

TOWN OF CHATHAM

OFFICE OF THE SELECTMEN
TOWN MANAGER

549 Main Street, Chatham, Massachusetts, 02633

(508)945-5105

www.chatham-ma.gov

TO: Honorable Board of Selectmen
Honorable Finance Committee

FROM: Jill R. Goldsmith, Town Manager

DATE: January 13, 2012 *me*

SUBJECT: Town Manager's Fiscal Year 2013 Budget Summary
(July 1, 2012 – June 30, 2013)

Attached, please find the summary of FY2013 Departmental Requests and Town Manager Recommendations for funding and the Preliminary Financial Forecast which includes revenues and economic forecasts. Also included is a Budget Summary reflecting budget appropriations since FY2010. The information presented below is a summary and snap shot of the information contained in the FY2013 Budget Book. For FY2013 budget planning and in consideration of the Board of Selectmen's (BOS) directive described in detail below, each Department/Division was asked to submit a detailed budget narrative (function and goals) and staffing history. In reviewing the detailed submissions in the Budget Book, new this year, we also included a column for supplemental requests if funding were to be made available for strategic appropriation, and further as an illustration of operation and funding challenges. As we work to make more documents available on the Town's website, including the Budget Book in the future, I would like to direct the public to Town Manager's page on the website to review Reports provided to the Board of Selectmen that provide additional and up-to-date information on Town operations by Department and Division, and a precursor to benchmarking operations and performance.

http://www.chatham-ma.gov/Public_Documents/ChathamMA_Manager/Reports%20to%20BOS

Budget materials will be placed on the Town's website www.chatham-ma.gov and updated as information becomes available.

Executive Summary

In November 2011, the BOS adopted goals and objectives for the Board and for the Town Manager to implement. While traditionally the budget discussion with the BOS and FinCom is initiated in the summer, with consideration of the Summer Residents Advisory Committee recommendations and a review of the previous year, this process was abbreviated due to the transition to the new Town Manager. Notwithstanding, the expectation of a level funded budget was anticipated. The Budget as presented relied on projections in key categories also due to the timing of this transmittal:

- Monomoy Regional School Budget Submittal
- Release Date of 1/25/12

- Cape Cod Municipal Health Group (CCMHG) Plan Design/Costs Release Date of 1/25/12
- Governor’s House 1 Budget Release Date of 1/23/12
- New Fire Station
 - Capital Planning Review Committee (CPRC) recommendation to the BOS scheduled for 1/31/12 – Debt Exclusion

The Omnibus Budget as recommended provides for a balanced budget of:

Revenues:	\$43,749,637
Expenditures	<u>\$43,749,639</u>
	\$ 2

The Town’s Operating Budgets totaled \$35,138,237 in FY12 and for FY13 they are presented at \$35,094,782; a decrease of \$43,455. Such is described in more detail in this transmittal. The figures as presented on the attached Fiscal Overview/Pro-Forma [Attachment #1] provide a complete financial picture including funding set aside for warrant articles.

Board of Selectmen Goals

The 2012 (FY2013) goals of the Board of Selectmen which are used to drive this budgeting process are attached to this report [Attachment #6]. The BOS embarked on an organic and collaborative approach to communicate its mission and directives and resultant goals.

Similar to last year, the BOS provided a budget directive that, “provides for a level funded budget, and consider any consequences of a level funded budget in conjunction with the service delivery as communicated and expected by our citizenry and Advisory Boards.”

Thus the directive communicated to the Departments, Boards and Commissions was for a level funded municipal budget, with an opportunity to highlight/lowlight the impacts of another year of level funding. The budget that is presented has some realignments but all within the allowable limits of Proposition 2 ½. For FY2013 there is a proposed reorganization of one department to better serve the organization, and I will continue to review operations throughout the year for efficiencies and productivity.

The local economy has begun to recover, although slowly, and the budget presented represents a conservative estimate for our local receipts.

Economic Conditions Summary

As part of the Community Development Department’s regular operation, data are compiled on residential and commercial building activity and the corresponding value of construction on an annual basis. Since activity in the building sector is one indicator of the status of the local and regional economy, the following information is provided for context on economic activity in Chatham between 2004 and 2011.

While there was an “uptick” of 13 new dwellings and 54 renovations/additions in 2011 over 2010, Table 1 below illustrates the generally declining trend in new dwellings, demolitions and renovations and additions associated with residential building activity over the period. This trend clearly started in

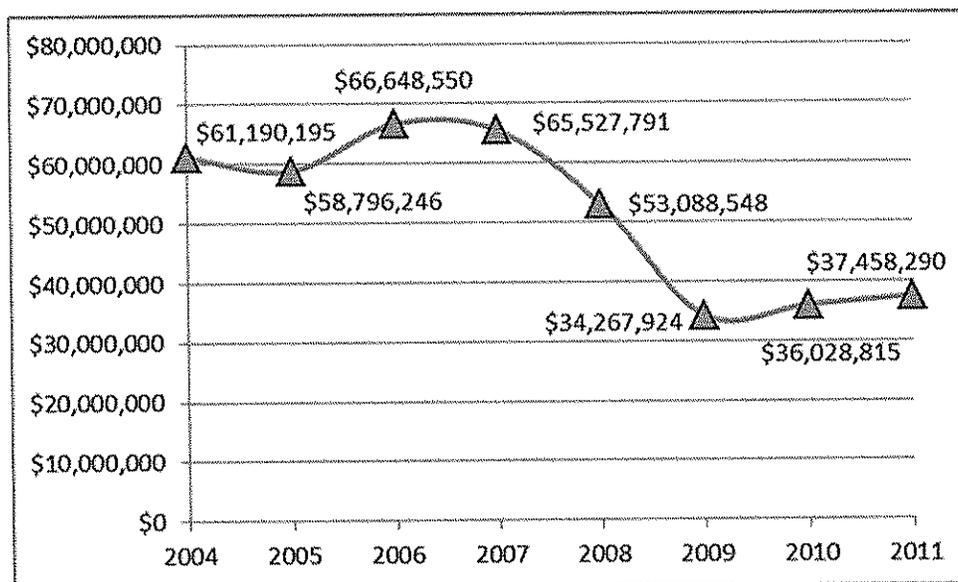
advance of the beginning of the so-called “Great Recession” in December 2007. Another primary factor in this downward trend over the middle part of the last decade is most likely attributable to the decreasing number of readily available lots for development in Town.

