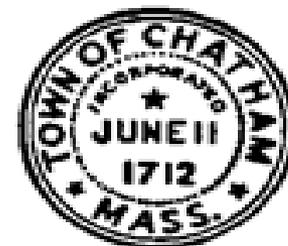


FY 2015 BUDGET SUMMIT



Board of Selectmen
Finance Committee
MRSD 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

Agenda Item I.

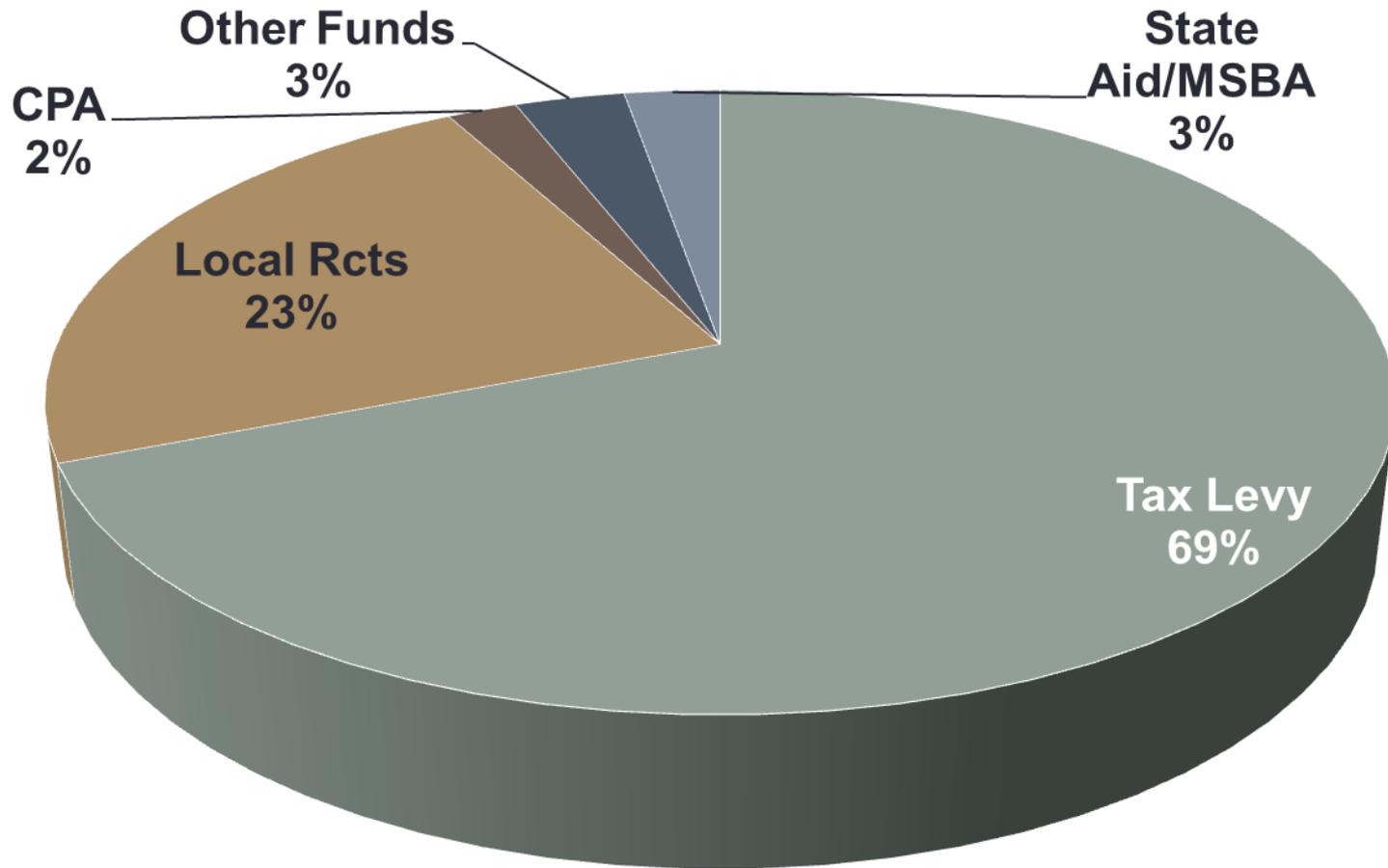
Overview – set stage for FY2015 (and beyond)

- FY2013 Actuals
 - Revenue
 - Expenditures
- FY2014 Budget
 - Level Service
- FY2014 Tax Rate
- FY2015 Budget
 - Projections
 - Challenges
 - Impact on future budgets

