also used national data, resulted in very similar findings.

Empirical Analysis

In this section, we turn our attention to Virginia specifically and use data on local cigarette taxes and local tobacco tax revenue to quantify the effect that local tax increases have on local revenue over time. This analysis employs two data sets. The first was provided by the Virginia Wholesale Distributors Association (VWDA) and details the per pack cigarette taxes levied by localities in Virginia in fiscal years 2010 through 2015. This data set includes tax information on the 106 Virginia localities that had elected to impose a cigarette tax as of 2015. The second is available from the Virginia Auditor of Public Accounts (APA) through their “Comparative Report of Local Government Revenues and Expenditures” and provides data on local revenue by source for fiscal years 2010 through 2015.

A comparison of the two data sets revealed that not all towns included in the VWDA data were represented in the APA data. Once those missing observations were excluded, we were left with 65 localities for which full tax rate and tobacco tax revenue data were available. The analysis that follows is based on the experience of those 65 localities. A complete list these localities, along with their cigarette tax rates and annual revenue from tobacco taxes is provided in the Appendix to this report.

Effect of Cigarette Tax Increase on Local Tobacco Tax Revenue

If we restrict our analysis to the period between fiscal years 2011 and 2014 (so that we are able to: 1) identify an increase in the local cigarette tax from the previous year, and 2) evaluate the effect that increase had on local revenue in both the year of passage and the following year), there were a total of 30 instances in which one of the 65 localities included in our analysis increased their cigarette tax. Figure 1 provides data on the average year-over-year change in tobacco tax revenue that each locality experienced in the year they increased their cigarette tax and in the year immediately following the increase, and benchmarks those changes against the average across all 65 localities included in the analysis.

⁶ Lovenheim, p.31.

⁷ Stehr, Mark. “Cigarette Tax Avoidance and Evasion.” *Journal of Health Economics* 24 (2005): 277-297.

⁸ Connelly, Richard T., Rajeev K. Goel, and Rati Ram. “Demand for Cigarettes in the United States: effects of prices in bordering states and contiguity with Mexico and Canada.” *Applied Economics* 41 (2009): 2255-2260.

What these data show is that the immediate effect of a cigarette tax increase on a locality is a substantial jump in local revenue from tobacco taxes. In the 26 instances in which a Virginia locality increased an existing cigarette tax between fiscal years 2011 and 2014 (four of the increases that occurred over this period involved the first-time imposition of a cigarette tax), the average year-over-year change in tobacco tax revenue in the year the tax was increased was 34.5 percent. Even after controlling for the 3.6 percent average increase in tobacco tax revenue that all the localities included in the analysis experienced in those years, this means that these localities experienced a year-over-year change in tobacco tax revenue that was 30.9 percent above the norm.

Importantly, however, in the year after the tax is increased this situation changes dramatically. As also shown in Figure 1, in the 30 instances in which localities increased their cigarette taxes over this period, the localities' average year-over-year change in tobacco tax revenue was minus 0.6 percent in the year after the tax was increased. This means that these localities experienced a year-over-year change in tobacco tax revenue that was not only negative, but 3.6 percent below the positive 3.0 percent average increase across all the localities included in the analysis in those years.

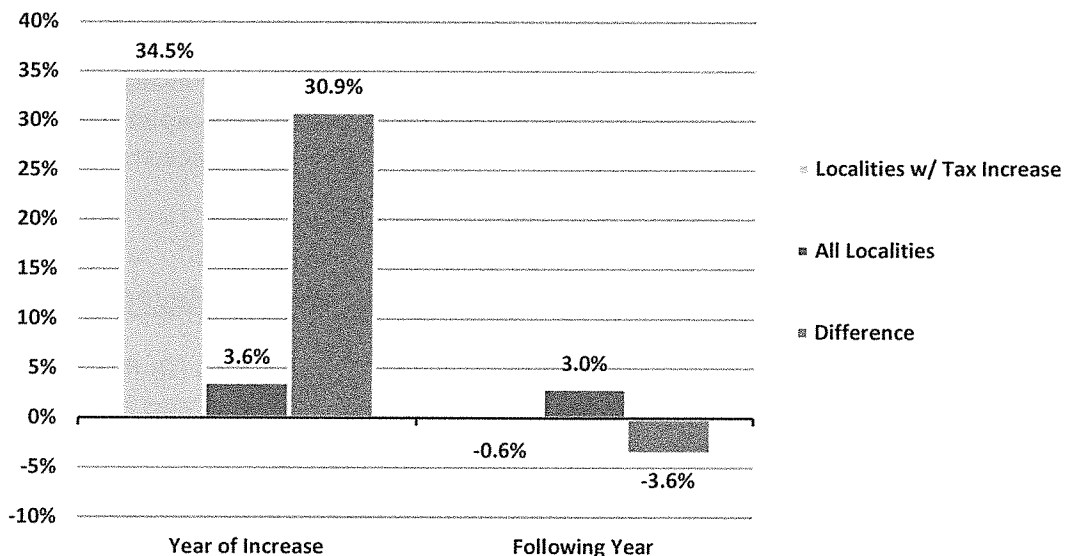


Figure 1: Average Year-over-Year Change in Tobacco Tax Revenue After Cigarette Tax Increase in Virginia Localities – FY 2011 through FY 2014

All else equal, these findings are consistent with the hypothesis that consumers shift their geographic purchasing preferences in the wake of a local cigarette tax increase and, as a result, the initial revenue windfall that localities receive from the increase quickly begins to decay.

Effect of Cigarette Tax Increase on Local Tobacco Tax Revenue – Controlling for Size of Locality

One of the factors that is likely to impact the effect that cigarette tax increases have on the geographic purchasing preferences of consumers, and therefore local tobacco tax revenue, is the size of the locality. Simply put, the larger the locality, the further a consumer is generally going to be from a bordering locality with a lower or non-existent local cigarette tax. As a result, smaller localities should experience a greater decay in tobacco tax revenue in the year following a cigarette tax increase than larger communities, because it is less expensive, in terms of time and effort, for cigarette consumers in smaller localities to shift their geographic purchasing preferences.

Figures 2 and 3 test this proposition by plotting locality size, in terms of population, against the year-over-year change in tobacco tax revenue that each locality experienced in the year they increased their cigarette tax (*see* Figure 2) and in the year immediately following the cigarette tax increase (*see* Figure 3). A linear trend line is superimposed over each plot to clarify the general relationship. What these data indicate is that cigarette consumers in smaller localities do indeed appear to be more “fleet of foot” than consumers in larger communities. As a result, smaller localities are more likely to experience larger swings in tobacco tax revenue after increasing their cigarette tax than larger localities.

As shown in Figure 2, in the 26 instances in which a Virginia locality increased an existing cigarette tax between fiscal years 2011 and 2014 (recall that four of the increases that occurred over this period involved the first-time imposition of a cigarette tax), smaller localities were generally more likely than larger localities to experience a large year-over-year increase in tobacco tax revenue in the year that the tax was imposed. However, as shown in Figure 3, that increase was also more likely to be short-lived, as in the year following the tax increase smaller localities were much more likely than larger localities to experience a large year-over-year decrease in tobacco tax revenue.

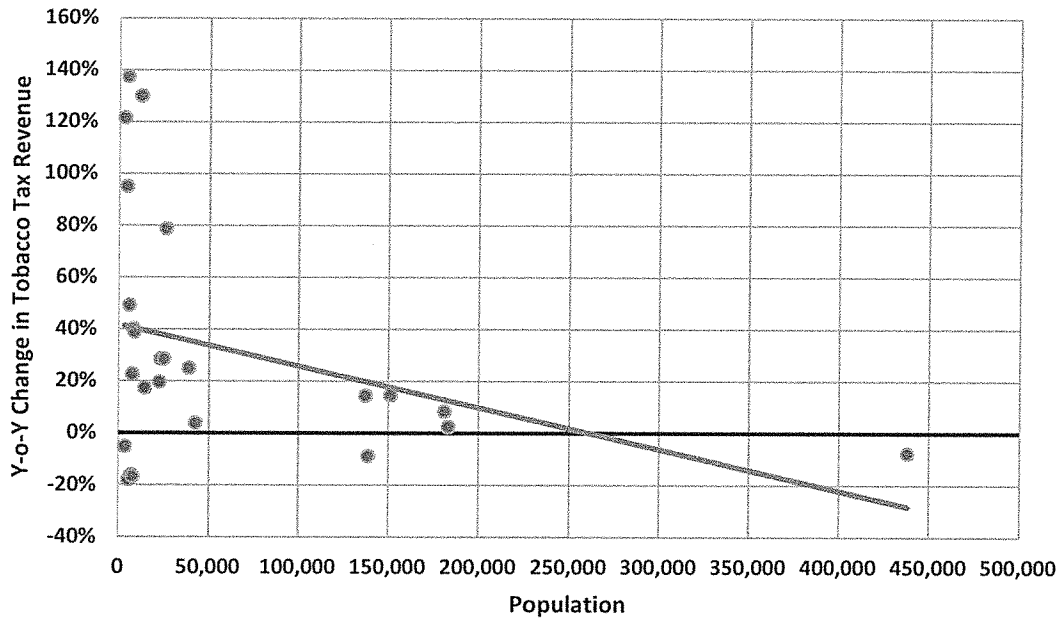


Figure 2: X-Y Plot of Year-over-Year Change in Local Tobacco Tax Revenue and Population – Year of Cigarette Tax Increase

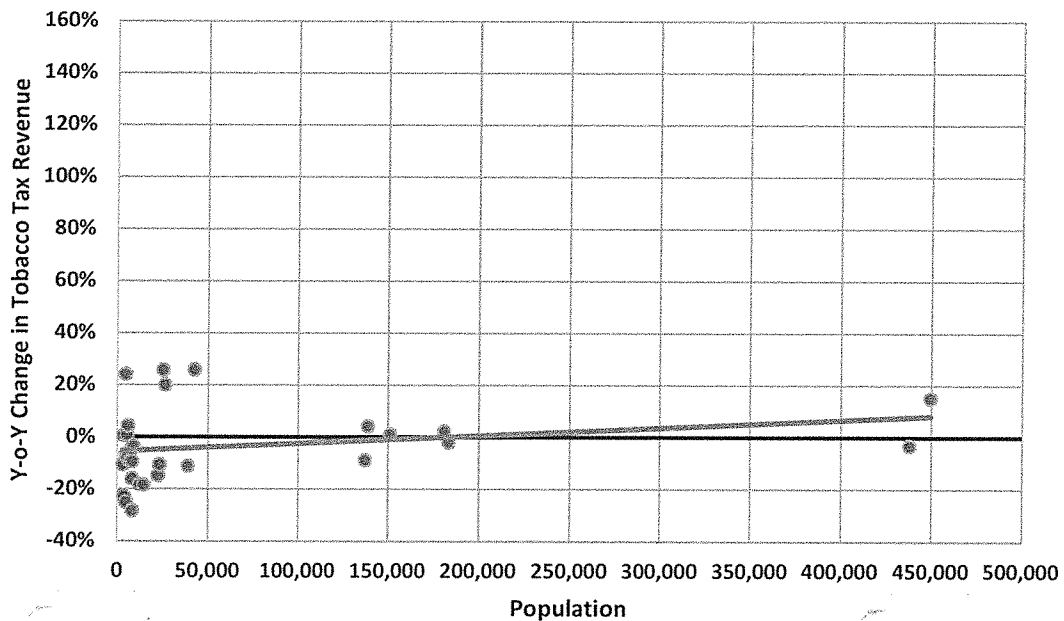


Figure 3: X-Y Plot of Year-over-Year Change in Local Tobacco Tax Revenue and Population – Year Following Cigarette Tax Increase

All else equal, these findings are consistent with the hypothesis that cigarette consumers in smaller localities generally have easier access to lower price options when the locality raises its cigarette tax, and this competitive environment limits the long term revenue gain that the locality experiences from the tax increase.