Table 1: Residential Building Activity: 2004 – 2011

Year	Activity			Construction Value		
	New Dwellings	Demolitions	Renovations and Additions	New Dwellings	Renovations and Additions	Total
2004	107	31	534	\$39,830,420	\$21,359,775	\$61,190,195
2005	68	27	539	\$35,304,309	\$23,491,937	\$58,796,246
2006	74	34	602	\$38,332,300	\$28,316,250	\$66,648,550
2007	54	24	568	\$39,062,000	\$26,465,791	\$65,527,791
2008	30	25	522	\$19,627,690	\$33,460,858	\$53,088,548
2009	25	10	441	\$15,266,000	\$19,001,924	\$34,267,924
2010	32	17	438	\$19,659,500	\$16,369,315	\$36,028,815
2011	45	14	492	\$17,989,000	\$19,469,290	\$37,458,290

What is interesting when looking at the trend in the total residential construction values in Figure 1 over the same period of time, is that while overall activity has been generally trending downward on a permit basis, total annual residential construction values maintained an average value of approximately \$60M from 2004 – 2007, with a notable decrease corresponding with the timeline of the economic downturn, dropping in 2008. In 2009, the annual total residential construction value hit a “bottom” of approximately \$34M with a gradual increase into 2010 through 2011. The increase of approximately 4% observed between 2010 and 2011, while an improvement, appears consistent with general nationwide observations of a slower than expected economic recovery.

Figure 1: Total Residential Construction Value: 2004 – 2011



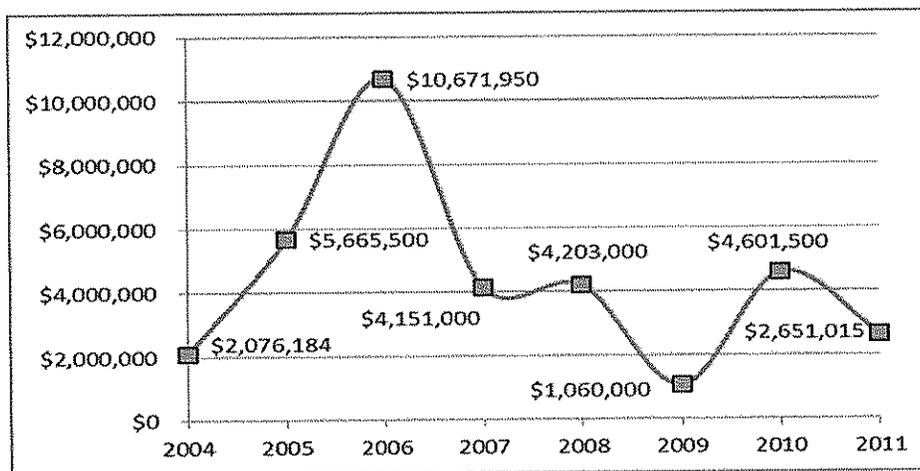
On the commercial side as indicated in Table 2 below, building activity between 2004 and 2011 has averaged over two (2.4) new buildings per year with renovations and additions averaging under 14 (13.8) per year over the same period.

Table 2: Commercial Building Activity 2004 – 2011

Year	Activity		Construction Value		
	New Buildings	Renovations and Additions	New Buildings	Renovations and Additions	Total
2004	2	18	\$1,100,000	\$976,184	\$2,076,184
2005	3	14	\$4,830,000	\$835,500	\$5,665,500
2006	2	15	\$2,900,000	\$7,771,950	\$10,671,950
2007	5	12	\$981,000	\$3,170,000	\$4,151,000
2008	4	9	\$1,200,000	\$3,003,000	\$4,203,000
2009	0	11	\$0	\$1,060,000	\$1,060,000
2010	3	12	\$3,444,200	\$1,157,300	\$4,601,500
2011	0	19	\$0	\$2,651,015	\$2,651,015

Similar to the trend in total residential construction values, the trend in total commercial construction values illustrated in Figure 2 below appears to also closely track the broader difficult economic conditions experienced in the United States and Massachusetts between 2007 and 2009. The upward spike experienced in commercial construction value in 2010, is clearly related to the three new buildings in that year. Through 2011, without the benefit of any new commercial buildings being permitted, the total commercial construction value is a little less than 60% of the 2010 value. For comparison purposes to a recent year without new buildings, the 2011 value is two and a half times the 2009 value. While a decrease in the total commercial construction value was realized in 2011 when compared with 2010, the generally upward trend from 2009 is hopefully a positive indicator of continued upward movement in commercial investment and a gauge of the business community's continued commitment to invest in Chatham now and as economic conditions improve over the long term.

Figure 2: Total Commercial Construction Value: 2004 – 2011



With the anticipated establishment of the new Economic Advisory Committee by the BOS, we will have new ideas, innovation, and greater economic sustainability moving forward.

REVENUE

Each year the Town determines how much additional revenue is available within the limits of Proposition 2 ½ in order to balance its operating costs. In FY2013, the following new tax levy was available:

2 ½ Allowable	\$575,000
New Growth	<u>225,275</u>
Total	\$800,275

Levy limit – it is proposed to use excess levy capacity towards funding the Capital Plan so it appears as “\$0” on the attached Financial Overview. Items which cost over \$10,000 for non-recurring projects/items are eligible for the Capital Plan.

As you well know, the Revenue Forecast is simply a “snap shot” estimate as to where the Town stands at this moment (1/13/12). There are a number of evolving factors. The “Cherry Sheet” for local aid (School and Town) funding and assessments that have yet to be filed by the Governor – House 1 by 1/23/12. As the local budget process advances and the Legislature works through its iterations, these numbers will be fine-tuned the closer we get to the Annual Town Meeting. The other factors relate to the non-discretionary expense items such as benefits – health insurance expenses (expected to be received by 1/18/12) and retirement assessments. The Monomoy Regional School Budget has not been formally received as of 1/13/12, but figures presented reflect conversations in anticipation of the release of the budget on 1/25/12.

The preliminary FY2013 forecast reflects the following:

- New Growth is estimated at \$225,275; as FY2013 is a revaluation year. This estimate is slightly higher than FY2012, yet below the average of the past three years. In FY 2011 it was certified at \$239,410 and \$221,798 in FY 2012. The Economic Forecast in this summary highlights the building activity in Town which is an indicator for new growth.
- Debt Structure as submitted by the Finance Director. Debt obligations have increased 30% as anticipated. The forecasted interest rate is 3.25%, but it may be lower depending on the bond sale. We have developed a multi-year debt schedule for financial planning purposes and well as adhered to investment and reserve policies.
- Local receipts have been estimated at slightly lower than the FY 2012, but higher than FY2011 actual amounts as this will include revenue from the Local Option for Meals Tax.
- Cherry Sheet Charges and Expenses were increased minimally in anticipation of what may be actually charged off the State cherry sheet (included in the budget book).