FY2013

Actuals

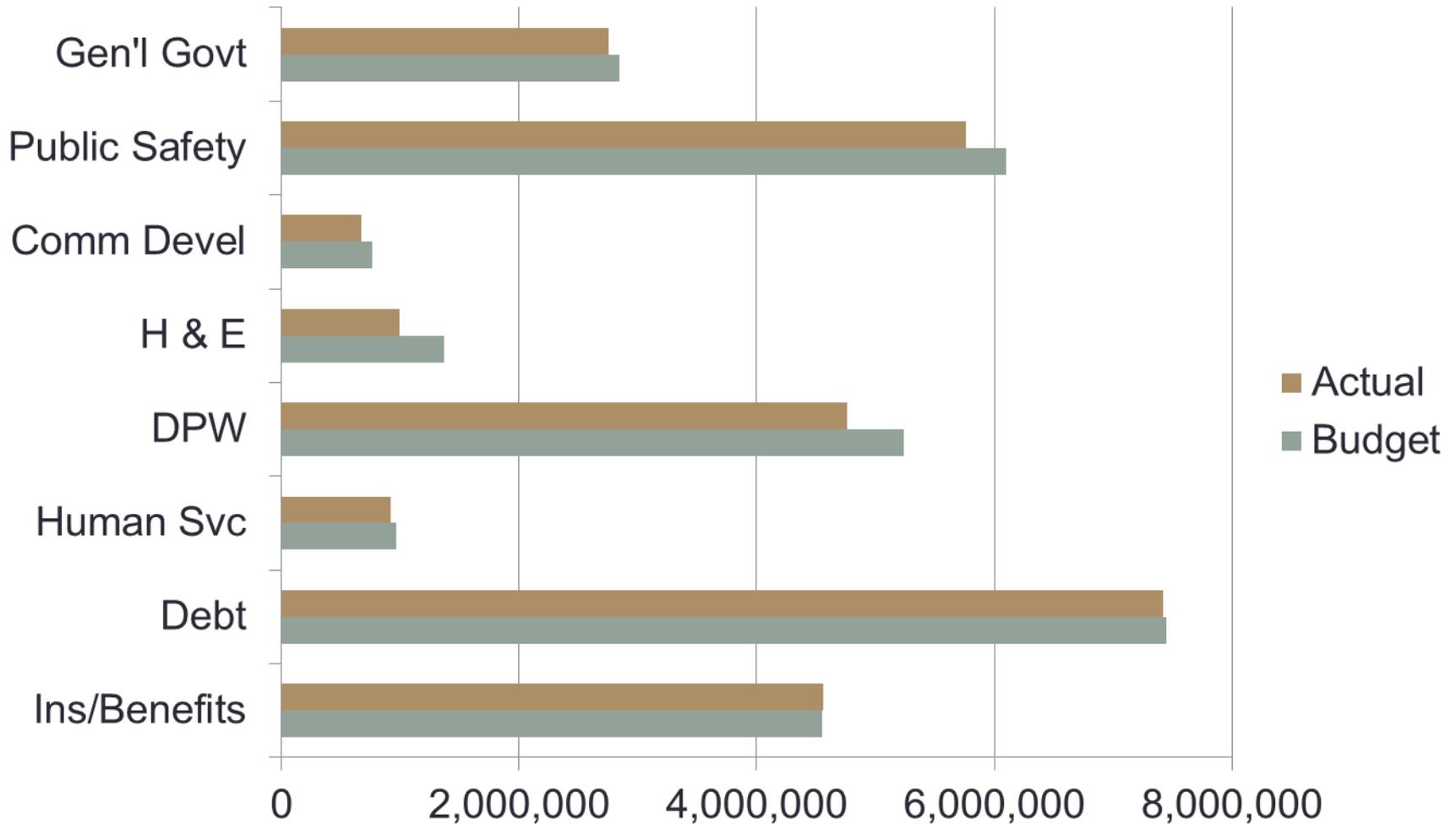
FY2013 Revenue Sources



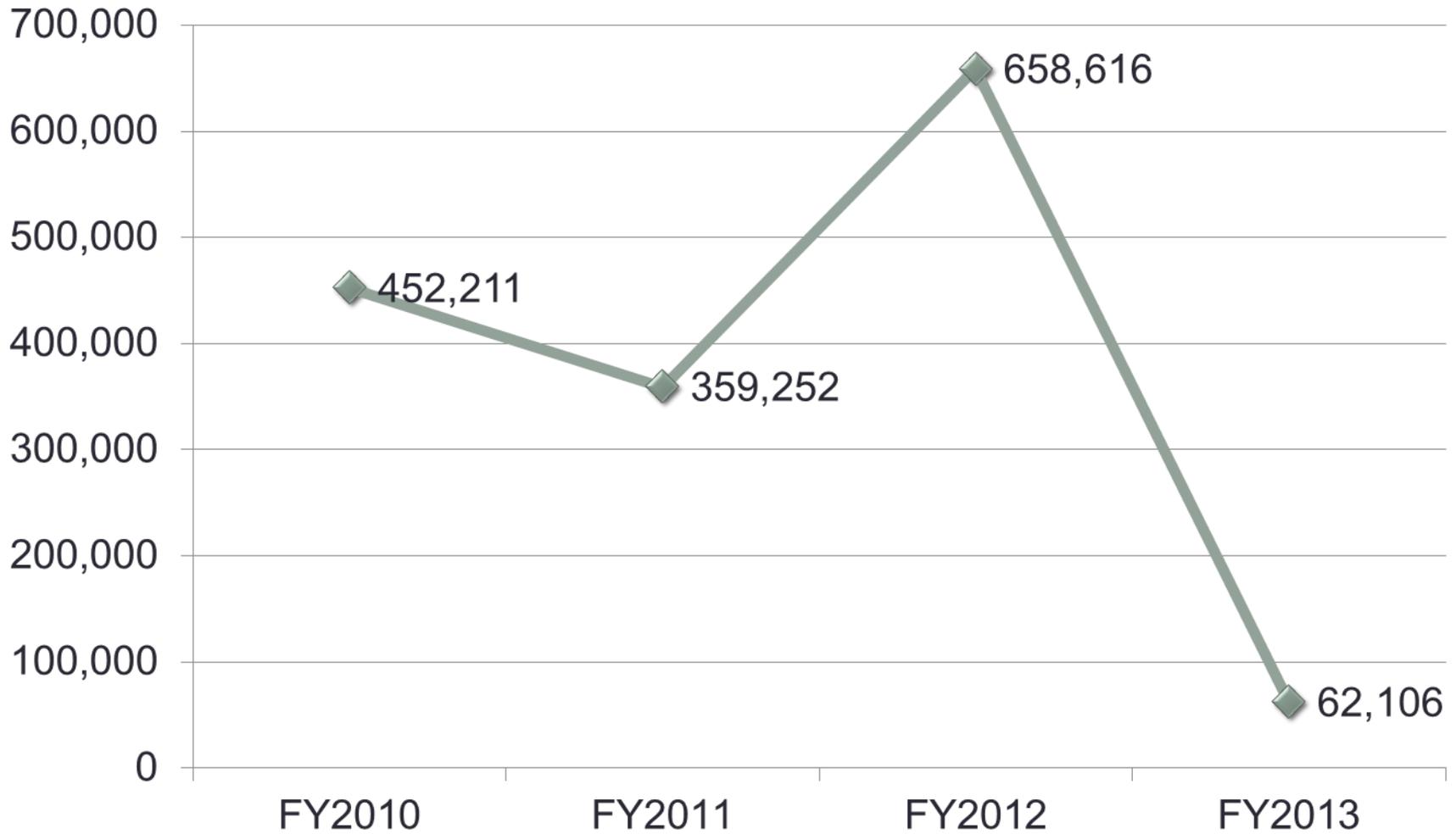
FY 2013 Revenue highlights

- FY2013 - \$6,522,659 total
- Hotel/Motel
 - FY2013 \$1,191,234
 - FY2012 \$1,143,440
 - FY2011 \$1,132,217
 - FY2010 \$1,044,346
- Meals Tax
 - FY2013 \$333,517
 - FY2012 \$244,331
- Penalties & Interest
 - FY2013 \$228,494
 - FY2012 \$189,911
 - FY2011 \$125,914

FY2013 Expenditures



Turnbacks



FY2014 BUDGET

Agenda Item I. Continued

FY2014 Budget Impact

- Operating Budget - Level Service Budget – slight increase
 - 2.7% w/o Education; 0.79% with Education budgets
- Capital Budget – 7% of operating budget
 - Free Cash \$750,000
 - Tax Levy \$996,551
 - Available Funds \$148,994
- Educational Budget(s)
 - MRSD \$7,615,754
 - CCRTHS \$ 384,752
- Water Department - \$2,630,357
- Water Capital – from Water Surplus

FY2014 Tax Rate

- Value of Chatham – decrease 0.25%
 - FY2014 \$5,778,263,310
 - FY2013 \$5,791,889,030

- Tax Rate
 - FY2014 \$5.08
 - FY2013 \$5.03

- Excess Levy Capacity
 - FY2014 \$947,966

FY2015 PLANNING

Agenda Item II.