Revenue Conditions Preceding a Local Cigarette Tax Increase

Earlier in this report, we hypothesized that the rapid escalation in the number of Virginia localities that elected to institute or increase their cigarette tax over the period from fiscal year 2010 to fiscal year 2015 was in all likelihood driven, at least in part, by the fiscal stress that these localities experienced during the period as a result of the Great Recession. One way to test that hypothesis is to ascertain whether, in the year prior to instituting or increasing their cigarette tax, these localities were experiencing year-over-year changes in total revenue that were below the norm. Figure 4 presents the results of that analysis. As these data indicate, this was indeed the case. On average, those localities that elected to institute or increase their cigarette tax over the period experienced a year-over-year change in total local revenue that was 1.7 percent below the average across all localities included in the analysis in the year prior to making that tax change.

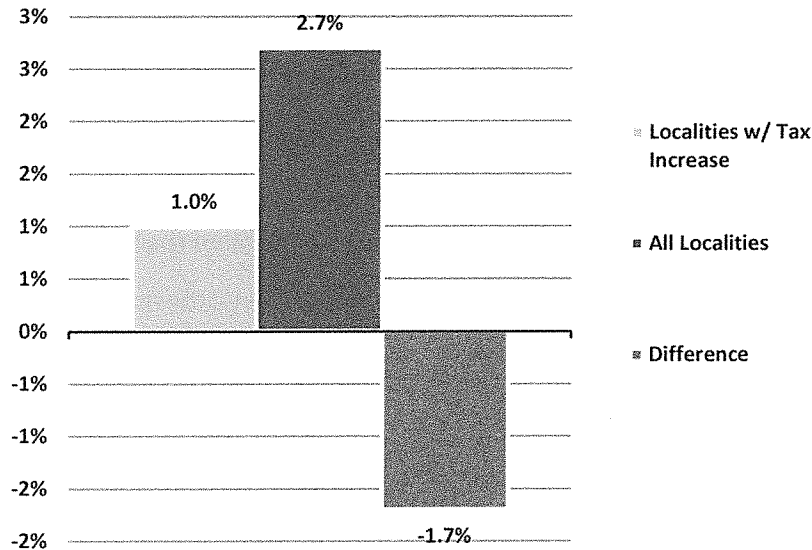


Figure 4: Average Year-over-Year Change in Total Local Tax Revenue in Year Prior to Cigarette Tax Increase in Virginia Localities – FY 2011 through FY 2014

Conclusion

This report has employed data on local cigarette taxes and local tobacco tax revenue in Virginia localities over the period from fiscal year 2010 through fiscal year 2015 to investigate how changes in local cigarette taxes affect local tax revenue over time.

The principal findings from that investigation are as follows:

- Between 2010 and 2015 the number of Virginia localities that levy a tax on the sale and use of cigarettes grew from 80 to 106 – a one-third increase in just five years.
- In all likelihood, that increase was driven at least in part by the fiscal stress these localities experienced when real estate tax revenue declined precipitously as a result of the housing market collapse that precipitated the Great Recession.
- This proliferation of local cigarette taxes created a situation that is not unlike the cross-border differences in cigarette taxes that exist between states. In both cases, cross-border differences in cigarette taxes, and therefore in the price of a pack of cigarettes, can shift the geographic purchasing preferences of cigarette buyers, particularly over time.
- Our empirical analysis of the experience of Virginia localities over the period shows that the immediate effect of a cigarette tax increase on a locality is typically a substantial jump in local revenue from tobacco taxes. Localities that increased an existing cigarette tax over this period experienced an average year-over-year change in tobacco tax revenue that was 30.9 percent above the norm across all localities in the year the tax was increased.
- However, that effect was short-lived. In the year after the cigarette tax was increased, these same localities experienced an average year-over-year change in tobacco tax revenue that was not only negative, but 3.6 percent below the norm across all localities.
- All else equal, these findings are consistent with the hypothesis that consumers shift their geographic purchasing preferences in the wake of a local cigarette tax increase and, as a result, the initial revenue windfall that localities receive from the increase quickly begins to decay.
- In addition, the data indicate that this decay in tobacco tax revenue occurs more rapidly in smaller localities. This finding is consistent with the hypothesis that cigarette consumers in smaller localities generally have easier access to lower price options when the locality raises its cigarette tax, and this competitive environment limits the long term revenue gain that the locality experiences from the tax increase.



In short, localities in Virginia that elect to institute or increase their cigarette tax face the same competitive forces that any market participant faces, and those competitive forces act to place downward pressure on the tax revenue that the locality can ultimately generate through the increased taxation of cigarettes.

Appendix

Table 1: Local Cigarette Taxes in Virginia (in cents per pack)⁹

CITIES/TOWNS	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Abingdon	10	10	10	10	10	10
Alexandria	80	80	80	80	100	115
Arlington (county)	30	30	30	30	30	30
Ashland	19	19	19	19	22	22
Bedford	30	30	30	30	30	30
Berreyville						10
Big Stone Gap	5	5	5	5	5	5
Blacksburg	30	30	30	30	30	30
Blackstone	22	22	22	22	22	22
Bluefield	6	6	10	10	10	10
Bridgewater				10	10	10
Bristol	4	4	4	4	4	11
Broadway				10	10	10
Charlottesville	35	35	35	35	35	55
Chesapeake	50	50	50	50	50	50
Christiansburg	40	40	40	40	40	40
Clifton Forge	20	20	20	20	20	4
Colonial Beach	25	25	25	25	30	30
Covington	20	30	30	30	30	30
Culpeper	10	10	10	10	10	10
Dumfries	60	60	60	60	60	55
Fairfax (county)	30	30	30	30	30	30
Fairfax	75	85	85	85	85	85
Falls Church	75	75	75	75	75	75
Farmville					27	27
Franklin City	50	50	50	60	60	60
Fredericksburg	31	31	31	31	31	31
Hampton	65	65	75	80	80	80
Harrisonburg	30	30	30	30	30	30
Herndon	50	75	75	75	75	75
Leesburg	50	75	75	75	75	75
Luray	15	15	15	15	15	15
Lynchburg	35	35	35	35	35	35

⁹ Data Source: The Virginia Wholesale Distributors Association and Orzechowski & Walker.



Table 1: Local Cigarette Taxes in Virginia (in cents per pack)⁹

CITIES/TOWNS	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Manassas	50	50	65	65	65	65
Manassas Park	50	50	50	50	50	50
Marion	12	12	12	12	12	12
Martinsville	20	20	20	20	20	20
Newport News	65	65	75	85	85	85
Norfolk	75	75	75	75	75	80
Norton	15	15	15	15	15	15
Orange	12	12	12	12	12	12
Petersburg	10	10	10	10	10	10
Poquoson	10	10	10	20	20	20
Portsmouth	60	60	60	60	60	90
Pulaski	25	25	25	25	25	25
Purcellville	50	50	65	65	65	65
Radford	15	15	15	15	15	15
Roanoke	54	54	54	54	54	54
Rocky Mount			10	10	10	10
Salem	15	15	15	15	45	45
Smithfield	25	25	25	25	25	35
Staunton	15	15	15	15	15	30
Strasburg	25	25	25	25	25	25
Suffolk	50	50	50	50	50	50
Tazewell	3	3	3	3	6	10
Vienna	75	75	75	75	75	75
Vinton	20	20	20	20	25	25
Virginia Beach	61	65	65	65	70	70
Warrenton	15	15	15	15	15	15
Waynesboro	20	20	20	20	20	20
Williamsburg	25	25	25	30	30	30
Winchester	10	25	25	25	25	35
Wise	5	5	5	10	10	10
Woodstock	10	10	10	25	25	25
Wytheville	9	9	9	15	15	15

Table 2: Local Tobacco Tax Revenue in Virginia¹⁰

CITIES/TOWNS	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Abingdon	\$113,511	\$113,770	\$111,753	\$105,023	\$91,786	\$100,875
Alexandria	\$2,910,382	\$2,777,052	\$2,674,157	\$2,567,249	\$2,927,125	\$3,020,469
Arlington (county)	\$2,916,153	\$2,928,355	\$3,124,297	\$3,109,150	\$2,901,925	\$2,503,439
Ashland	\$343,191	\$309,554	\$367,417	\$303,298	\$252,709	\$234,217
Bedford	\$136,620	\$173,880	\$140,760	\$136,620	\$322,181	\$302,220
Berreyville						\$28,373
Big Stone Gap	\$35,155	\$34,500	\$31,840	\$33,135	\$25,860	\$28,550
Blacksburg	\$300,256	\$294,576	\$254,854	\$259,031	\$237,397	\$217,958
Blackstone	\$83,393	\$68,393	\$124,251	\$117,033	\$116,424	\$90,552
Bluefield	\$173,552	\$238,858	\$205,781	\$220,730	\$210,231	\$178,920
Bridgewater				\$24,252	\$22,142	\$21,967
Bristol	\$187,064	\$176,058	\$170,956	\$154,988	\$140,382	\$346,317
Broadway				\$45,005	\$34,500	\$39,000
Charlottesville	\$614,725	\$634,572	\$640,588	\$672,397	\$674,571	\$802,021
Chesapeake	\$4,681,393	\$4,665,441	\$4,690,129	\$4,436,267	\$4,539,697	\$4,481,456
Christiansburg	\$743,249	\$721,820	\$630,371	\$619,209	\$606,416	\$554,155
Clifton Forge	\$13,800	\$11,629	\$13,831	\$15,464	\$12,880	\$12,604
Colonial Beach	\$81,260	\$80,514	\$80,514	\$88,715	\$83,639	\$85,882
Covington	\$76,437	\$117,397	\$127,247	\$120,879	\$103,649	\$107,369
Culpeper	\$148,459	\$144,010	\$126,516	\$183,297	\$173,094	\$162,582
Dumfries	\$215,934	\$227,512	\$218,791	\$216,334	\$213,881	\$205,105
Fairfax (county)	\$9,160,355	\$8,949,345	\$8,984,975	\$8,329,640	\$7,831,221	\$7,377,057
Fairfax	\$829,555	\$1,028,992	\$918,341	\$975,457	\$924,350	\$862,776
Falls Church	\$423,027	\$414,734	\$408,596	\$379,211	\$359,783	\$360,142
Farmville					\$250,083	\$231,780
Franklin City	\$230,469	\$208,592	\$244,959	\$356,358	\$342,433	\$373,904
Fredericksburg	\$503,322	\$554,701	\$578,303	\$442,569	\$543,916	\$525,413
Hampton	\$3,538,042	\$3,680,981	\$4,363,663	\$4,263,998	\$4,421,113	\$4,077,120
Harrisonburg	\$759,637	\$700,232	\$768,267	\$703,979	\$634,796	\$632,433
Herndon	\$293,592	\$390,163	\$364,975	\$333,869	\$337,783	\$323,517
Leesburg	\$805,298	\$872,047	\$1,133,071	\$1,047,206	\$980,759	\$934,508
Luray	\$88,208	\$181,225	\$147,233	\$145,997	\$137,920	\$141,497
Lynchburg	\$953,513	\$936,648	\$974,864	\$1,025,289	\$975,078	\$936,024
Manassas	\$741,156	\$750,124	\$968,381	\$923,138	\$884,092	\$842,283
Manassas Park	\$404,116	\$396,685	\$338,336	\$323,193	\$286,532	\$286,532