EXPENDITURES

General Operating Budget

SUMMARY				Proposed	
Description	11 Actual	12 Approp	13 Dept Req	Budget FY2013	%
Expenses					
Operating Budgets		-	-	-	-
General Government	\$ 1,942,883	\$ 1,841,511	\$ 1,929,316	\$ 1,929,316	4.77%
Public Safety	5,190,333	5,177,778	5,451,500	5,451,500	5.29%
Community Development	732,593	661,100	668,987	695,823	5.3%
Health & Environment	763,644	815,635	824,060	824,060	1.03%
Public Works & Facilities	3,868,257	3,913,246	4,222,170	4,181,348	6.85%
Community & Social Services	928,621	961,523	970,688	970,688	0.95%
Education	9,699,661	10,261,778	9,007,709	9,007,709	-12.22%
Employee Benefits	3,664,989	3,854,468	4,100,000	4,100,000	6.37%
Undistributed Ins. & Reserve Fund	351,097	351,097	401,135	401,135	14.25%
Debt Service	<u>5,216,532</u>	<u>5,740,691</u>	<u>7,450,668</u>	<u>7,450,668</u>	29.79%
Operating Budget Total	<u>\$ 32,358,610</u>	<u>\$ 33,587,882</u>	<u>\$ 35,026,233</u>	<u>\$ 35,012,246</u>	4.51%

Operating expenditures minus Debt Service amounts to \$27,561,575 – lower than the previous year’s FY2012 level of \$27,847,000. The Operating Budget may realize further reductions as we await the final premium rates for employee health insurance. Also the forecasted regional educational savings are acknowledged as a contributory factor, but again we await the final budget submission. Details below will note adjustments to the “level-funded” directive and how partial savings from the school regionalization were applied.

Nondiscretionary (Fixed) or Other Budgets:

- Retirements/Pensions continue to impact expenses. The Retirement Assessment is expected to increase by 6% increase. The Early Retirement Initiative (ERI) attributed for an additional assessment of \$102,000 relating to the seven employees. In fall 2011, the BOS and FinCom held joint meetings to discuss pensions and other post-employment benefits (OPEB) planning.
- Liability and Workers Compensation insurance has been increased by 63%. This is premium based. We continually monitor this and expect to seek quotes to ascertain market conditions.
- Several budgets have increased by unfunded mandates, an example of which is the Elections budget, up 66% due to the Presidential Primary and General Elections both of which occur in FY2013. The County Sherriff instituted a new charge for dispatch services and CMED calls which impacted the Fire Department budget in FY2013 even as we explore Regional Dispatching which may be 2-3 years out. While the renewable energy initiatives are underway (solar photovoltaic [PV] panels on the capped landfill and WWTF in FY2013, the savings will not be realized until

• = updated 1/17/12
3 pm

FY2014; thus providing for an increase of 42% in utility costs. Additional items are highlighted below.

- The enclosed budget is not reflective of use of any reserves. FY2012 general fund free cash was certified in December 2011 in the amount of \$582,327. Such funds have been earmarked for the Town's Capital Plan.

Monomoy Regional School Budget:

The Monomoy Regional School Committee will present their budget request on January 25, 2012, with a public hearing scheduled for early February. The preliminary numbers indicate that while Chatham will realize savings through regionalization there are several impacts that will reduce the amount of that saving. Increases in placements, loss of school choice funds and the yet unknown cost of the employer contribution for health insurance all contribute to this reduction in savings. Chatham's assessment for the Monomoy Regional School District is 28% of the total Regional School budget in FY2013.

Town Meeting approved the school regionalization with the Town of Harwich, creating the Monomoy Regional School District. Fiscal 2013 is the first year of fully integrated budgets, resulting in a savings of \$1.2m for the Town of Chatham based on the initial informal submittal by the Regional School administration. The budget directive to the Regional School Committee was to keep the budget as lean as possible, with particular caution for salary and wage increases. The savings in the regional school budget as forecasted enabled us to offset operational increases with the new Wastewater Treatment Facility and offset increase in debt services budget. Consideration for further savings will be made to fund the capital budget with a transfer to Stabilization.

Wastewater Treatment Facility:

The Plant is will be operating in FY2013. As such, the increase in operating costs of 41% % is demonstrated in the Department budget. As part of the construction of the new wastewater treatment facility a 50 kW solar (photovoltaic) array will be installed on the south facing roof of the new Operations Building. This solar array is expected to provide a significant portion of the electrical needs for the new operations Building. The shop drawings for the array are currently under final review with installation expected in the next several months. The cost of the array is being partially funded by the existing USDA Rural Development Water and Wastewater Loan/Grant. The remaining cost is being offset by savings in other aspects of the project.

Budget Busters

Each year there are "budget busters" which consume the allowable growth. The following represent increase amounts over the FY2012 budget for FY2013:

Health Insurance	\$ 0 [See below]
Pension Assessment	\$215,000
Unemployment Compensation	\$ 50,000
Liability Insurance	\$ 50,000
Worker's Compensation	\$ 30,000
Fire Overtime	\$ 0 [\$100,000 level FY2012 also in FY2013]
Technical Contracts	\$115,000
Step Increases	\$ 75,000

Sewer Operating Costs	<u>\$305,000</u>
	\$840,000

However, much effort is made to control such items. We are continuing to review expenditures and alternatives, and we have been successful in seeking regional partnerships.

The Town is a member of the Cape Cod Municipal Health Group (CCMHG) – a regional joint purchase group. CCMHG voted to amend its plan offerings effective July 1, 2012 to the level of the Group Insurance Commission (GIC) plan design for co-pays and deductibles, authorized by the new legislation. As a result, in October, 2011, BOS adopted MGL Ch. 32B §§ 21-23 to allow the Town to engage in the process to change health insurance benefits – also known as municipal health insurance reform. The figures presented in the Budget summary provide for level funding, but it is anticipated there will be a reduction to the current year line item due to plan design changes under consideration that would lower the premiums. The actual rates for FY2013 will be set at the end of January, until that time we project a level funded budget for Health Insurance.

Cost of Living Adjustment

Any cost of living wage adjustment for both union and non-union municipal employees is funded in a warrant article separate from the operating budget. This is a long-standing practice of the Town in order to highlight pay raises for employees. For the past fiscal year (FY2012) there were no cost of living adjustments for any Town employee. For FY2013, all four union contracts are under negotiation as of the publication of this message, and any adjustment will occur under this article at Town Meeting.

“Debt Drop Off”

The fiscal policy of using “debt drop off” to fund the Town’s Capital Facility Plan has been very effective. Its result has been the replacement of the Town’s aging infrastructure without increasing our tax rate. However, as the budget message for FY2010 stated that “debt drop off” would no longer have an impact to offset future capital projections. The “future” is the FY2013 budget; existing debt reduced only \$26,000 from FY2012 to FY2013. The first year of debt service for the wastewater system and the PD/Annex projects is reflected in the FY2013 budget. Debt service for the FY2013 budget is conservatively estimated at a 3.25% interest rate which results in an increase of \$1.7 million. The Town level funded the FY2012 budget, in part by delaying the permanent financing for these projects. The reason for the delay was to realize increase in local receipts as the economy continued to recover, the passage of the local meals tax and the possible savings from school regionalization. The economy has not realized the recovery anticipated, however that is mitigated by favorable interest rates on long term financing.