Policy Issues for FY2015

- Service Level Expectations
 - Funding Priorities
 - Revenue Generation Directives
 - OPEB Trust Funding
 - Capital Plan Projects/Funding
 - Other Projects - Parking /Property Acquisitions
- = Directive for FY2015 Budget & Capital Requests

FY 2015 Challenges

- Educational Budgets
 - Local Municipal Required Contribution – make up FY2014 difference in FY2015
 - \$335,000 for Monomoy Regional
 - \$ 34,000 for Cape Cod Tech
- Capital Budget – Funding
 - Fiscal Policy – 3-7% of operating budget
- Debt Service
 - Previously Approved projects
- Town Facilities/Maintenance – Continued needs
- Contract Negotiations/Settlement – Fire Union
 - (exp. June 30, 2012)
- State/Federal Mandates

FY2015 Revenue

- Estimated Levy Limit \$25,412,118
 - 2.5% increase - \$619,800
 - Do not use 'new growth'
- Estimated Local Receipts \$6,962,000
 - Level to FY2014
- Estimated Other Available Funds
 - Landbank \$902,030
 - Free Cash \$500,000
 - Other \$500,000

FY2015 Policy Decisions

- Operating Budget – Directing resources
 - Level Funded = no expansion of services, possibly a reduction
 - Level Service = possibly an increase \$
- Educational Budgets
 - Directive to MRSD
 - Directive to CCRTHS
- Capital Budget
 - 5% of Operating
- OPEB Trust Fund – Funding Sources
 - Medicaid Receipts
 - Overlay Surplus

THREE YEAR BUDGET PERSPECTIVE

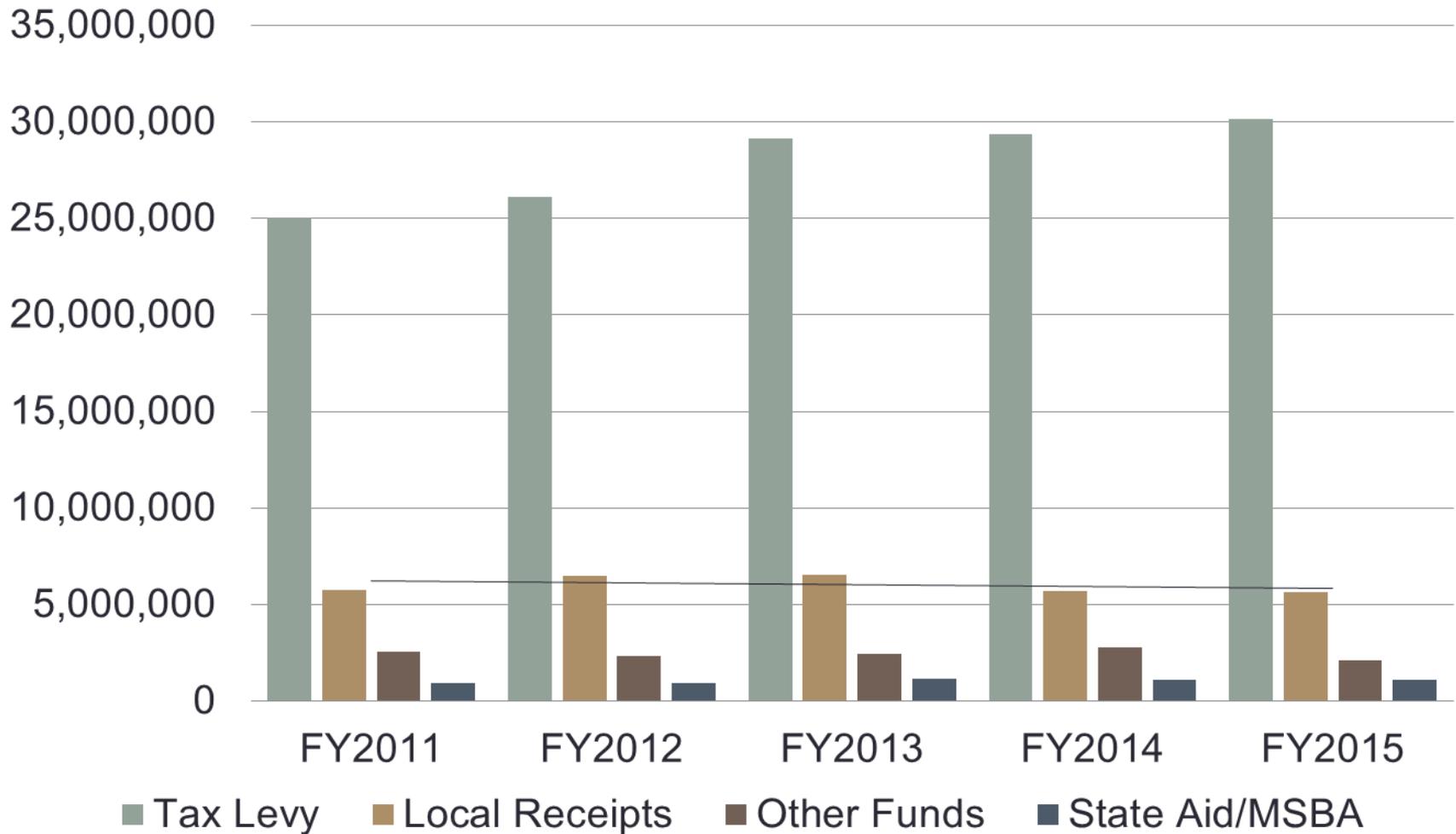
**GENERAL OPERATING BUDGET
FIVE YEAR CAPITAL PLAN**