¹⁰ Data Source: Virginia Auditor of Public Accounts.



Table 2: Local Tobacco Tax Revenue in Virginia¹⁰

CITIES/TOWNS	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Marion	\$156,221	\$159,358	\$143,948	\$140,500	\$133,494	\$117,914
Martinsville	\$148,545	\$148,172	\$156,355	\$135,989	\$138,624	\$146,676
Newport News	\$4,160,343	\$4,269,564	\$4,799,234	\$5,228,287	\$5,102,091	\$4,949,954
Norfolk	\$7,175,660	\$7,160,873	\$8,096,678	\$7,926,006	\$7,408,785	\$7,820,751
Norton	\$119,115	\$108,265	\$99,620	\$110,440	\$93,006	\$88,750
Orange	\$108,054	\$111,645	\$115,230	\$108,240	\$99,260	\$93,630
Petersburg	\$211,756	\$222,468	\$215,275	\$215,485	\$230,711	\$190,558
Poquoson	\$68,192	\$50,548	\$60,293	\$142,520	\$115,793	\$100,873
Portsmouth	\$2,884,253	\$2,849,698	\$2,948,418	\$2,373,203	\$2,781,446	\$3,625,687
Pulaski	\$159,101	\$209,655	\$221,815	\$171,254	\$178,642	\$158,692
Purcellville	\$202,844	\$192,198	\$243,622	\$247,976	\$249,236	\$238,433
Radford	\$76,863	\$78,894	\$76,141	\$70,847	\$64,763	\$63,784
Roanoke	\$2,515,209	\$2,338,732	\$2,456,679	\$2,431,242	\$2,332,535	\$2,256,249
Rocky Mount			\$123,161	\$100,371	\$95,814	\$95,814
Salem	\$378,409	\$374,529	\$345,136	\$465,943	\$596,250	\$763,024
Smithfield	\$118,332	\$132,698	\$143,582	\$136,665	\$166,913	\$153,317
Staunton	\$294,875	\$290,878	\$290,430	\$276,657	\$264,948	\$453,323
Strasburg	\$106,978	\$124,705	\$142,424	\$121,359	\$121,452	\$121,681
Suffolk	\$1,382,361	\$1,383,896	\$1,352,797	\$1,313,533	\$1,354,757	\$1,391,263
Tazewell	\$33,521	\$33,100	\$32,653	\$26,391	\$51,308	\$64,800
Vienna	\$359,962	\$350,098	\$347,078	\$323,901	\$302,198	\$262,035
Vinton	\$346,886	\$306,799	\$296,309	\$321,976	\$266,367	\$196,383
Virginia Beach	\$12,468,847	\$12,063,516	\$12,182,212	\$11,953,020	\$11,693,536	\$13,707,486
Warrenton	\$200,124	\$177,774	\$182,820	\$189,868	\$181,720	\$170,790
Waynesboro	\$392,881	\$394,680	\$416,691	\$398,681	\$378,197	\$378,828
Williamsburg	\$158,460	\$148,032	\$147,870	\$183,155	\$148,320	\$156,911
Winchester	\$252,108	\$461,608	\$572,964	\$530,667	\$498,544	\$663,752
Wise	\$42,227	\$37,482	\$36,300	\$82,765	\$73,535	\$60,625
Woodstock	\$98,658	\$89,186	\$105,627	\$257,618	\$239,386	\$214,232
Wytheville	\$206,654	\$181,632	\$207,893	\$305,076	\$254,518	\$235,675

Town of Appomattox Cigarette Tax

Attachment E

§ 175-32 Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

AGENT - Every local dealer and other person who shall be authorized by the Town Treasurer to purchase and affix stamps to packages of cigarettes under the provisions of this article.

DEALER - Every manufacturer, jobber, wholesale dealer or other person who supplies a seller with cigarettes.

PACKAGE - Every package, box can or other container of any cigarettes to which the Internal Revenue stamp of the United States government is required to be affixed by and under federal statutes and regulations and in which retail sales of such cigarettes are normally made or intended to be made.

SALE - Every act or transaction, irrespective of the method or means employed, including the use of vending machines and other mechanical devices, whereby title to any cigarettes shall be transferred from the seller, as defined in this section, to any other person within the Town.

SELLER - Every person engaged in the business of selling cigarettes whose transfer title or in whose place of business title to any such cigarettes is transferred within the Town for any purpose other than resale.

STAMP - The small gummed piece of paper or decalcomania to be sold by the Town Treasurer and to be affixed by the agent to every package of cigarettes; it shall also denote any insignia or symbol printed by a meter machine upon any such package under authorization of the Town Treasurer.

TREASURER - The Town Treasurer and every person duly authorized by him to serve as his representative.

§ 175-33 Tax levied; amount.

There is hereby levied and imposed by the Town, in addition to any other taxes which may be or have been imposed, a tax to be paid and collected as provided in this article on each and every sale of cigarettes made in the Town. The tax is to be paid by the seller, local dealer or other agent by affixing a stamp, or causing a stamp to be affixed, to every package of cigarettes, in the kind and manner required in this article and at the applicable rates as follows: The rate or amount of tax levied or imposed on cigarettes shall be at the rate of \$0.27 for each 20 cigarettes or fractional part thereof.

§ 175-34 Preparation and sale of stamps; duties of Treasurer.

A. The Town Treasurer shall acquire, keep and sell necessary stamps to local dealers and other agents, the stamps to be of such denominations and quantities as may be necessary for the payment of the tax imposed in this article.

B. In the sale of such stamps to a local dealer or other agent, the Treasurer shall allow a discount of \$0.02 per stamp of the face value thereof to cover the cost which will be incurred by such dealer or agent in affixing the stamps to packages of cigarettes.

E-1



*The Fiscal Impact of
Cigarette Tax Increases
on Local Municipalities
in Virginia*

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Executive Summary (we will single space this for the final copy)

In an effort to boost revenues, several local governments in the Commonwealth of Virginia have enacted over 70 cigarette tax increases since Fiscal Year (FY) 2010. Local governments have used the additional revenue to fund specific projects, match tax rates in neighboring towns and recoup falling tax revenues.

Excise taxes such as cigarette or tobacco taxes are especially problematic at the local level. First, they do not raise much revenue mainly because they are not a major source of revenue such as property or income taxes. Second, cigarette taxes are subject to jurisdictional competition as consumers go shopping for lower priced options. More sensitive to price increases than originally presumed, consumers purchase their tobacco products out of state, on Indian reservations, on Internet websites or even on the black market. As a result local small businesses suffer the consequences, intended and unintended.

How have local governments fared in their attempt to raise revenue collections through cigarette tax increases? In this study, the Thomas Jefferson Institute for Public Policy and The Beacon Hill Institute set out to answer this question by examining the fiscal effects of higher tobacco taxes. The study examined 21 geographically dispersed cities and towns from around the Commonwealth of Virginia. Several factors underlying the study include comparisons between proposed revenues, estimated revenues, pre-tax revenues and post-tax revenues.

For example, the town of Vinton (outside the city of Roanoke) provides the most striking case study of a cigarette tax increases that produced a drop in revenues. In FY 2014, Vinton doubled its cigarette tax from \$0.20 per pack to \$0.40 per pack. The FY 2014 Budget estimated that tax revenue would increase from \$321,976 in FY 2013 to \$459,375 in FY 2014, or a 43%

increase. However, the additional revenue never materialized and cigarette tax revenues plunged by 17% instead.

The city of Alexandria's cigarette tax increases produced a similar, if less dramatic, result. In FY 2014 Alexandria raised its cigarette tax by \$0.20 from \$0.80 to \$1.00 per pack, or a 25 percent increase. However, actual cigarette tax revenues increased by only 14 percent.

This study finds that the expectations for increased revenue have not been met. The findings are in accord with standard economic theory that higher taxes increase the deadweight loss, or the loss to society that arises when the market equilibrium is not attained due to the price distortion or tax gap between the prices paid by the consumers and received by producers. Moreover, the study points to these facts:

- According to the U.S. Census, Virginia's local governments collected 16.3 percent less in real tobacco tax revenue from FY 2010 and FY 2013, even though individual local governments raised cigarette tax rates roughly fifteen times over the same period;
- Cigarette tax rate increases raise tax revenue collections by less than local government budget projections or the percentage rate increase would imply;
- The tax revenue collection increases are fleeting, often turning flat or negative in the years following a tax increase;
- The revenue losses and revenue shortfalls show that the tax increases are changing consumption patterns as consumers seek alternative markets with lower taxes and therefore lower prices;
- Tobacco consumers are important to the health of small businesses, such as convenience and small grocery stores, and increasing tobacco taxes can harm these business.

Excise taxes are not the result of any argument for economic efficiency but rather the result of a political process which places excess burdens on consumers and small business. A tax system

more reliant on a general, broader-based tax would be more appropriate to fund public expenditures than taxes on cigarettes. .