Upcoming projects providing for debt exclusions are the Fire Station Project (presentation scheduled for the BOS on 1/31/12) and targeted for consideration at the 2012 Annual Town Meeting) as well as the Monomoy Regional High School Building Project for which efforts have been moving forward, but a date is not certain at the time of this writing.

Water Department Operating Budget

The Water Department operating budget is funded by revenue generated from water receipts continues to have a healthy revenue stream. This budget increases slightly for FY2013.

Supplemental Funding Requests:

Such requests include additional personnel if the hiring freeze is lifted and efforts have been made to demonstrate anticipated efficiencies or future cost savings. Additionally, this is the section to note if there is a new State or Federal mandate for programs or services not previously funded. Most of the items were previously mentioned above relating to deviations to the level funded directive. This was included to accompany the Directive recognizing that the starting point is a bare minimum budget submittal. Based on strategic funding for priority/core services or staffing, or with any forecasted increases in revenues or known reductions in operating costs, funds may become available for potential funding. Such requests are noted on in the Department worksheets.

We received a total amount of \$600,160 in supplemental requests. Of that, \$79,713 is recommended for funding. Such is enumerated below:

General Government	\$81,800 due to Reorganization [Attachment 7]
Public Safety	\$29,250 for increases in technology contracts, medical supplies and fitness tests
Community Development	\$34,723 due to Reorganization
Health & Environment	\$7,800 for the Landing Officer
Public Assistance Grants	\$12,480 for the Library and Child Care Network increase

Public Works (Facilities) reduction of (\$86,340) due to the Reorganization

Reorganization

To accompany the Town Manager’s budget submittal for Fiscal Year 2013, a reorganization via Administrative Order [Attachment 7] has been proposed that will affect both the Community Development and Facilities departments, effective July 1, 2012. These changes are brought about by the direction that has been given by the Board of Selectmen (BOS) through its goals and objectives, Town-wide local comprehensive plan (LCP) initiatives, and the awareness that additional staffing resources are needed in the Community Development department with a necessary re-alignment of staffing to accomplish such. It is understood that there will continue to be a need for leadership in completing a significant number of special (non-building) projects as well as leadership in the planning area for long range planning and any accompanying amendments to the protective (zoning) bylaw. We are continuing to review Town operations for greater efficiencies and economies. Please refer to the Administrative Order which illustrates the fiscal and services impact.

Staffing Levels

There have been no net staff reductions in the FY2013 budget as we continue to assess the level of service delivery. However over the past five years the staffing level shown below reflects a reduction in full time employees 140 in 2009 effectively reducing the number of full time employees on the general government payroll by 13% over this period. This staff reduction is in keeping with the overall fiscal policy of the Town which allows staff growth as the economy and revenue grow, yet demands

staff reductions as the economy and revenue shrink. This past growth enables staff reductions such as those recommended in this budget to only minimally impact service provision.

<u>Department</u>	<u>2000</u>	<u>2004</u>	<u>2009</u>	<u>2012</u>
Town Manager	4	3	3	2
Human Resources	-	3	3	2
Accounting	2	2	4	3
Assessors	4	4	4	4
Treasurer/Collector	6	5	4	3
Information Systems	1	2	2	2
Town Clerk	2	2	2	2
Permits	-	1	1	-
Municipal Buildings	3	4	6	6
Police Department	29	27	28	27
Fire Department	20	24	28	26
Shellfish	2	2	2	2
Harbormaster	2	4	4	4
Coastal Resources	1	1	1	1
Highways	8.25	8.5	8.5	7
Solid Waste	4.75	6.75	5.5	6
Water and Sewer	4	4	4	3
Community Development	11	7	11	7
Health	3	3	3	2.5
Conservation	2	2	3	2.5
Lab	1	2	2	1
Council on Aging	3	3	2	2
Parks and Recreation	<u>9</u>	<u>8</u>	<u>10</u>	<u>10</u>
	122	128.25	141	125

The decrease of 18 positions during a five year period was achieved through a combination of layoffs, not filling vacant positions and the Early Retirement Incentive.

The FY2013 staffing level once again reflects the Town's policy of shifting resources towards areas of need and gaining efficiencies in existing departments.

Five Year Capital Plan

FY2013 redirects the focus back to capital needs. In evaluating the Departments' requests, jurisdictional-wide priorities affecting department needs must be considered. While the review is conducted on an informal basis, meetings with Departments provide the Town Manager information with each particular request being assessed on its own merit and placed in one of the categories according to that assessment that take into consideration usual best practices with the development of a Plan, such as:

- ✓ Legal mandates - consequences of noncompliance/ cost of compliance;
- ✓ Conformity to Town plans and goals; productivity - return on investment;
- ✓ Future operating budget impact; and

✓ Cost effectiveness

There are many steps in the Capital Improvement Plan ("CIP") process - from the Departments putting forth requests, evaluating urgency of needs criteria - to establishing equipment replacement schedules, life expectancies for the projects, annual costs - as well as consideration of inflation factors and financing options. A capital improvements program coordinates community planning, financial capacity and physical development and is composed of two parts - a capital budget and a capital plan. Special Outlay or "Rolling Stock" are considered operating capital items – small equipment, furniture, and other permanent property replacements needed to keep services going, so the Finance Team is considering Capital or permanent property line items in department operational budgets; such as "small cap", and not part of the Capital Plan.

The FY 2013 Capital recommendations are attached [Attachment 2]. Requests are detailed by Department, and highlighted below including proposed funding sources:

CAPITAL PROGRAM & BUDGET SUMMARY:	FY 13	FY 13
	Request	Approved
General Government	94,300	89,300
Public Safety	294,539	40,039
Community Development	12,500	12,500
Health & Environment	786,000	374,000
Public Works (without Water)	1,486,000	278,000
Equipment	1,373,202	1,018,154
Total Town Funded Capital Budget	4,046,541	1,811,993
Funding Sources:		
Free Cash	582,327	582,327
Waterways Improvement Funds		38,000
Cemetery Sale of Lots		1,000
Shellfish Revolving		8,000
Prior Articles		45,200
Capital Exclusion	850,000	850,000
Raise & Appropriate		287,466
Total Funding Sources	1,432,327	1,811,993
	(\$2,614,214)	\$0

The following are allowable funding options for a CIP:

- A. "Pay as you go" - This is comparable to equity financing of capital needs in the private sector. Such financing is raised through stock offerings or other contribution of capital by owners, partners, and stockholders. Pay-as-you-go financing for local governments comes local earmarking of revenue funds that do not involve financing -such as a capital stabilization fund or transfer of a portion of free cash if available.