Assumptions for FY2015

- Revenue
 - Level to FY2014
 - Increased from FY2013 to FY2014

- Expenditures
 - No Additional Services
 - Debt – per schedule
 - Fire Station (if approved) in FY2016
 - Wastewater – additional in FY2017
 - Education – Regional Assessments
 - Local Min. Contribution from FY14 added to FY15
 - Debt Service - \$800,000 for FY15

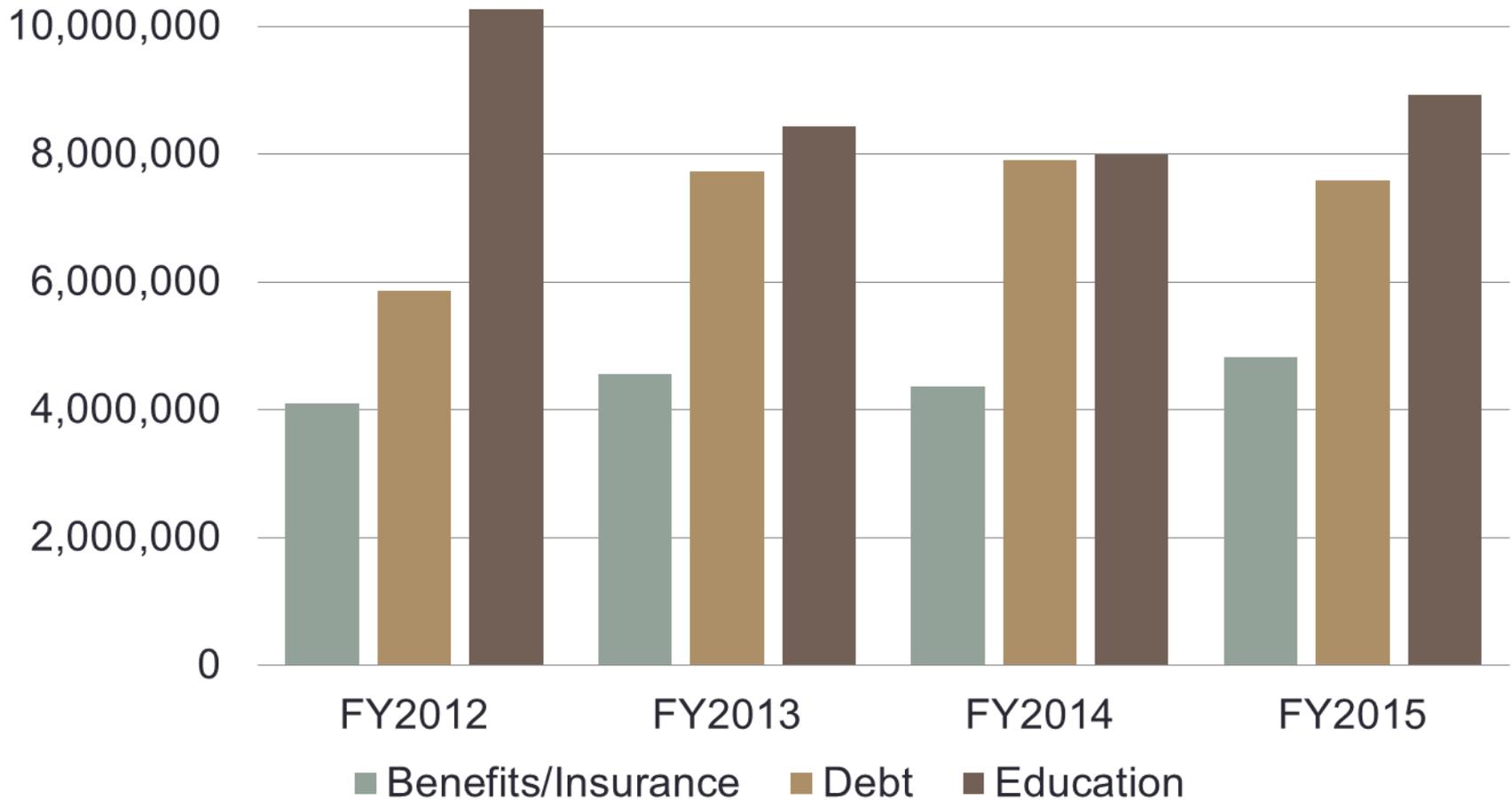
Revenue Trends



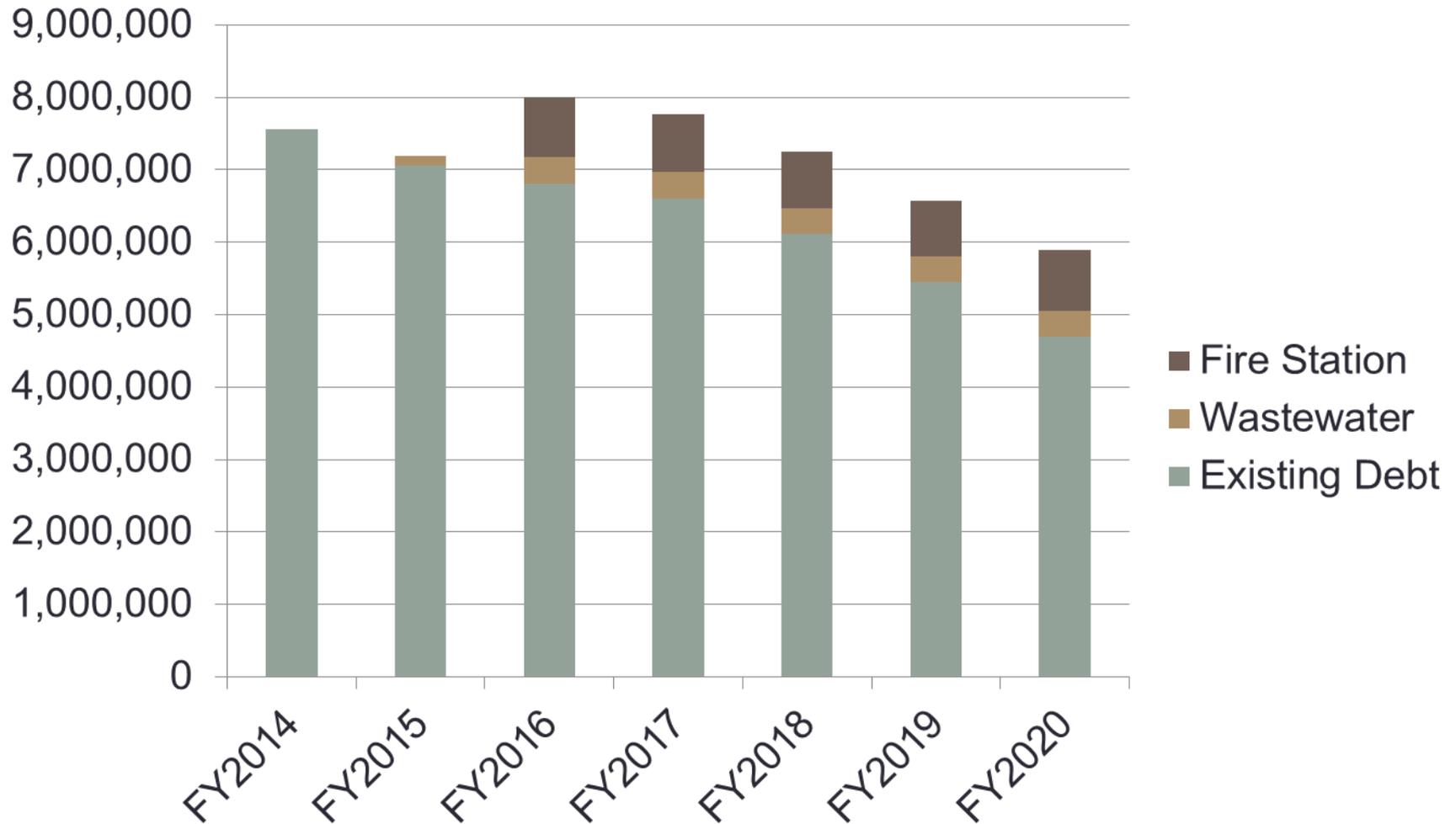
Expenditures

	FY2012 Actual	FY2013 Actual	FY2014 Voted	<i>FY2015 Projected</i>
General Gov't	\$1,793,396	\$1,898,298	\$1,926,680	\$1,975,000
Public Safety	\$5,301,331	\$5,544,029	\$5,754,115	\$5,955,500
Comm. Dev.	\$651,443	\$661,747	\$715,365	\$733,250
Health & Env.	\$766,756	\$816,401	\$835,157	\$856,100
Public Works	\$3,836,284	\$4,250,941	\$4,349,927	\$4,460,000
Social Services	\$906,462	\$922,990	\$976,340	\$1,000,750
Benefits	\$3,804,171	\$4,219,258	\$3,952,910	\$4,250,000
Insurance	\$300,703	\$342,353	\$501,135	\$518,700
Debt Service	\$5,852,861	\$7,418,609	\$7,905,583	\$7,555,027
Education	<u>\$10,261,778</u>	<u>\$8,434,323</u>	<u>\$8,000,516</u>	<u>\$9,345,700</u>
TOTAL:	\$33,475,185	\$34,508,949	\$34,917,280	\$36,626,475