Overview

There are several three reasons why tobacco and specifically cigarettes, has been viewed as an appropriate revenue base. The first of these stems from sound economic reasoning. In economic terms, the demand for cigarettes is thought to be relatively “inelastic.” In plain English, this means that the decision to buy cigarettes is relatively insensitive to changes in price. A tax increase (or a price increase due to changes in supply and demand) on items for which the price elasticity is low or “inelastic” will not result in significant decreases in consumption. Since consumption will fall only slightly, raising the tax on cigarettes will yield a large increase in tax revenue while not distorting consumer choice — a goal of efficient tax policy.¹ The assumption that an increase in a cigarette excise tax will have a positive revenue effect is based on this expectation.

Second, the argument for raising cigarette taxes also rests on another desired objective: namely the public health benefits of lower cigarette consumption. This secondary rationale makes the taxation of cigarettes a favored option since the discouragement of smoking is considered a positive outcome. A cigarette excise tax is often viewed as a corrective tax or a “sin tax” designed to curb a certain behavior thought to be detrimental to society. In theory, the consumer is being forced to pay for the costs to society, such as higher public health care costs, caused by his behavior.

Cigarettes sales in the United States have been dropping over the past decade. According to the U.S. Centers for Disease Control (CDC), nearly 264 billion cigarettes were sold in the United States in 2014, a decrease from approximately 273 billion sold in 2013, or 3.6 percent.² This is also down from 391 billion cigarettes sold in 2002, for a decrease of 32.5 percent or at a 3.1 percent

¹ The inverse-elasticity rule, or the Ramsey rule, states that by levying taxes in inverse proportion to their elasticity of demand, governments raise revenue at the lowest possible social cost (minimizing the excess burden).

² Maxwell JC. *The Maxwell Report: Year End & Fourth Quarter 2014 -2013 Cigarette Industry*. Richmond, VA: John C. Maxwell, Jr., 2015.

compound annual rate of decline.³ The CDC also analyzed self-reported data from the National Health Interview Survey (NHIS) which indicated that, in 2002, approximately 22.5 percent of adults were current smokers. The CDC estimated that smokers comprised 17.8 percent of the adult population in 2013, for a drop of 20.9 percent or a compound annual rate of decline of 2.5 percent over the same period.⁴

The data suggests that cigarette sales are declining faster than the rate of adult smoking. Several factors could contribute to the disparity. Smokers might be cutting back on the number of cigarettes they consume. Cigarette smokers might be seeking alternatives to cigarettes, such as the use of vaporizers, cigars or hand rolled cigarettes. Nevertheless, lower levels of cigarette consumption puts downward pressure on state and local cigarette tax revenue collections.

Finally, cigarette excise taxes may also be viewed as user fees. By levying a tax on the consumption of cigarettes, smokers are forced to compensate society for the costs that will be imposed on the public health system by their behavior. Proponents of the tax argue that smokers will require more health care, imposing a burden on limited and costly health care resources.⁵

Ultimately, the decision to raise cigarette taxes is a simple one for policy makers. To the extent that revenue is raised, such taxes may be viewed as a part of sound policy, revenues can be used to fund local government and bridge budget shortfalls. Likewise, any drop in the consumption of cigarettes is a sign that tax policy is working to curb smoking and thus saving precious health care dollars. But how do these seemingly opposing outcomes coexist? If cigarette taxes are viewed as a relatively efficient system of taxation because they have little influence on cigarette

³ Maxwell JC. The Maxwell Report: Year End & Fourth Quarter 2002 Cigarette Industry. Richmond, VA: John C. Maxwell, Jr., 2013, <https://industrydocuments.library.ucsf.edu/tobacco/docs/#id=jhlc0179>, p.10..
Maxwell JC. The Maxwell Report: Year End & Fourth Quarter 2014 Cigarette Industry

⁴ <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6347a4.htm>

⁵ This argument is weakened when cigarette tax revenue is spent on items other than health care.

consumption, where are the health benefits coming from? In fact, policymakers have seemingly found a tradeoff that allows them to have their cake and eat it too.⁶

The rapid increase in retail cigarette prices over the last two decades has reinvigorated *cigarette tax avoidance* to a scale not seen since the 1970s. During this time, as states increased their tax rates, wide disparities between adjacent jurisdictions emerged. These disparities have been bridged by a rapidly expanding alternative market for cigarettes such as the Internet, vaporizers or the black market which is created by a web of cigarette smugglers.

Higher taxes have led to an increase in cigarette smuggling, a term which can include both casual individual cross-border purchases as well as more highly organized but illegal commercial enterprises that truck cigarettes into high tax destinations. The Mackinac Center for Public Policy found that of all the cigarettes consumed in New York in 2013 — legal and illegal — 58 percent were smuggled in.⁷

The Mackinac analysis is consistent with other research which examines the effect of cigarette taxes on municipal jurisdictions. Working with random samples in the form of littered cigarette boxes in Chicago, economist David Merriman of the University of Illinois found 75 percent of the littered packs did not display the city's tax stamp thus showing that most were purchased outside of Chicago's city limits.⁸ At the time of the study, Chicago's combined state and local rate of \$3.66 per pack were no match for Gary, Indiana's straight state levy of \$0.555 cents. (Gary does not tax cigarettes locally and is next door to Cook County where Chicago is located).

⁶ Austan Goolsbee, Michael Lovenheim and Joel Slemrod, "Playing With Fire: Cigarettes, Taxes, and Competition from the Internet", *American Economic Journal: Economic Policy* 2(1):131-154 (February 2010) <http://www.ingentaconnect.com/content/aea/aejep/2010/00000002/00000001/art00006>

⁷ Michael D. LaFaive, Todd Nesbit, and Scott Drenkard, "Cigarette Smugglers Still Love New York and Michigan, but Illinois Closing In " (Jan. 14, 2015) <http://www.mackinac.org/20900>

⁸ David Merriman, "The Micro-Geography of Tax Avoidance: Evidence from Littered Cigarette Packs in Chicago," *American Economic Journal: Economic Policy*, 2(2): 61-84. DOI: 10.1257/pol.2.2.61

States that increase cigarette taxes are often disappointed at the actual revenues realized. In Fiscal Year (FY) 2007 New Jersey raised its tax from \$2.40 to \$2.58 per pack. According to experts, “Not only did actual revenues miss projections, they also declined below FY 2006 and FY 2005 levels.”⁹

Washington D.C. also failed to meet its estimates of new revenue. When it raised its rate in 2009 to \$2.50 per pack, the district only realized \$4.2 million in taxes (a decline of 13% from the previous year and 36% less than forecast).¹⁰ In 2014, Washington D.C. raised the tax per pack to \$2.90. Again revenues came in 2% less than the previous fiscal year and 1% less than forecast. Even as it raised taxes revenues failed to meet expectations by approximately \$800,000.¹¹

The recent research on tax avoidance and cross border sales calls into question earlier assumptions that smokers facing high prices have no alternatives. While the distance a smoker is willing to travel to save money remains small, neighboring towns with lower or no taxes in addition to technology (such as vaporizers and Internet sales) are increasing their options. While circumstances are different for many individuals, a smoker will find a way to lower prices.

Fiscal Effects of Raising Local Cigarette Taxes

Local governments in Virginia have enacted over 70 cigarette tax increases since Fiscal Year (FY) 2010 in an effort to boost revenues. Local governments have used the additional revenue to fund specific projects, match tax rates in neighboring towns and recoup falling tax revenues.

⁹ Bill Orzechowski and Rob Walker *The Tax Burden of Tobacco* (49) funded in part by Altria Client Services. Inc (January 20, 2015).

¹⁰ According to Altria calculations based on data from Natwar M. Gandhi, Office of the Chief Financial Officer, District of Columbia February 2011 Revenue Estimates and Orzechowski and Walker (note 6).

¹¹ Update of Altria calculations by BHI authors using Jeffrey S. Dewitt, Office of the Chief Financial Officer, “February 2015 Revenue Estimates” and “December 15 Revenue Estimates” available at [http://cfo.dc.gov/node/241422./](http://cfo.dc.gov/node/241422/)

How have local governments fared in their attempt to raise revenue collections through cigarette tax increases?

The U.S. Census Bureau's State and Local Government Finances provides survey data on tax revenue and expenditures for all fifty states, including tobacco products. According to the Census data, Virginia's local governments collected \$74,066,182 in tobacco tax revenues in 2010 and local governments only collected \$61,962,389 in tobacco tax revenues in 2013, the latest data available in inflation adjusted 2015 dollars.¹² According to the U.S. Census, Virginia's local governments collected 16.3 percent less in real tobacco tax revenue over the period, even though individual local governments raised cigarette tax rates roughly fifteen times over the same period.¹³

The Beacon Hill Institute collected data on cigarette tax revenues and tax increases for 22 of Virginia's local governments since FY 2010 to provide evidence from the experiences of individual municipalities.¹⁴ As one might expect, we find the experience of local governments in raising revenue through cigarette tax increases mixed. The following tables present the results organized by the timing of the tax change (earlier or later in the period) and success in raising additional revenue.

The following tables display the cigarette tax rate increase if any, the cigarette tax rate, the percentage change in the rate, the budgeted revenue collections and the actual revenue collections for each local government.

¹² Inflated using U.S. Department of Labor, Consumer Price Index for all Urban Consumers, <http://data.bls.gov/pdq/SurveyOutputServlet>.

¹³ The U.S. Census Bureau, State and Local Government Finances, 2013, 2010 State and Local Government, <http://www.census.gov//govs/local/>.

¹⁴ We gathered the data from local budget, Comprehensive Financial Annual Reports documents online and contacting the municipal governments directly. The Northern Virginia Tax Board provided data for Fairfax and Manassas.

For cigarette tax increases, we analyze the difference between the percentage change in tax rate and the percentage change in the revenue collection. If these percentage changes are equal, then the tax change has produced a static effect, or no effect on consumer behavior.

Static estimates assume that there is no change in underlying consumer behavior in response to a change in tax law. For example, a static estimate of an increase in the cigarette tax, say from \$1.00 per pack to \$1.20 per pack would cause revenues to increase by 20% ($(\$1.20 - \$1.00)/\$1.00$).

A dynamic tax revenue change would show a smaller increase in revenue because it would capture the negative effects on the tax base of capturing more money dedicated to consumption spending through tax increases and leaving less money in consumers' pockets for spending. Moreover, excise tax changes, especially on consumer goods such as gasoline and cigarettes, drive consumers to make purchases in other jurisdictions that have lower or no tax, and, thus, lower prices.¹⁵ In other words, as a result of higher taxes, consumers would have less money to purchase goods and services and thus would see retail sales, and, in turn, tax collections fall or grow more slowly.

Table 1: displays the experience of Vinton, Hampton and Alexandria for which cigarette tax increases produced a fall in cigarette tax revenues.