- B. Capital Expenditure Exclusion (MGL Ch. 59, Section 21C i ½) - A capital expenditure exclusion is not a borrowing, but a temporary increase to the tax rate that allows the item or items to be purchased outright. This could be done by a ballot question each year¹ to fund the plan for that upcoming year or a ballot question to seek the authorization up front for the estimated amount to fund five years of capital plan requests. Appropriations may still be made at Town Meetings on an annual basis. At the end of five years, the Town would return to the voters to reauthorize a new exclusion for the next five-year capital plan. The plan would be subject to changes and finance staff would work to forecast future needs. The BOS, by two-thirds majority vote, may place an exclusion question on the ballot².
- C. Debt Exclusion - (MGL Ch. 59, Section 21C) is defined as action taken by a Town through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2 1/2. In approving a debt exclusion, a Town calculates its annual levy limit under Proposition 2 1/2, and then adds the excluded debt service. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.
- D. Override - (MGL Ch 59, Section 21Cg) is defined as a vote by the Town at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount. The Town's levy would be permanently increased by the amount authorized, so it would be prudent to fund only ongoing projects (such as roads and bridges), as opposed to a defined project (i.e. a building or equipment), utilizing this method. The BOS by majority vote may place an override question on the ballot.

Vehicle Replacements – we have explored a new funding mechanism for vehicles; Leasing. Municipal leases are different than consumer automobile leases in that the lease term is either 3-5 years with a \$1 buy out at the end. The State has dealerships on its “bid list” and there are other approved regional purchasing collaboratives.

The five year capital budget is typically funded from free cash, other available reserves or project balance turn backs. Free cash is generated by revenue from non-property tax sources received in excess of estimates and from budget turn backs. As budgets have become tighter in the past few years, and the economic recovery is slow, free cash continues to decline. For FY 13 the amount of free cash available to fund the Capital Plan meets less than twenty percent of the requests. The passage of the meals tax, which will increase revenues in FY2012, will not be realized until the FY2014 capital budget. The limited amount of funds necessitate that we explore alternative funding sources; capital debt exclusions and vehicle leases.

Water Department Five Year Capital Plan

The Water Department has a separate capital budget. This budget is funded not from free cash, but from revenue from water charges. The Town has been aggressive in this capital plan in order to

¹ The ballot may include several exclusion questions for different capital projects on the same ballot.

² The Town Clerk must receive written notice of the referendum at least 35 days before the date of the election (MGL Ch. 54, Section 42C).

systematically replace and expand its water infrastructure. This year the Town proposed \$1,350,000 for two articles. The project cost of \$650,000 for the construction of wells at Mill Pond and \$700,000 is for the design of an Iron Removal Treatment Facility for Tirrel's Way and Eben's Way Wells will be funded through borrowing. The amortization costs of this borrowing will be paid by water revenue and reserves anticipated for this purpose. No water rate increase will be necessary.

NEXT STEPS:

As we embark another year of level funding, we remain committed to looking outside the box for cost saving strategies or ways to expand management capacity. Departments are also examining revenue sources such as reviewing fees and charges against neighboring Towns and market conditions. There are many examples of bi-lateral partnerships with neighboring Towns and we are currently examining regional approaches to services such as regional dispatch and regional assessing data management, and a regional stream-lined permitting software program – all strongly encouraged by the current Governor's Administration – which equals available grant funding being actively sought.

We also need to revisit local options to determine if such are needed in this fiscal and political climate, for placement on the Annual Town Meeting Warrant if appropriate:

- Expansion of the Hotel/Motel Tax?
- Special Legislation (Home Rule Petition) for Residential Rentals?
- "Senior Tax Work off Program": In an effort to enhance volunteerism and provide an incentive for regular scheduling of volunteers, the BOS may want to explore the establishment of a Senior Citizen Property Tax Work-off Program to be coordinated by the Town Manager through the Council on Aging. Under this program, local property owners over the age of 60 volunteer to provide services to the Town in exchange for a reduction on the amount paid on their property tax (calculated from the number of hours worked, paid at the MA minimum wage hourly rate. It is suggested that a total of \$10,000 be made available through the Overlay for the offset in FY2013. Such would require Town Meeting authorization pursuant to Chapter.59, section 5K of the MA General Laws and DOR IGR 02-210. The maximum offset is recommended at \$600 in a given tax year.

This is the third year of difficult budget decisions but the strategic budget planning efforts since FY2010 and recent action on local option revenue sources have placed the Town in a much better position than many other Towns in the Commonwealth. The challenge will be to maintain service level expectations with limited revenues. Our excellent AAA Bond Rating has sustained and survived when many other municipalities with the same bond ratings were downgraded. We must remain very cognizant how easy it is to be downgraded and maintain our sound fiscal strategies and review policies regularly.

While much more of this budget summary should be devoted to the Monomoy Regional School Budget, we have not received the formal budget submission and detail as of the writing of this budget summary. We have included figures received late afternoon on January 12th, but the District has scheduled January 25, 2012 for its budget presentation, and hearings will be scheduled in each Town. Unlike FY2012, we are not presenting the Monomoy Regional School Assessment as a separate warrant

article and including it in the Omnibus Budget article for a complete financial picture. This strategy can certainly be reviewed before the Town Meeting Warrant is set by the BOS.

Furthermore, the Governor will release House 1 Budget on or before January 23, 2012 providing an initial forecast for state aid and state assessments. We are also awaiting final figures for health insurance premiums and have pending collective bargaining agreements as previously noted. With that said, and in consultation with the BOS and FinCom, there may be need to revisit the Town Manager's recommendations to review and adjust priorities and update forecasts as we continue discussions of core services our community desires and needs, transparency of government operations, and continue to seek innovative funding of programs and services.

I want to acknowledge and express my sincere appreciation to Town Officials and Town Departments for their time, cooperation, and patience to assist me in crafting my first Chatham Town Manager Budget recommendations and summary, and for the great effort to achieve the BOS budget directive. I also appreciate the knowledge and information I have gained from many dedicated Chathamites during my so called listening tours and conversations from many visiting Town Offices. Again, this is the first Budget transmittal and I welcome your comments on how to make the Budget Summary more user friendly.

For the purposes of the General Bylaws and Charter, submission of this message and accompanying budget satisfies the submission requirements of the Board of Selectmen to the Finance Committee.

Thank you in advance for your thoughtful consideration, and I look forward to working with you through this important process.

