



FY 2014 Budget Summit

Board of Selectmen
Finance Committee
MRSD Chatham Representatives

Outcomes

- Better understanding of the Town's financial condition
- Identify emerging problems before they reach serious proportions
- Identify any existing problems might not be aware of
- Present a comprehensive picture of our strengths and weaknesses, instead of focusing on one ratio
- Introduce long-range considerations into the annual budget process

1. Overview and Purpose

- Share Knowledge
- Quantify Fiscal Challenges
- Explore Mitigation
 - Revenue
 - Expenditures
- Fiscal Policies
- Metrics for Priorities
- FY2014 Budget & Beyond

Town's Fiscal Position

- Property values remain high
- Tax rate remains low
- AAA Bond Rating
- Reserves remain adequate

Town's Budgetary Process

- I. General Operating Budget
- II. Water Operating Budget
- III. Five Year Capital Plan
- IV. Educational Assessments (MRSD/CCRTHS)
- V. Capital Facilities Plan
- VI. Wastewater Capital Plan
- VII. Land Bank Surtax
- VIII. Community Preservation Surtax

Budget/Financial Terms

- Balanced Budget
- Enterprise Fund
- EQV
- Free Cash
- Level Fund
- Levy Limit
- OPEB
- Revaluation
- Stabilization Fund

2. Financial Indicators:

Revenue options currently available to the Town

Critical factors driving Town spending levels

Revenues

(Each budget has a segregated revenue source)

- Water Budget ➤ Water revenues
- Capital Facility Plan ➤ Debt Drop Off
- Land Acquisition ➤ Land Bank Fund
- Affordable Housing ➤ CPA Surtax
- Five-year Capital ➤ Tax Rate
- Wastewater ➤ Tax Rate/Grants

Typical Fiscal Challenge (i.e. FY 14)

Available Add Funds

- Prop 2 ½ \$600K
- New Growth 200K
- Est. Receipts 20K
- Local Aid -

Total \$820K

Known Add Costs

- Pension \$100K
- Prop Insurance 200K
- Health Ins 200K
- Sewer Oper 115K
- Utilities, Other 100K
- Step Increases 115K
- Overtime

Total \$830K

FY 14 Challenge

- Contract Settlements
- Revaluation
- Capital Budget Funding
 - Adequate level
- Debt Service
- Budget Busters

3. Key Policy Issues Related to FY2014 Budget

- Funding at Available Tax Levy Limit
- Tax Rate vs. Budget Increase
- Education
- Service Level Expectations
- Metrics
 - Bond Rating Agencies/Auditors Recommendations
 - Debt Service %
 - Comparable Towns

4. Three Year Budget Perspective

General Operating Budget
Five Year Capital Plan

Revenue – Estimated Receipts

	FY11	FY12	FY13	FY14
LOCAL RECEIPTS				
Motor Vehicle Excise	967,763	942,922	935,000	935,000
Hotel/Motel Excise	1,132,217	1,143,440	1,035,000	1,035,000
Other Excise: Boat, Meals Tax etc.	36,370	278,681	250,000	250,000
Penalties & Interest	125,914	189,911	80,000	80,000
Payments in Lieu	23,468	3,590	20,000	21,000
Chg's for Services: Sewer	331,088	298,550	300,000	332,000
Chg's for Services: Trash	897,039	902,449	890,000	895,000
Other Charges - Includes Ambulance	547,522	560,519	540,000	520,000
Fees	164,276	182,531	150,000	150,000
Rentals	129,357	148,812	100,000	90,000
Recreation Revenue	434,551	501,218	390,000	390,000
Other Dept'al Revenue	57,192	57,340	50,000	50,000
Licenses & Permits	619,628	680,099	620,000	620,000
Special Assessments	126,134	138,401	120,000	120,000
Fines & Forfeits	55,912	61,104	50,000	50,000
Interest Earnings	50,060	22,035	25,000	25,000
Misc.	5,227	11,836	6,200	6,200
Non-Recurring (Bond/BAN Premiums)	626,598	1,657,598		
Monomoy Debt Reimbursement			-	
Total Local Receipts	6,330,316	7,781,036	5,561,200	5,569,200

Expenditures

OPERATING BUDGET SUMMARY	FY2011	FY2012	Voted FY13	14 –Project 2.5%
I. General Government	\$ 1,952,414	\$ 1,843,121	\$ 1,929,316	\$ 1,940,256
II. Public Safety	\$ 5,192,066	\$ 5,227,333	\$ 5,446,243	\$ 5,456,721
III. Community Development	\$ 732,593	\$ 661,100	\$ 695,823	\$ 668,987
IV. Health & Environment	\$ 787,802	\$ 815,635	\$ 823,039	\$ 824,060
V. Public Works	\$ 3,779,353	\$ 3,913,246	\$ 4,068,848	\$ 4,365,998
VI. Human & Public Services	\$ 929,132	\$ 961,523	\$ 966,413	\$ 1,004,752
Subtotal, I-VI	\$ 13,373,360	\$ 13,421,958	\$ 13,929,682	\$ 14,260,773
VII. Debt Service	\$ 5,216,532	\$ 5,740,691	\$ 7,450,668	\$ 7,450,668
VIII. Employee Benefits	\$ 3,629,389	\$ 3,840,390	\$ 4,100,000	\$ 4,304,143
IX. Undistributed/Reserve	\$ 300,703	\$ 351,097	\$ 401,135	\$ 401,135
X. Public Schools	\$ 10,118,087	\$ 10,261,778	\$ 8,434,323	\$ 9,030,212
Total, I-X	\$ 32,638,071	\$ 33,615,914	\$ 34,315,808	\$ 35,446,931

Capital Projects To Be Completed

- Fire Department
- COA
- Wastewater/Sewer
(continuation)

Education

- Monomoy
 - “Savings” of \$1.8m for FY13
 - Projection for FY2014
- Cape Cod Regional Tech
 - Increase in students = increase in \$
- Future Consideration
 - Contracts
 - Building Assessment (school)

Future Challenge/Opportunity

- SEMASS (Solid Waste Disposal)
 - Contract Expires 2015 from \$38 p/ton to estim. \$80 p/ton
 - PAYT or increased sticker fees
- Other Post Employment Benefits for Retirees (present value for future health insurance costs)
- Regionalization
 - Shared services
 - Impact of County and/or Regional Dispatch
- Other opportunities

5. Revenue Generation/Expense Reduction

Previous Actions Taken

- Stabilization (FY10 & 11)
- Local Meals Tax (FY12)

Expense Reductions:

- Municipal Health Reform (FY13)
- COLA Freeze (FY10/11/12)
- School Regionalization (FY13)

Employee Reductions

- Early Retirement (FY12)
- Cutbacks (FY11)

Revenue Generation/Enhancements

- Parking
 - Downtown business impact (not ‘friendly’)
 - Light House Beach (new meter technology)
- Increase Fees
 - Routinely Review
- Expand Hotel/Motel
 - Additional 2% = \$570k
 - Short Term Rental – Home Rule Petition Article

Expense Reduction/Avoidance

- Shared Staffing/Services with Towns or the CCC
- Outsourcing in a Union Environment
- Reorganization and/or Consolidation
- Performance Management – re-directing resources to greatest area of benefit = clear policy on desired services
- Suggestions

6. Agenda for Next Meeting

More Details

- FY2014 Revenue Projection
- Three Year Budget Forecast
- Review of Policies
- FY2014 Budget Process/Calendar

*Proposed Next Meeting Date:
Tuesday, September 11, 2012*