Table 1: Cigarette Tax Increase Produced a Drop in Revenue

Municipality	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Vinton						
Rate Increase (\$, per pack)	0	0	0	0	0.2	-0.15
New Rate (\$, per pack)	0.2	0.2	0.2	0.2	0.4	0.25
Percent Increase	0	0	0	0	100	(38)

¹⁵ Mehmet S. Tosun and Mark L. Skidmore, Cross-Border Shopping and the Sales Tax: An Examination of Food Purchases in West Virginia, *The B.E. Journal of Economic Analysis & Policy*, Volume 7, Issue 1, Article 63, <http://home.wlu.edu/~gusej/econ398/articles/westVABorders.pdf> (2007).

Fleener, Patrick W. *The Effect of Excise Tax Differentials on the Interstate Smuggling and Cross-Border Sales of Cigarettes in the United States*. Background Paper No. 16. Tax Foundation. October 1996.

Budgeted Revenue	255,000	325,000	325,000	300,000	459,375	310,000
Percent Increase	na	(6)	6	1	43	16
Actual Revenue	346,886	306,799	296,309	321,976	266,367	196,383
Percent Increase	na	(12)	(3)	9	(17)	(26)
Ashland						
Rate Increase (\$, per pack)	0.19	0	0	0	0.03	0
New Rate (\$, per pack)	0.19	0.19	0.19	0.19	0.22	0.22
Percent Increase	100	0	0	0	16	0
Budgeted Revenue	70,000	280,000	300,000	315,000	364,737	260,000
Percent Increase	na	(18)	(3)	(14)	20	3
Actual Revenue	343,191	309,554	367,417	303,298	252,709	234,217
Percent Increase	na	(10)	19	(17)	(17)	(7)
Alexandria						
Rate Increase (\$, per pack)	0	0	0	0	0.2	0.15
New Rate (\$, per pack)	0.8	0.8	0.8	0.8	1.00	1.15
Percent Increase	0	0	0	0	25	15
Budgeted Revenue	3,100,000	2,900,000	2,900,000	2,600,000	3,234,000	3,060,000
Percent Increase	na	(0)	4	(3)	26	5
Actual Revenue	2,910,382	2,777,052	2,674,157	2,567,249	2,927,125	2,765,996
Percent Increase	na	(5)	(4)	(4)	14	(6)
Hampton						
Rate Increase (\$, per pack)	0	0	0.10	0.05	0	0
New Rate (\$, per pack)	0.65	0.65	0.75	0.80	0.80	0.8
Percent Increase	0	0	15	7	0	0
Budgeted Revenue	3,900,000	3,700,000	3,965,000	4,232,500	4,300,000	4,300,000
Percent Increase	na	5	8	(3)	1	(4)
Actual Revenue	3,538,042	3,681,370	4,365,401	4,267,475	4,456,607	4,077,120
Percent Increase	na	4	19	(2)	4	(9)

Vinton provides the most striking example of a cigarette tax increases that produced a drop in revenues. In FY 2014, Vinton doubled its cigarette tax from \$0.20 per pack to \$0.40 per pack. The FY 2014 Budget estimated that tax revenue would increase from \$321,976 in FY 2013 to \$459,375 in FY 2014, or a 43% increase. A static revenue estimate would imply a doubling of the tax revenue. The FY 2014 Adopted Budget states that the additional revenue “will be earmarked to fund our capital improvement program.”¹⁶ However, the additional revenue never materialized and, instead, cigarette tax revenues plunged by 17%.

The town’s 2014 Comprehensive Annual Financial Report (CAFR) provides an explanation of the revenue shortfall. It states that, “Cigarette tax was 82.7% of the budget due to a rate

¹⁶ Town of Vinton, VA FY 2013-2014 Budget, (vi) <http://www.vintonva.gov/ArchiveCenter/ViewFile/Item/537>

increase from \$.20 per pack to \$.40 per pack which decreased revenue as a result of decreased cigarette sales in the Town.”

In response, the “rate was decreased to \$.25 per pack in March 2014 as a result of working with local merchants to regain their sales.”¹⁷ This 38 percent drop in the rate produced an additional 26% loss of revenue for FY 2015.

The town’s 2015 CAFR provides more detail behind the revenue loss:

“Cigarette tax collection continues to decrease as a result of \$0.20 increase in tax rate effective July 2013. Although the tax rate was reduced by \$0.15 in March 2014 to encourage buyers, the market has not recovered. In addition to this negative impact, there has been a loss of two (2) retailers and a cigarette outlet opened outside of the Town limits. Another effect on this revenue is the sale of vapors.¹⁸

The Vinton experience provides a textbook example of tax policy affecting economic behavior. The price differential between two adjacent jurisdictions produced cross-border sales that produced the opposite effect of the intended tax increases: revenues fell instead of increasing after the tax increase. As a result, Vinton not only raised less revenue for its “capital improvement plan,” but lost revenue that was dedicated to other areas of its budget.

Ashland, just north of Richmond, follows a pattern similar to Vinton. Ashland first adopted a \$.19 per pack cigarette tax in FY 2010. As Table 1 shows, the local budget writers were not fully aware of the level of cigarette sales in town, since they budgeted \$70,000 in cigarette tax

¹⁷ Town of Vinton, Virginia, *Comprehensive Annual Financial Report Year Ended June 30, 2014* <http://www.vintonva.gov/ArchiveCenter/ViewFile/Item/687>, 8.

¹⁸ Town of Vinton, Virginia, *Comprehensive Annual Financial Report Year Ended June 30, 2015* <http://www.vintonva.gov/ArchiveCenter/ViewFile/Item/822>, 8.

revenue that year and actual revenue was \$343,191 for FY 2010. For the next three years revenues were volatile, increasing in FY 2012, while declining in both FY 2011 and FY 2013.

In FY 2014, Ashland raised the cigarette tax by \$0.03 to \$0.22 per pack, or about 16 percent and the budget anticipated revenue collections would rise by 20 percent. However, revenues plunged by 17 percent in FY 2014 and another 7 percent in FY 2015. The FY 2015 budget notes the revenue drop by stating, "Interestingly, some sources such as the Cigarette tax have dropped significantly, while the others, such as the Sales tax have increased significantly."¹⁹ Unlike Vinton, neither the budget nor the CAFR seek to explain why.

Alexandria's cigarette tax increases produced a similar, if less dramatic, result. In FY 2014 Alexandria raised its cigarette tax by \$0.20 from \$0.80 to \$1.00 per pack, or a 25 percent increase. However, actual cigarette tax revenues increased by only 14 percent.

In FY 2015, Alexandria doubled-down and raised the cigarette tax again by \$0.15 to \$1.15 per pack, for a 15 percent increase. Just like Vinton, cigarette tax revenues actually fell by 6 percent in FY 2015. The FY 2016 Budget documents do not directly address the revenue shortfall, but rather estimates future tax revenues will be flat due to "historical trends of stable to decreasing cigarette use."²⁰ However, similar to the situation in Vinton, cross-border sales could have contributed to Alexandria's revenue shortfall.

The Hampton experience mirrors that of Alexandria. In FY 2012, Hampton raised its cigarette tax by \$0.15 to \$1.15 per pack, for a 15 percent increase. Cigarette tax revenues actually increased by 19 percent, which is higher than the town budgeted for and higher than the 15 percent increase in the tax rate.

¹⁹ Town of Ashland, VA "2015 – 2016 Adopted Budget," (June 16, 2015), <http://www.town.ashland.va.us/ArchiveCenter/ViewFile/Item/354>, p. 3.

²⁰ City of Alexandria, "Revenue Summary," FY2014-2016, from Budget 2016, <http://www.alexandriava.gov/uploadedFiles/budget/info/budget2016/Section%209%20-%20Revenues%20Summary.pdf>. See page 9.12.

<http://www.hampton.gov/DocumentCenter/View/1455>, p. 4-9.

Hampton's second bite at the apple in FY 2013 provided different results. Hampton raised the cigarette tax again by \$.05 or a 7 percent increase, but cigarette tax revenue fell by 2 percent that year. The town was expecting the tax increase to raise an additional \$267,500 for the fiscal year, which did not materialize. However, since revenues from FY 2012 were stronger than anticipated, the FY 2013 cigarette tax revenue collections, which is enacted before FY 2012 revenues are fully realized, were actually higher than BY 2013 budget projection.

Table 2 displays data for another set of Virginia municipalities that enacted one or more cigarette tax increases since FY 2010. However, they did not experience immediate drops in cigarette tax revenues, but rather, the tax increases initially produced revenue gains that did not meet expectations. Moreover, cigarette tax revenues fell in several municipalities in at least one fiscal year following the tax increase.

Table 2: Fiscal Impact of Cigarette Tax Increase

Municipality	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Winchester						
Rate Increase (\$, per pack)	0	0.15	0	0	0	0.1
New Rate (\$, per pack)	0.1	0.25	0.25	0.25	0.25	0.35
Percent Increase	na	150.0	0	0	0	40
Budgeted Revenue	230,000	530,000	530,000	530,000	580,000	812,600
Percent Increase	na	110	15	(7)9		63
Actual Revenue	252,108	461,608	572,964	530,667	498,544	663,752
Percent Increase	12	83	24	(7)	(6)	33
Fairfax City						
Rate Increase (\$, per pack)	0.25	0.1	0	0	0	0
New Rate (\$, per pack)	0.75	0.85	0.85	0.85	0.85	0.85
Percent Increase	25*	38	0	0	0	0
Budgeted Revenue	702,317	1,185,848	1,060,732	980,000	975,000	na
Percent Increase	na	43	3	7	0	na
Actual Revenue	829,550	1,028,992	918,341	975,457	924,350	na
Percent Increase	7	24	(11)	6	(5)	Na
Leesburg						
Rate Increase (\$, per pack)	0	0	0.25	0	0	0
New Rate (\$, per pack)	0.5	0.5	0.75	0.75	0.75	0.75
Percent Increase	0	0	50	0	0	0
Budgeted Revenue	na	800,000	1,150,000	1,150,000	1,150,000	1,047,206
Percent Increase	na	na	32	1	10	7
Actual Revenue	na	872,047	1,133,071	1,047,206	980,759	934,508
Percent Increase	na	na	30	(8)	(6)	(5)
Newport News						
Rate Increase (\$, per pack)	0	0	0	0.1	0	0
New Rate (\$, per pack)	0.75	0.75	0.75	0.85	0.85	0.85
Percent Increase	0	0	0	12	0	0
Budgeted Revenue	4,225,000	4,119,000	4,600,000	5,400,000	5,200,000	5,200,000
Percent Increase	na	(1)	8	13	(1)	2
Actual Revenue	4,160,343	4,269,564	4,799,234	5,228,287	5,102,091	4,949,954
Percent Increase	1	3	12	9	(2)	(3)
Manassas						
Rate Increase (\$, per pack)	0	0	0.15	0	0	0
New Rate (\$, per pack)	0.5	0.5	0.65	0.65	0.65	0.65
Percent Increase	0	0	43	0	0	0
Budgeted Revenue	na	741,156	750,124	968,381	923,138	886,092
Percent Increase	na	0	0	0	0	0
Actual Revenue	741,156	750,124	968,381	923,138	886,092	842,283
Percent Increase	na	1	29	(5)	(4)	(5)
Purcellville						
Rate Increase (\$, per pack)	0	0	0.25	0	0	0
New Rate (\$, per pack)	0.5	0.5	0.75	0.75	0.75	0.75
Percent Increase	0	0	50	0	0	0
Budgeted Revenue	230,000	212,000	260,000	245,000	260,633	242,371
Percent Increase	na	5	35	1	5	(3)
Actual Revenue	202,844	192,198	243,622	247,976	249,236	238,433
Percent Increase	na	(5)	27	2	1	(4)

*tax increase effective for half of FY 2010 and we split the 50 percent increase across FY 2010 and FY 2011.