Attachments 1-7

Fiscal Overview FY 2012-2013	FY 2011	FY 2012	FY 2013
Revenues			
Real Estate Taxes			
Maximum Allowable Levy LIMIT	22,138,470	22,937,327	23,738,103
New Growth	239,410	221,798	225,275
Capital Exclusion	-	-	850,000
Levy Limit	22,377,880	23,159,125	24,813,378
CapeCodCommission Exclusion	217,246	238,635	244,601
Debt Exclusion (DE-1) (net)	3,422,043	3,157,777	5,184,829
Maximum Allowable Levy	25,065,557	26,555,537	30,242,808
Prior Year Property Tax Levy	24,317,420	25,065,557	26,121,917
Levy Not Used	(73,000)	(433,620)	-
Tax Levy Increase	630,847	1,056,360	4,120,891
Current Year Property Tax LEVY	\$ 25,065,557	\$ 26,121,917	\$ 30,242,808
Cherry Sheet Aid Town	187,746	174,147	183,351
Cherry Sheet Aid School	2,024,492	2,220,375	-
MSBA Reimbursement	951,612	951,612	951,612
Local Receipts Not Allocated	5,868,137	6,037,361	6,000,000
<i>Sub-total</i>	9,031,987	9,383,495	7,134,963
Water Fund - direct, indirect & PILOT	2,361,487	2,365,223	2,271,257
Water Bonding/available funds	1,100,000	375,000	1,350,000
<i>Sub-total</i>	3,461,487	2,740,223	3,621,257
Community Preservation Funds	2,148,730	886,354	800,000
Cape Cod Land Bank Funds	1,695,801	870,519	848,856
Enterprise Fund	25,000	25,000	25,000
Stabilization Funds	135,000	0	0
Free Cash	1,051,333	814,300	582,374
School Choice Funds	0	0	0
Appropriation for Other Purposes	679,783	580,995	494,339
TOTAL REVENUES	\$ 43,294,678	\$ 41,422,803	\$ 43,749,597
Expenditures			
Revenue Deficits & amounts to be raised	1,319,179	1,566,836	1,319,179
Cherry Sheet Charges	988,795	1,203,111	499,424
Overlay Reserve	256,391	245,374	250,000
Operating Budgets			
I General Government	1,952,414	1,841,511	1,929,316
II Public Safety	5,192,066	5,186,833	5,451,500
III Community Development	732,593	661,100	695,823
IV Health & Environment	787,802	815,635	824,060
V Public Works	3,779,353	3,913,246	4,181,348
VI Community & Social Services	929,132	961,523	970,688
VII Debt Service	5,216,532	5,740,691	7,450,668
VIII Employee Benefits	3,629,389	3,854,468	4,100,000
IX Undistributed & Reserve Fund	300,703	351,097	401,135
X Education	10,118,087	10,261,778	9,007,708
<i>Sub-total</i>	32,638,071	33,587,882	35,012,246
Capital Budget Town (no water)	1,160,183	994,000	961,993
Water Capital w.bonding	1,000,000	-	1,350,000
Capital, Other Articles	100,000	375,000	850,000
CAPITAL BUDGET	2,260,183	1,369,000	3,161,993
Water Operating Budget	2,671,257	2,602,841	2,671,257
Other Articles- Routine ATM	60,000	0	135,000
LandBank	898,301	0	0
Community Preservation Funds	1,783,945	754,720	800,000
Library Supplemental	35,000	0	0
Enterprise Fund	25,000	25,000	25,000
School Debt in Operating Fund	0	0	(124,500)
TOTAL EXPENDITURES	42,936,122	41,354,764	43,749,599
REVENUES minus EXPENDITURES	358,556	68,039	(2)

Attachment
1

FY 2013 Budget Request Summary

Budget	Actual FY 2010	Actual FY 2011	Budget FY 2012	Dept Request FY 2013	Town Manager FY 2013	% 12-'13
I. GENERAL GOVERNMENT						
114 Moderator						
Expenses	\$645	\$645	\$650	\$650	\$650	0.0%
122 Board of Selectmen						
Personal Services	10,500	10,545	10,500	10,500	10,500	
Expenses	<u>1,581</u>	<u>12,142</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	
sub-total	12,081	22,687	11,500	11,500	11,500	0.0%
123 Town Manager						
Personal Services	281,512	365,009	193,306	196,975	196,975	
Expenses	<u>148,679</u>	<u>127,281</u>	<u>157,706</u>	<u>158,250</u>	<u>158,250</u>	
sub-total	430,191	492,290	351,012	355,225	355,225	1.2%
124 Non-Resident Taxpayers						
Expenses	1,972	2,185	2,300	2,300	2,300	0.0%
125 Parking Clerk						
Personal Services	3,500	3,500	3,500	3,500	3,500	
Expenses	<u>1,445</u>	<u>928</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	
sub-total	4,945	4,428	6,500	6,500	6,500	0.0%
130 Human Resources						
Personal Services	173,947	165,983	167,255	169,070	169,070	
Expenses	<u>33,008</u>	<u>10,595</u>	<u>11,100</u>	<u>8,900</u>	<u>8,900</u>	
sub-total	206,955	176,578	176,768	177,970	177,970	0.7%
131 Finance Committee						
Personal Services	1,808	1,922	2,000	2,000	2,000	
Expenses	<u>173</u>	<u>284</u>	<u>600</u>	<u>600</u>	<u>600</u>	
sub-total	1,981	2,206	2,600	2,600	2,600	0.0%
135 Town Accountant						
Personal Services	195,827	200,017	206,293	211,542	211,542	
Expenses	<u>3,465</u>	<u>6,122</u>	<u>4,850</u>	<u>4,850</u>	<u>4,850</u>	
sub-total	199,292	206,139	211,143	216,392	216,392	2.5%
141 Board of Assessors						
Personal Services	208,060	211,532	216,406	221,264	221,264	
Expenses	<u>56,842</u>	<u>49,059</u>	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>	
sub-total	264,902	260,591	268,406	273,264	273,264	1.8%
145 Treasurer/Collector						
Personal Services	170,173	170,466	170,960	171,260	171,260	
Expenses	<u>14,413</u>	<u>21,674</u>	<u>21,550</u>	<u>21,550</u>	<u>21,550</u>	
sub-total	184,586	192,140	192,510	192,810	192,810	0.2%
148 Audit						
Expenses	30,000	33,250	29,000	30,000	30,000	3.4%
151 Legal Services						
Expenses	81,184	92,098	95,000	95,000	95,000	0.0%
155 Information Systems Department						
Personal Services	165,665	167,214	168,292	170,935	170,935	
Expenses	<u>104,585</u>	<u>116,027</u>	<u>118,680</u>	<u>110,200</u>	<u>110,200</u>	
sub-total	270,250	283,241	286,972	281,135	281,135	-2.0%
161 Town Clerk						
Personal Services	121,470	123,334	122,069	122,269	122,269	
Expenses	<u>9,948</u>	<u>9,612</u>	<u>13,565</u>	<u>13,565</u>	<u>13,565</u>	
sub-total	131,418	132,946	135,634	135,834	135,834	0.1%
162 Registrars & Elections						
Personal Services	950	625	1,275	1,275	1,275	
Expenses	<u>18,733</u>	<u>26,092</u>	<u>20,050</u>	<u>33,325</u>	<u>33,325</u>	
sub-total	19,683	26,717	21,325	34,600	34,600	62.3%
169 Permits						
Personal Services	53,512	18,944	17,901	17,901	17,901	
Expenses	<u>2,120</u>	<u>5,329</u>	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>	