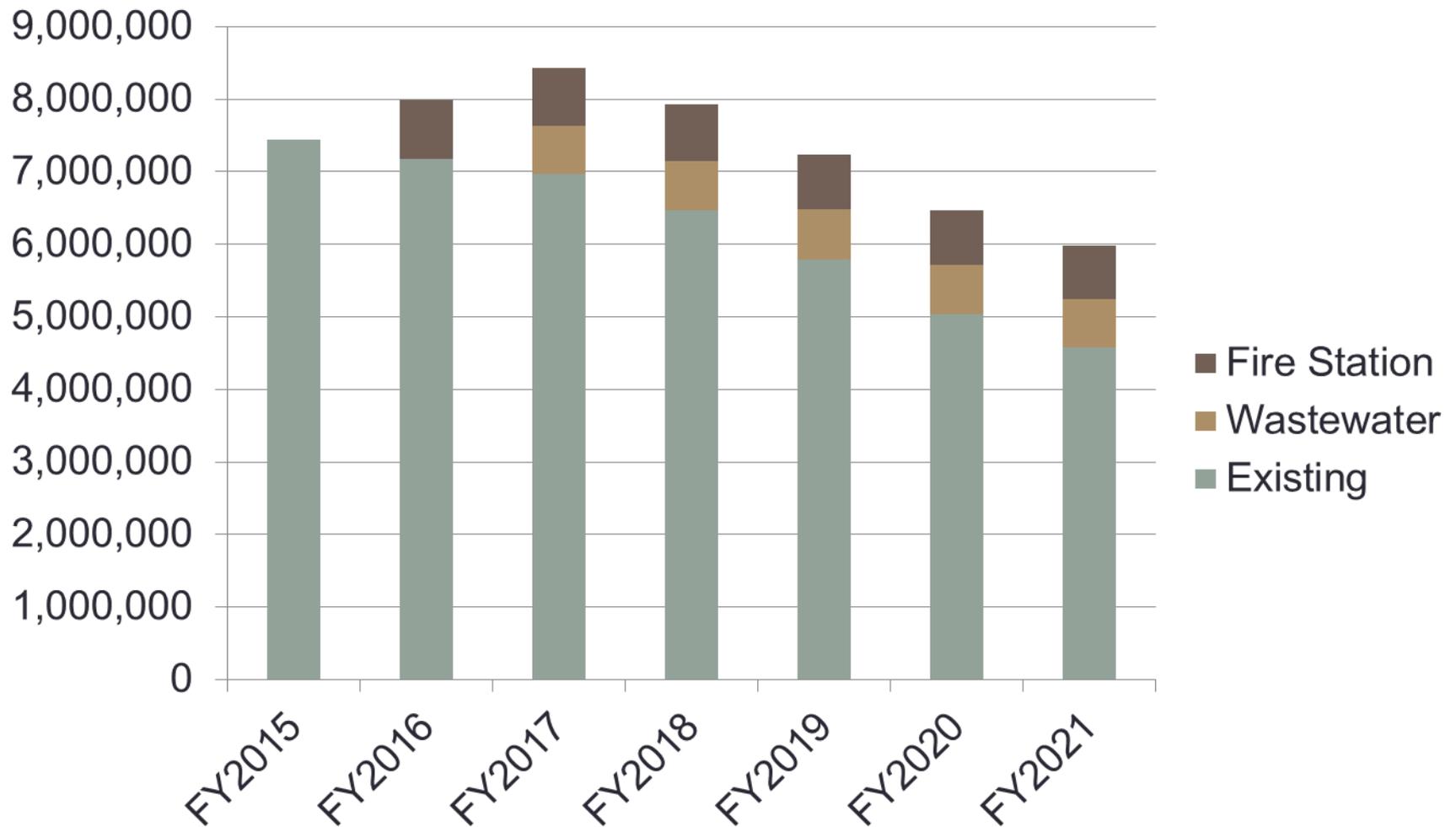
“Fixed Cost” Expenditure Trends



Agenda Item IV. Debt Service Forecast



Debt Service – Wastewater Forecast



Future Challenges/Opportunities

- Solid Waste Disposal
 - SEMASS Contract Expires 2015 from \$38 p/ton to estimated \$68 p/ton (*estimated; in negotiations*)
 - PAYT or increased sticker fees
- Other Post Employment Benefits for Retirees (present value for future health insurance costs)
- Regionalization
 - Shared services
 - County and/or Regional Dispatch – Still waiting

Revenue Generation/Enhancements

- Parking
 - Capital Outlay
 - Downtown business impact
 - Policy decision – pay for parking; Light House Beach, Main Street, Parking lots? (new meter technology)
- Increase User/ Department Fees – Policy Directive
 - Routinely Review
- Expand Hotel/Motel
 - Additional 2% = \$595k
 - Short Term Rental – Home Rule Petition Article

Capital Improvement Plan/Program

- Policy 3-7% of operating budget

- Prioritize
 - Departmental Requests
 - BOS Goals
 - Other

- Funding:
 - Free Cash
 - Tax Levy
 - Available Funds

Sustainability – more than Comps?

- Property Values (FY2013)
 - 14th Highest in Commonwealth
 - \$779,119 vs. \$354,292 (state average)
- Tax Rate
 - \$5.03 (FY2013)
 - Lowest on Cape Cod
 - 7th Lowest in Commonwealth
- Tax Bill - Average
 - \$3,919 (Chatham) vs. \$4,846 (state average)
- *What other indicators drive your policy decisions?*

SRAC Position Paper