In FY 2011, Winchester hiked its cigarette tax by 150 percent and expected revenues to increase by 130 percent. However, revenues only increased 83 percent in FY 2011, well below the estimated increase. Winchester officials can take solace in the fact that FY 2012 cigarette tax revenues increased by 24 percent. However, the cigarette tax revenues fell over the next two fiscal years until the FY 2015 tax hike of \$0.10 per pack, or 40 percent. The FY 2015 Budget documents projected a 63 percent increase in cigarette tax revenues, even though the rate increase was only 40%. Tax revenues only increase 33 percent, a little over half of the projected increase.

Leesburg, Newport News and Manassas initially saw cigarette tax revenues rise in response to tax increases only to fall in subsequent years. In FY 2012, Leesburg increased its cigarette tax rate by \$0.25 per pack, or 50% and revenues increased by 30 percent. Over the next three fiscal years, cigarette tax revenues fell by 8, 6 and 5 percent respectively. Newport News experienced steady increases in cigarette tax revenues prior to its FY 2013 tax increase of \$0.10 per pack, or 12 percent, which boosted revenues by 9 percent that year. However, cigarette tax revenues fell in each of the two fiscal years following the increase. . Similarly, Manassas raised its cigarette tax rate by 43 percent in FY 2012, from \$0.50 to \$0.65 per pack and tax revenues rose by 29 percent, but revenues fell by nearly 5 percent in each year thereafter.

Purcellville hiked the cigarette tax rate by 50 percent in FY 2012, but revenues fell short of expectations, rising only 27 percent that year. Revenues held steady over the next two fiscal years – increasing 1 percent and 2 percent - and then fell by 4 percent in FY 2015.

Table 3 displays municipalities that hiked cigarette taxes in FY 2015 (except for Salem), yet saw revenues increases that were significantly below expectations. Also, revenue collections for subsequent years are not yet available to see a longer term effect of the tax increases.

In FY 2014, Salem increased the cigarette tax from \$0.15 to \$0.45, or a whopping 200 percent. However, tax revenue collections only increased by 28 percent. That represents the largest shortfall in our entire dataset for this study.

Charlottesville and Portsmouth experienced revenues collections that were 7.3 percent and 5.6 percent below budget projections. Moreover, the differences between the percentages of tax rate increases and the subsequent tax revenue increases – 20 percentage points for Charlottesville and 38 percentage points for Portsmouth – indicate that the tax increases are driving significant changes in the cigarette consumer’s purchasing behavior. As stated in the discussion of static and dynamic revenue changes above, had consumers not changed their behavior by either purchasing fewer cigarettes or purchasing them outside the taxing jurisdiction, tax revenue collections would have increased by the same percentage as the tax rate, 20 percent for Charlottesville and 38 percentage points of Portsmouth

The budgeters in Bristol and Stanton cigarette tax revenue forecasts missed actual revenues by a mere 2.3 percent and 1.1 percent respectively. Again, the difference between the percentages of tax rate increases and the subsequent percentage tax revenue increases – 29 points in Stanton and 43 percentage points in Bristol show consumers are shifting their spending patterns in response to the tax increases.

Table 3: The Effects of Recent Cigarette Tax Increases

Municipality	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Salem						
Rate Increase (\$, per pack)	0	0	0	0	0.3	0
New Rate (\$, per pack)	0.15	0.15	0.15	0.15	0.45	0.45
Percent Increase	0	0	0	0	200	0
Budgeted Revenue	na	na	na	na	375,000	575,000

Percent Increase	na	na	na	na	(20)	(4)
Actual Revenue	na	na	na	465,943	596,250	na
Percent Increase	na	na	na	na	28	na
Charlottesville						
Rate Increase (\$, per pack)	0	0	0	0	0	0.2
New Rate (\$, per pack)	0.35	0.35	0.35	0.35	0.35	0.55
Percent Increase	0	0	0	0	0	57
Budgeted Revenue	695,000	695,000	615,000	615,000	585,000	850,000
Percent Increase	na	13	(3)	(4)	(13)	26
Actual Revenue	614,725	634,572	640,588	672,397	674,571	802,021
Percent Increase	na	3	1	5	0	19
Portsmouth						
Rate Increase (\$, per pack)	0	0	0	0	0	0.3
New Rate (\$, per pack)	0.6	0.6	0.6	0.6	0.6	0.9
Percent Increase	0	0	0	0	0	50
Budgeted Revenue	na	3,165,833	2,950,000	2,813,250	2,900,000	3,912,350
Percent Increase	na	10	4	(5)	22	41
Actual Revenue	2,884,253	2,849,698	2,948,418	2,373,204	2,781,447	3,625,687
Percent Increase	0	(1)	3	(20)	17	30
Bristol						
Rate Increase (\$, per pack)	0	0	0	0	0	0.07
New Rate (\$, per pack)	0.04	0.04	0.04	0.04	0.04	0.11
Percent Increase	0	0	0	0	0	175
Budgeted Revenue	175,000	175,000	180,000	180,000	150,000	350,000
Percent Increase	Na	(6)	2	5	(3)	134
Actual Revenue	187,064	176,058	170,956	154,988	149,521	346,317
Percent Increase	0	(6)	(3)	(9)	(4)	132
Stanton						
Rate Increase (\$, per pack)	0	0	0	0	0	0.15
New Rate (\$, per pack)	0.15	0.15	0.15	0.15	0.15	0.3
Percent Increase	0	0	0	0	0	100
Budgeted Revenue	310,000	310,000	300,000	275,000	290,000	464,100
Percent Increase	na	5	3	(5)	5	75
Actual Revenue	294,875	290,878	290,430	276,657	264,948	453,323
Percent Increase	Na	(1)	(0)	(5)	(4)	71

Table 4 displays data for municipalities that had at least one instance of cigarette tax rate hike that increased revenues by more than the rate increase would imply. Poquoson City and Franklin City are the cleanest example of this experience.

In FY 2013, Poquoson City raised its cigarette tax rate by 100 percent, from \$0.10 to \$0.20 per pack and tax revenue rose by 136 percent or 36 percentage points above the tax rate increase and

4.4 percent above the FY 2013 budget projections. Franklin City raised its cigarette tax rate by 20 percent in FY 2013, from \$0.50 to \$0.60 per pack, and tax revenue collections increased by 45 percent.

However, for both local governments the fiscal good fortune did not last. Cigarette tax revenues fell in the years following the tax increase. Tax revenues in Poquoson City fell by 19 percent and 13 percent in the two fiscal years following the rate hike. Franklin City saw revenues drop a more modest 4 percent in the year following rate hike.

Norfolk, Virginia Beach and Haymarket each enacted two tax increases over the period, with the revenue for one tax increases exceeding the static estimate and the other failing to meet the static revenue estimates. In the years between the tax increases, Norfolk and Haymarket experienced falling tax revenues.

The FY 2014 tax increase in Virginia Beach produced decrease in tax revenues, while the FY 2015 tax increases produced a stronger revenue increase than the tax rate increases would imply.

Table 4: Tax Increases That Initially Meet or Exceed Expectations

Municipality	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Poquoson City						
Rate Increase (\$, per pack)	0	0	0	0.1	0	0
New Rate (\$, per pack)	0.1	0.1	0.1	0.2	0.2	0.2
Percent Increase	0	0	0	100	0	0
Budgeted Revenue	75,000	70,000	60,000	136,500	136,500	120,000
Percent Increase	na	3	19	126	(4)	4
Actual Revenue	68,192	50,548	60,293	142,520	115,793	100,873
Percent Increase	Na	(26)	19	136	(19)	(13)
Franklin City						
Rate Increase (\$, per pack)	0	0	0	0.1	0	0
New Rate (\$, per pack)	0.5	0.5	0.5	0.6	0.6	0.6
Percent Increase	0	0	0	20	0	0
Budgeted Revenue	250,000	230,000	239,000	262,900	300,000	300,000
Percent Increase	na	0	15	7	(16)	(12)
Actual Revenue	230,469	208,592	244,959	356,358	342,433	na
Percent Increase	Na	(9)	17	45	(4)	Na
Norfolk						
Rate Increase (\$, per pack)	0	0	0.05	0	0	0.1
New Rate (\$, per pack)	0.65	0.65	0.70	0.7	0.7	0.8
Percent Increase	0	0	8	0	0	14

Budgeted Revenue	7,900,000	6,850,000	7,580,000	7,708,000	7,675,000	7,995,000
Percent Increase	na	(5)	6	(5)	(3)	8
Actual Revenue	7,175,660	7,160,873	8,096,678	7,880,000	7,408,785	7,894,280
Percent Increase	Na	0	13	(3)	(6)	7
Virginia Beach						
Rate Increase (\$, per pack)	0	0	0	0	0.05	0.05
New Rate (\$, per pack)	0.65	0.65	0.65	0.65	0.70	0.75
Percent Increase	0	0	0	0	8	7
Budgeted Revenue	12,935,527	11,742,780	10,872,856	11,218,625	12,109,969	12,148,649
Percent Increase	na	(6)	(2)	0	10	12
Actual Revenue	12,468,847	11,135,553	11,245,119	11,033,557	10,858,283	12,728,380
Percent Increase	Na	(11)	1	(2)	(2)	17
Haymarket						
Rate Increase (\$, per pack)	0	0	0.2	0	0	0.25
New Rate (\$, per pack)	0.3	0.3	0.5	0.5	0.5	0.75
Percent Increase	0	0	67	0	0	50
Budgeted Revenue	144,416	154,000	143,277	250,000	250,000	250,000
Percent Increase	na	na	(7)	(7)	7	26
Actual Revenue	na	153,342	267,796	232,817	199,049	250,635
Percent Increase	na	na	75	(13)	(15)	26

While the cigarette tax increases for each municipality in the four tables above have their differences, some common patterns emerge:

1. Municipal cigarette tax revenue collections have been flat or falling since FY 2010;
2. Cigarette tax rate hikes increase tax revenue collections by less than municipal budgets projections or the percentage rate increase would imply;
3. The tax revenue collection increases are fleeting, often turning flat or negative in the years following a tax increase;
4. The revenue losses and revenue shortfalls show that the tax increases are changing consumption patterns as consumers seek alternative markets with lower taxes and therefore lower prices. below 1 million packs and consumers have either bought fewer packs and/or have bought untaxable packs outside the jurisdiction, through either smuggling or cross-border sales.