FY 2013 Budget Request Summary

Budget	Actual FY 2010	Actual FY 2011	Budget FY 2012	Dept Request FY 2013	Town Manager FY 2013	% 12-'13
sub-total	55,632	24,273	21,801	21,801	21,801	0.0%
190 Projects Operation & Admin						
Personal Services	0	0	-	88,385	88,385	
Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,350</u>	<u>3,350</u>	
sub-total	0	0	0	91,735	91,735	
I. General Government	\$1,895,717	\$1,952,414	\$1,813,121	\$1,929,316	\$1,929,316	6.4%

II. PUBLIC SAFETY

210 Police						
Personal Services	\$1,862,041	\$1,863,350	1,876,250	1,950,501	1,948,167	
Expenses	<u>108,999</u>	<u>118,670</u>	<u>124,729</u>	<u>138,932</u>	<u>138,932</u>	
sub-total	1,971,040	1,982,020	\$2,000,979	2,089,433	\$2,087,099	4.3%
215 Animal Control						
Personal Services	53,340	50,748	52,784	54,868	54,868	
Expenses	<u>1,019</u>	<u>2,320</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	
sub-total	54,359	53,068	\$54,684	56,768	\$56,768	3.8%
216 Emergency Management						
Personal Services	0	0	2,500	2,500	2,500	
Expenses	<u>3,432</u>	<u>4,998</u>	<u>6,600</u>	<u>6,600</u>	<u>6,600</u>	
sub-total	3,432	4,998	9,100	9,100	9,100	0.0%
220 Fire						
Personal Services	2,283,176	2,455,599	2,462,494	2,502,771	2,500,336	
Expenses	<u>165,898</u>	<u>167,188</u>	<u>167,315</u>	<u>260,948</u>	<u>260,948</u>	
sub-total	2,449,074	2,622,787	2,629,809	2,763,719	2,761,284	5.0%
222 Cape & Islands EMS						
Expenses	5,384	5,384	5,385	5,385	5,385	0.0%
230 Oil Pollution Control						
Expenses	100	1,006	1,030	1,030	1,030	0.0%
270 Harbormaster						
Personal Services	415,122	336,098	352,756	355,704	355,704	
Expenses	<u>92,730</u>	<u>99,448</u>	<u>92,102</u>	<u>94,182</u>	<u>93,730</u>	
sub-total	507,852	435,546	444,858	449,886	449,434	1.0%
645 Lighthouse Beach						
Personal Services	0	70,277	67,400	67,400	67,400	
Expenses	<u>0</u>	<u>16,980</u>	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	
sub-total	0	87,257	81,400	81,400	81,400	0.0%
II. Public Safety	\$4,991,241	\$5,192,066	\$5,227,245	\$5,456,721	\$5,451,500	4.3%

III. Community Development

182 Economic Development						
Expenses	45,500	45,500	45,500	45,500	45,500	0.0%
241 Community Development						
Personal Services	660,526	635,698	560,625	568,512	595,698	
Expenses	<u>43,573</u>	<u>51,395</u>	<u>54,975</u>	<u>54,975</u>	<u>54,625</u>	
sub-total	704,099	687,093	615,600	623,487	650,323	5.6%
III. Community Development	749,599	732,593	661,100	668,987	695,823	5.25%

FY 2013 Budget Request Summary

Budget	Actual FY 2010	Actual FY 2011	Budget FY 2012	Dept Request FY 2013	Town Manager FY 2013	% 12-'13
IV. Health & Environment						
171 Conservation Commission						
Personal Services	148,265	147,562	165,721	157,600	157,600	
Expenses	<u>17,440</u>	<u>8,995</u>	<u>10,300</u>	<u>20,300</u>	<u>20,300</u>	
sub-total	165,705	156,557	176,021	177,900	177,900	1.1%
189 Waterways Commission						
Personal Services	0	144	400	400	400	
Expenses	<u>525</u>	<u>647</u>	<u>800</u>	<u>800</u>	<u>800</u>	
sub-total	525	791	1,200	1,200	1,200	0.0%
247 Shellfish						
Personal Services	150,249	151,291	146,408	140,828	140,828	
Expenses	<u>11,087</u>	<u>10,905</u>	<u>9,890</u>	<u>9,890</u>	<u>9,890</u>	
sub-total	161,336	162,196	156,298	150,718	150,718	-3.6%
248 Shellfish Advisory						
Personal Services	686	521	800	800	800	
Expenses	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>	<u>200</u>	
sub-total	686	521	1,000	1,000	1,000	0.0%
280 Pleasant Bay Management						
Expenses	33,133	32,774	32,774	32,774	32,774	0.0%
291 Stage Harbor Management						
Personal Services	377	380	1,000	1,000	1,000	
Expenses	<u>0</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	
sub-total	377	880	1,500	1,500	1,500	0.0%
295 Coastal Resources						
Personal Services	70,695	71,883	72,619	80,519	80,519	
Expenses	<u>4,455</u>	<u>4,525</u>	<u>5,540</u>	<u>5,540</u>	<u>5,540</u>	
sub-total	75,150	76,408	78,159	86,059	86,059	10.1%
510 Board of Health						
Personal Services	179,559	149,917	146,004	146,812	146,812	
Expenses	<u>13,000</u>	<u>15,400</u>	<u>15,400</u>	<u>15,400</u>	<u>15,400</u>	
sub-total	192,559	165,317	161,404	162,212	162,212	0.5%
512 Greenhead Fly Control						
Expenses	1,550	1,550	1,550	1,550	1,550	0.0%
519 Health & Environment						
Personal Services	131,532	133,272	135,629	139,047	139,047	
Expenses	<u>65,312</u>	<u>57,536</u>	<u>70,100</u>	<u>70,100</u>	<u>70,100</u>	
sub-total	196,844	190,808	205,729	209,147	209,147	1.7%
IV. Health & Environment	\$827,865	\$787,802	\$815,635	\$824,060	\$824,060	1.0%