- Stable tax levy FY2014 level plus new growth
- Revenue Enhancements
 - Fees
 - Hotel/Motel tax
 - 2% additional – Town Meeting Vote
 - Expanded - Home Rule Petition
- Capital – level to FY2014
- Expense Reduction/Avoidance

Expense Reduction/Avoidance

- Acceptable Service Levels/Priorities
- Staffing – Continual Review; Vacancies/Separation
- Reorganization and/or Consolidation
- Shared Staffing/Services with Towns or the CCC
- Outsourcing in a Union Environment

- Performance Management Next Steps – Re-directing resources to greatest area of benefit = clear policy on desired services

- Renewable Energy Projects

Preserving Chatham's AAA Bond Rating

- AAA S&P Bond Rating – affirmed June 2012
- Policies
 - Financial Management
- Reserves
 - Stabilization Fund \$1,742,960
 - OPEB Trust
 - UAAL \$16,559,085
 - Funding source – Overlay Surplus, Medicaid Receipts

FY2015 Budget Calendar

- September 10 Budget Kick-off Summit
- October 11 FY2015 Packets distributed
- November 15 FY2015 Budget Requests to Town Manager
- November 15 FY2015 Capital Requests to Town Manager
- December 13 Fiscal Articles to Town Manager
- January 15 MRSD Budget Request to Town Manager
- January 28 Town Manager Recommended Budgets to BOS/Finance Committee
- February 14 Finance Committee Recommendation to BOS
- February 28 BOS Approved Budgets to FinCom
- April 2 Finance Committee Recommendations
- May 12 Annual Town Meeting

* CAL 2014/FY2015 BOS Goals and Objectives in October 2013*