The Impact on Retail Sales and Small Businesses

The revenue shortfalls outlined in the section above indicates the tax revenues have fallen short of expectations. The lower tax revenues directly reflect lower sales of cigarettes within the jurisdiction of each municipality. A number of reasons could explain the lower cigarette sales.

1. Lower smoking rates of citizens
2. Substitution of other tobacco products that are not taxed, such as vaporizers

It is possible that these two facts contribute to the reduction in cigarette tax sales in a municipality that has raised its cigarettes tax. However, if the main driver of slumping cigarette sales is that consumers crossing municipal lines to make purchases, then retail sales in convenience stores and small grocery stores would suffer under cigarette sales tax increases.

According to 2014 data from the National Association of Convenience Stores, cigarette sales comprise 41 percent, or \$48,417, of an average convenience store's monthly merchandise sales of \$118,223, and comprise 21 percent of an average stores gross profit. Cigarette sales are certainly important to the convenience store. However, stores not only lose the sale of cigarettes, but also the other purchases consumers make with their cigarettes.²¹

Management Science Associates used data from over 3,400 shopping visits to convenience stores to estimate the spending patterns of customers. Tobacco was the fourth most often purchased item out of 15, as buyers purchased tobacco on 21% of their visits. Tobacco consumers made purchases over ten dollars 52 percent of the time compared to 33 percent of the time for non-tobacco consumers.

It is likely that a portion of the increased spending could be attributed to the cost of tobacco itself. However, tobacco consumers also made purchases from a variety of other categories

²¹NACS State of the Industry Report 2014. National Association of Convenience Stores, 28th Edition. Chapter 46.

within the store during their visits to purchase tobacco. Consumers added a purchase of gasoline on 52 percent of their visits to purchase tobacco, packaged beverages on 35 percent of trips, candy, gum and mints on 17% of trips and lottery/gaming on 15% of their trips. Moreover, tobacco consumers visit convenience stores on a regular basis, making daily visits 16% of the time and multiple trips per week 55% of the time.²²

The cigarette consumer is an important source of sales to convenience stores and small grocery stores. The tobacco sales account for a large portion of total sales at these stores; and tobacco consumers tend to visit the stores more often and make larger purchases. If cigarette tax increases are driving sales to other jurisdictions, as is the case with Vinton, this portion of the local economy will suffer disproportionately.

²² Melissa Vonder Harr, "The True Value of the Tobacco Consumer," originally published in *Tobacco E-News*, <http://www.cspnet.com/industry-news-analysis/marketing-strategies/articles/true-value-tobacco-consumer> (April 21, 2013).

Conclusion

Several cities and towns across the Commonwealth of Virginia are in the rush to raise revenue by increasing the local excise tax on tobacco. But such tax discrimination has costs. Any short-term revenue gain comes at the expense of long term decline in sales and diminished economic activity. These regressive taxes fall hardest on low income consumers but also diminish the prospects of small businesses who also rely on other smokers who have a propensity to spend on other items.

Moreover, the recent experience of Washington D.C. and New Jersey (see pages 8 and 9 above) suggests that cigarette tax revenues may decline in subsequent years, as cigarette sales decline and migrate to lower priced cigarettes in neighboring states and on the Internet.

Excise taxes are problematic since they are not a major source of revenue for local municipalities. Thus, a large increase in the local cigarette tax would not provide a sustainable long-term solution to any immediate funding shortfall facing cities and towns in the Commonwealth of Virginia.

Appendix

Table A-1: Local Cigarette Taxing Jurisdictions in Virginia

CITIES/TOWNS	RATE (cents per pack)
Abingdon	10
Alexandria	115
Appalachia	20
Appomattax	27
Ashland	22
Bedford City	30
Big Stone Gap*	10
Blacksburg	30
Blackstone	22
Bluefield	10
Bridgewater	10
Bristol*	14
Broadway*	20
Charlottesville	55
Chesapeake	50
Chilhowie	6
Christiansburg	40
Claremont	4.5
Clincho	5
Clifton	30
Clifton Forge	4
Clintwood	10
Coeburn	15
Colonial Beach	30
Covington	30
Culpeper	10
Damascus	10
Dumfries	55
Eastville*	30
Elkton	20
Fairfax City	85
Falls Church	75
Farmville	27
Franklin City	60

Fredericksburg	31
Glen Lyn	20
Gordonsville	10
Grottoes	15
Grundy	5
Hampton*	85
Harrisonburg	30
Haymarket	50
Haysi	20
Herndon	75
Hillsboro	5
Honaker	10
Iron Gate	10
Kilmarnock	30
Leesburg	75
Lovettsville	40
Luray	15
Lynchburg	35
Manassas	65
Manassas Park*	65
Marion	12
Martinsville	20
Middleburg	55
Middletown	25
Mt. Jackson*	45
New Market	20
Newport News	85
Norfolk	75
Norton*	25
Orange	12
Petersburg	10
Poquoson City	20
Portsmouth	90
Pound	10
Pulaski	25
Purcellville	65
Radford	15
Rich Creek*	10
Roanoke	54
Rocky Mount	10
Roundhill	15
Salem	45
Saltville	10
Scottsville	35

Shenandoah*	20
Smithfield	25
St. Paul	5
Stanley	20
Staunton	30
Stephens City	25
Strasburg	25
Stuart	10
Suffolk*	75
Tappahannock	15
Tazewell	10
Timberville*	20
Vienna	75
Vinton	25
VA Beach*	75
Warrenton	15
Warsaw	25
Waynesboro	20
White Stone	15
Williamsburg	30
Winchester	25
Windsor	25
Wise	10
Woodstock	25
Wytheville	15
COUNTIES	
	RATE (cents per pack)
Arlington	30
Fairfax	30

Source: various see notes tab.

*As of July 1, 2015

Table A2- Tobacco Tax Free Cities and Towns

Cities (8)	Crewe	Nassawadox
Buena Vista	Dayton	New Castle
Colonial	Dendron	Newsoms
Heights	Dillwyn	Nickelsville
Danville	Drakes Branch	Occoquan
Emporia	Dublin	Onancock
Galax	Duffield	Onley
Hopewell	Dungannon	Painter
Lexington	Edinburg	Pamplin City
Richmond	Exmore	Parksley
	Fincastle	Pearisburg
	Floyd	Pembroke
Towns	Fries	Pennington
Accomac	Front Royal	Gap
Alberta	Glade Spring	Phenix
Altavista	Glasgow	Pocahontas
Amherst	Goshen	Port Royal
Belle Haven	Gretna	Quantico
Bloxom	Halifax	Remington
Boones Mill	Hallwood	Richlands
Bowling Green	Hamilton	Ridgeway
Boyce	Hillsville	Rural Retreat
Boydton	Hurt	Saxis
Boykins	Independence	Scottsburg
Branchville	Irvington	South Boston
Brodnax	Ivor	South Hill
Brookneal	Jarratt	St. Charles
Buchanan	Jonesville	Stanardsville
Burkeville	Keller	Stony Creek
Cape Charles	Kenbridge	Surry
Capron	Keysville	Tangier
Cedar Bluff	La Crosse	The Plains
Charlotte	Lawrenceville	Toms Brook
Court House	Lebanon	Troutdale
Chase City	Louisa	Troutville
Chatham	Madison	Urbanna
Cheriton	McKenney	Victoria
Chincoteague	Melfa	Virgilina
Clarksville	Mineral	Wachapreague
Cleveland	Monterey	Wakefield
Clinchport	Montross	Washington
Columbia	Mount	Waverly
Courtland	Crawford	Weber City
Craigsville	Narrows	West Point

About the Authors

Paul Bachman is Director of Research at BHI. He manages the institute's research projects, including the development and deployment of the STAMP model. Mr. Bachman has authored research papers on state and national tax policy and on state labor policy. Each year, he produces the institute's state revenue forecasts for the Massachusetts legislature. He holds a Master of Science in International Economics from Suffolk University.

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The Beacon Hill Institute at Suffolk University in Boston focuses on federal, state and local economic policies as they affect citizens and businesses. The Institute conducts research and educational programs to provide timely, concise and readable analyses that help voters, policymakers and opinion leaders understand today's leading public policy issues.

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TOWN OF AMHERST

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EMPLOYEE RECOGNITION POLICY

POLICY AND PROCEDURE	
SUBJECT/TITLE:	Town of Amherst Employee Recognition Policy
APPLICABILITY:	All Staff
CONTACT PERSON & DIVISION:	Town Manager
ORIGINAL DATE ADOPTED:	
LATEST EFFECTIVE DATE:	
BOARD APPROVAL DATE:	Town Council

A. PURPOSE

The Town of Amherst values the hard work and dedication of its employees. It is important for employees to feel valued, recognized, and appreciated.

B. POLICY

The Town of Amherst is committed to providing an affirmative working environment for all employees. Positive recognition is an important part of creating this environment. Employees can be recognized formally by the Town Council and annually at all-staff meetings or informally as opportunities arise. Coworkers can also nominate each other for providing outstanding service to a co-worker in the performance of their duties, or for appreciation of a co-worker's attitude, attendance, and dedication using the Employee Peer Recognition Nomination form.

C. BACKGROUND

According to the Virginia Department of Human Resource Management (DHRM) Employees not only want good pay and benefits, they also want to be valued and appreciated for their work, treated fairly, do work that is important and meaningful, and have advancement opportunities. Recognition and rewards are essential to attract and retain an engaged and highly qualified workforce. It is the day-to-day interactions in the workplace that make employees feel that their contributions are appreciated and that they are recognized for their own unique qualities.

To show appreciation, many employers implement ongoing recognition programs designed to thank employees for a variety of achievements.

D. DEFINITIONS

Formal recognition- Recognition given to an employee either as an award/certificate or gift. This type of recognition should be documented in the employee's annual evaluation. Gifts amounting to \$5 or less do not need to be documented.

Informal recognition- Recognition given to employees on a more regular basis. Informal recognition could be a note of thanks or even a verbal recognition of a job well done.

E. PROCEDURES & STANDARD OPERATING GUIDELINES

It is important for a recognition program be consistent with the employee's achievement and to be meaningful to both the person receiving it and to others in the department. There are two types of recognition that can be given to employees: formal & informal. With all recognition, supervisors/directors should take into account staff preferences. Employee recognition survey results should be utilized as needed.

Recognition Methods:

All-Staff Meeting: Held annually Town of Amherst All-Staff meetings are opportunities for Town of Amherst all staff to come together for town updates, staff development and camaraderie. New employees are introduced and given the opportunity to meet co-workers from various departments. This meeting is also an opportunity for supervisors and/or coworkers to either nominate staff members for recognition or give formal recognition to staff. The All-Staff meeting is also an opportunity to recognize those who may have received awards from outside agencies in the past year.

Staff Breakfast/Luncheons: Staff breakfast and luncheons are held throughout the year. These meals allow for staff interaction in a more relaxed setting.

Local, State and National Award Nominations: As opportunities present themselves, staff are able to nominate a co-worker for outside awards as they see fit.

Department Recognition: Department leaders have the discretion to create recognition programs or incentives for their staff members. Examples could include department staff luncheons, acknowledgement at department meetings, or an email sent out to the group or individual. This type of recognition should be personal for the department and appropriate for the staff members in their department.

Peer Recognition: Staff are able to nominate any employee of Town of Amherst for recognition using the Employee Peer Recognition Nomination form. These forms should be given to the nominee's supervisor and Town Manager. This form of recognition should not be considered as a formal recognition.

F. CITATIONS & REFERENCES

[Virginia Department of Human Resource Management \(DHRM\)](#)

G. REFERENCE FORMS

Employee Recognition Policy

H. AWARDS

YEARS OF SERVICE (YOS)

Regular full-time administrators, regular part-time administrators working 50% or greater, regular full-time support staff, and regular part-time support staff working 50% or greater will be recognized for eligible cumulative years of service at Town of Amherst in increments of 5, 10, 15, 20, 25, 30 or 35 years (or more). Recognition will occur at the January Town Council Meeting for employees who reach one of these milestones in the preceding calendar year.

Award Amount

Full-time employees will receive a one-time bonus of \$ in the anniversary month of each 5th year of service (5, 10, 15, 20, etc.). This bonus is paid through the normal payroll process in the pay period that the anniversary date occurs. Part-time employees will receive a one-time bonus of \$ in the anniversary month of each 5th year of service (5, 10, 15, 20, etc.). This bonus is paid through the normal payroll process in the pay period that the anniversary date occurs.

OUTSTANDING PERFORMANCE AWARD (OPA)

The Town Manager, in consultation with the Town Council, will choose recipients.

Criteria for the award include:

- a. Outstanding performance on an important project
- b. Performance that goes above and beyond regular job expectations
- c. Exceptionally consistent and diligent long-term job performance
- d. Outstanding service to the profession

Award Amount

- a. Based on criterion a monetary award to be determined by Town Manager; or
- b. Based on criterion paid time off to be determined by Town Manager; or
- c. Based on criterion certificate of appreciation to be determined by Town Manager.

Recognition will occur at Town Council Meetings.

SPOTLIGHT AWARD (SPL)

(SPL) is being instituted as an initiative intended to encourage high performance covering individuals and work teams.

The objectives of SPL Awards are:

- To recognize significant and outstanding value-added contributions of the employees while performing the duties in spite of various constraints.
- to recognize and promote positive behaviors that support individual, work group, unit, team, department, organizational mission and business goals and objectives
- To create "role models" for others to emulate and surpass.
- To set standards of high performance and to encourage a team-oriented work culture.
- To provide timely recognition to employees to improve employee productivity and quality of work

Each Spotlight Award recipient must satisfy at a minimum the following eligibility

- He should be a regular or part-time staff member
- Should have been in service at Town of Amherst for at least six months
- No formal disciplinary action on file within 12 months of date of award
- Written documentation of outstanding performance meriting an award from his/her supervisor

Award Amount

- Both monetary and non-monetary recognition based on the significance of the contribution determined by Town Manager
- Non-monetary recognition awards will be given to those nominees who did not make the final list but deserve kudos. These include an appreciation letter or certificate.
- Based on the criterion, monetary awards will be determined before the announcement of the process.
- Wherever it's a team-based award the monetary amount will be distributed equally among all the members of the particular team /department.

PEER RECOGNITION AWARD (PRA)

Staff are able to nominate any employee of Town of Amherst for recognition using the Employee Peer Recognition Nomination form. These forms should be given to the nominee's supervisor and Town Manager. This form of recognition should not be considered as a formal recognition.

Award Amount

- Spot cash awards, certificate, or paid time off dependent upon level of achievement to be determined by Town Manager

OTHER

Monetary awards shall not be added to an employee's Gross Pay.

When the selection for an award is made, the copy of the Nomination/Approval form shall be filed by the Town of Amherst in the employee's personnel file and appropriate recognition and announcement of the employee, i.e., through the Town of Amherst website and/emails.

I. REVISION & REVIEW HISTORY

Revision Date	Review Date	Author	Notes

EMPLOYEE PEER RECOGNITION NOMINATION FORM

The Town of Amherst recognizes and values the strength of all of our employees and will continue to encourage and support efforts in building an affirmative working environment for all employees. Positive recognition is an important part of creating this environment.

Criteria

Nominations may be made for superior performance and/or contribution by a coworker involving activities such as: internal or external customer service, cost savings, productivity/work processes, or outstanding citizenship.

Nominating a Coworker

Complete and submit the nomination form to Supervisor and Town Manager. In the event that there is more than one nomination for that quarter, all eligible nominees will be put in a hat and a name will be drawn. The remainder of the names will be kept for the next drawing.

The Reward

Two awards will be given each month. The eligible coworker nominated will win **paid time off to be determined by Town Manager or a \$ gift certificate.** The employee who took the time to nominate their coworker will receive a \$ gift certificate.

Program Rules

In order to be eligible for an award, all employees must be employed at the time the award is given. Winners and nominators cannot be nominated again during the fiscal year of receiving the award. All employees have the opportunity to nominate any of their coworkers. Management-level staff is excluded from submitting nominations. All nomination forms must be received as follows:

- 1st Quarter – January through March; deadline is April 1st
- 2nd Quarter – April through June; deadline is July 1st
- 3rd Quarter – July through September; deadline is October 1st
- 4th Quarter – October through December; deadline is January 3rd

The Winner will be announced to all staff via e-mail.

EMPLOYEE PEER RECOGNITION NOMINATION FORM

I nominate _____
in department _____ (please print)

.....
Please identify specific examples of how the nominee achieved at least one of the criteria listed below.
Use the summary area to collect your thoughts and to include any area not covered on the form.

Note: Submission deadlines are as follows:

- 1st Quarter – January through March; deadline is April 1st
- 2nd Quarter – April through June; deadline is July 1st
- 3rd Quarter – July through September; deadline is October 1st
- 4th Quarter – October through December; deadline is January 3rd

Today's Date: _____
Name of Nominator(s): _____
Nominated Employee's Telephone Number: _____
Nominator's Department: _____
Nominator's Telephone Number: _____
Work Relationship to Nominated Employee _____

Please identify the category that best describes the work you wish to recognize

GOOD CITIZENSHIP - Please describe how employee has promoted positive morale through actions of good spirit, serving as a model citizen to Town of Amherst staff, business leaders, and community members

Describe: _____

COLLABORATION/HELPING/MENTORING - Please describe how employee has lead others through partnerships, investing time and effort in coaching and serving as a role model to others through positive interactions

Describe: _____

BRIGHT IDEA/CREATIVITY – Please describe how employee is the creative problem solver to improve the way work gets done and approaching problems as opportunities for growth and learning

Describe: _____

ABOVE AND BEYOND – Please describe how employee has modeled superior service to enhance Town of Amherst business reputation

Describe:

MAKE IT HAPPEN – Please describe how employee is relentlessly resourceful and productive to achieve a desired outcome despite adversity (e.g. limited resources, time constraints, an unexpected challenge)

Describe:

UNSUNG HERO - Please describe how employee works behind the scenes, consistently providing high quality, reliable and critical work that, if undone, would halt highly visible operations and works to improve situations without prompting or fanfare.

Describe:

GOING GREEN – Please describe how employee provides outstanding contributions towards Town of Amherst sustainability by saving costs, creating operational efficiencies and enhancing the community spirit by reducing, reusing and recycling.

Describe:

Other comments:

EMPLOYEE RECOGNITION AWARDS

The Town of Amherst is committed to providing an affirmative working environment for all employees. Positive recognition is an important part of creating this environment.

RECOGNITION AWARDS:

Years of Service (YOS)
Outstanding Performance Award (OPA)
Spotlight Award (SPL)
Peer Recognition Award (PRA)

AWARD CRITERIA: See Employee Recognition Policy for details

AWARD AMOUNTS:

1. **YOS:** Regular full and part-time (working 50% or greater) administrators and support staff will receive a one-time bonus of \$ in the anniversary month of each 5th year of service (5, 10, 15, 20, etc.). Formal recognition for the achievement will occur at the following January Town Council Meeting.
2. **OPA:** Monetary, paid time off, or certificate of appreciation as determined by Town Manager with formal recognition at Town meetings.
3. **SPL:** Monetary and non-monetary recognition based on the significance of the contribution as determined by Town Manager.
4. **PRA:** Spot cash awards, certificate, or paid time off dependent upon level of achievement as determined by Town Manager.
 - Monetary awards shall not be added to an employee's Gross Pay.
 - When the selection for an award is made, the copy of the Nomination/Approval form shall be filed by the Town of Amherst in the employee's personnel file and appropriate recognition and announcement of the employee, i.e., through the Town of Amherst website and/emails.

RECOGNITION METHODS:

1. **All-Staff Meetings**
2. **Staff Breakfast/Luncheons**
3. **Local, State and National Award Nominations**
4. **Department Recognition**
5. **Peer Recognition**
 - **All-Staff Meetings**, held annually, designed to give all staff an opportunity for camaraderie, to nominate staff for recognition or give formal recognition to staff.
 - **Staff Breakfast/Luncheons**, held year-round, allow for relaxed staff interaction.
 - **Local, State and National Award Nominations**, designed to allow opportunities for staff to nominate a co-worker for outside awards as they see fit.
 - **Department Recognition**, an opportunity for Department leaders to have the discretion to create recognition programs or incentives for their staff members including department staff luncheons, acknowledgement at department meetings, or an email sent out to the group or individual.
 - **Peer Recognition**, an opportunity for staff to nominate any employee of Town of Amherst for recognition using the Employee Peer Recognition Nomination form. These forms should be given to the nominee's supervisor and Town Manager. This form of recognition should not be considered as a formal recognition.

For more information see Employee Recognition Policy