FY 2013 Budget Request Summary

Budget	Actual FY 2010	Actual FY 2011	Budget FY 2012	Dept Request FY 2013	Town Manager FY 2013	% 12-'13
V. PUBLIC WORKS						
192 Buildings & Grounds						
Personal Services	\$338,235	\$334,365	\$322,204	238,695	238,695	
Expenses	<u>297,853</u>	<u>323,292</u>	<u>304,022</u>	<u>334,022</u>	<u>324,200</u>	
sub-total	636,088	657,657	626,226	572,717	562,895	-10.1%
420 Highway						
Personal Services	378,096	394,318	336,682	349,773	349,773	
Expenses	<u>62,544</u>	<u>63,513</u>	<u>62,200</u>	<u>62,200</u>	<u>62,200</u>	
sub-total	440,640	457,831	398,882	411,973	411,973	3.3%
423 Snow & Ice						
Personal Services	22,758	15,109	16,000	16,000	16,000	
Expenses	<u>129,621</u>	<u>92,740</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	
sub-total	152,379	107,849	71,000	71,000	71,000	0.0%
424 Streetlighting						
Expenses	43,819	41,783	46,000	46,000	46,000	0.0%
425 Central Fuel Depot						
Expenses	162,047	164,028	186,000	186,000	186,000	0.0%
430 Solid Waste/Recycling						
Personal Services	369,579	363,905	316,188	330,735	330,735	
Expenses	<u>456,924</u>	<u>431,088</u>	<u>518,600</u>	<u>518,600</u>	<u>518,600</u>	
sub-total	826,503	794,993	834,788	849,335	849,335	1.7%
443 Sewer						
Personal Services	47,238	46,065	20,820	21,335	21,335	
Expenses	<u>521,255</u>	<u>520,077</u>	<u>652,800</u>	<u>958,500</u>	<u>928,500</u>	
Debt Service	<u>52,567</u>	<u>47,924</u>	<u>42,641</u>	<u>61,364</u>	<u>61,364</u>	
sub-total	621,060	614,066	716,261	1,041,199	1,011,199	41.2%
491 Cemetery						
Personal Services	11,871	11,682	17,799	17,799	17,799	
Expenses	<u>46,708</u>	<u>41,786</u>	<u>61,200</u>	<u>61,200</u>	<u>61,200</u>	
sub-total	58,579	53,468	78,999	78,999	78,999	0.0%
640 Parks & Recreation Department						
Personal Services	883,143	782,828	837,871	861,451	861,451	
Expenses	<u>152,283</u>	<u>152,774</u>	<u>159,860</u>	<u>164,860</u>	<u>163,860</u>	
sub-total	1,035,426	935,602	997,731	1,026,311	1,025,311	2.8%
V. Public Works	\$3,923,974	\$3,779,353	\$3,913,246	\$4,222,170	\$4,181,348	6.9%

VI. HUMAN SERVICES						
541 Council on Aging						
Personal Services	208,594	202,580	211,420	203,880	203,880	
Expenses	<u>17,792</u>	<u>17,742</u>	<u>15,150</u>	<u>15,150</u>	<u>15,150</u>	
sub-total	226,386	220,322	226,570	219,030	219,030	-3.3%
543 Veterans Services						
Expenses	64,366	69,471	78,065	82,290	82,290	5.4%
560 Public Assistance Grants						
Expenses	609,300	613,075	631,388	682,050	643,868	2.0%
670 Railroad Museum						
Expenses	2,055	3,253	3,000	3,000	3,000	0.0%
692 Public Ceremonies Committee						
Expenses	27,250	15,512	15,000	15,000	15,000	0.0%
699 Other Public Events						
Expenses	7,500	7,500	7,500	7,500	7,500	0.0%
VI. Public Services	\$936,857	\$929,132	\$961,523	\$1,008,870	\$970,688	1.0%

FY 2013 Budget Request Summary

Budget	Actual FY 2010	Actual FY 2011	Budget FY 2012	Dept Request FY 2013	Town Manager FY 2013	% 12-'13
--------	-------------------	-------------------	-------------------	-------------------------	-------------------------	-------------

VII. DEBT SERVICE

710 Debt Service						
Principal	3,754,869	3,483,834	3,793,383	4,904,720	4,904,720	
Interest - Long Term	1,163,240	1,186,362	1,129,308	2,295,948	2,295,948	
Interest - Short Term	<u>97,405</u>	<u>546,336</u>	<u>818,000</u>	<u>250,000</u>	<u>250,000</u>	
VII. Debt Service	5,015,514	5,216,532	5,740,691	7,450,668	7,450,668	29.8%

VIII. EMPLOYEE BENEFITS

920 Benefits						
Workers Compensation	42,577	52,211	57,750	91,409	91,409	
Medicare/Social Security	125,526	129,614	122,030	125,000	125,000	
Unemployment	32,658	64,542	25,000	42,840	40,000	
Public Safety Injury Ins	13,488	14,111	20,000	20,000	20,000	
Barnstable County Retirement	1,325,934	1,456,864	1,453,550	1,860,903	1,860,903	
Group Health Insurance	1,871,747	1,912,047	2,162,060	2,162,060	1,962,688	
VIII. Employee Benefits	\$3,411,930	\$3,629,389	\$3,840,390	\$4,302,212	\$4,100,000	6.8%

IX. UNDISTRIBUTED/RESERVE FUND

945 Insurance						
Expense	202,628	200,703	251,097	301,135	301,135	19.9%
949 Reserve Fund						
Expense	97,389	100,000	100,000	100,000	100,000	0.0%
IX. UNDISTRIBUTED/RESERVE	\$300,017	\$300,703	\$351,097	\$401,135	\$401,135	14.3%

IX. PUBLIC SCHOOLS

300 Chatham Public Schools						
Direct Costs-Town	9,509,544	9,710,595	9,974,126	8,707,708	8,707,708	-12.7%
Capital School		134,733	0			
School Choice	1,302,411	1,302,411	1,552,411	0	0	-100.0%
310 Cape Cod Regional Tech High						
Expense	183,157	272,759	287,652	300,000	300,000	4.3%
IX. Public Schools	\$10,995,112	\$11,420,498	\$11,814,189	\$9,007,708	\$9,007,708	-23.8%

OPERATING BUDGET SUMMARY	FY2011	FY2012	13 Dept Req	Proposed FY13		
I. General Government	\$1,895,717	\$1,952,414	\$1,813,121	\$1,929,316	\$1,929,316	6.4%
II. Public Safety	4,991,241	5,192,066	5,227,245	5,456,721	5,451,500	4.3%
III. Community Development	749,599	732,593	661,100	668,987	695,823	5.3%
IV. Health & Environment	827,865	787,802	815,635	824,060	824,060	1.0%
V. Public Works	3,923,974	3,779,353	3,913,246	4,222,170	4,181,348	6.85%
VI. Human & Public Services	<u>936,857</u>	<u>929,132</u>	<u>961,523</u>	<u>1,008,870</u>	<u>970,688</u>	
Subtotal, I-VI	\$13,325,253	\$13,373,360	\$13,391,870	\$14,110,124	\$14,052,735	4.9%
VII. Debt Service	5,015,514	5,216,532	5,740,691	7,450,668	7,450,668	29.8%
VIII. Employee Benefits	3,411,930	3,629,389	3,840,390	4,302,212	4,100,000	6.8%
IX. Undistributed/Reserve	300,017	300,703	351,097	401,135	401,135	14.3%
X. Public Schools	<u>10,995,112</u>	<u>11,420,498</u>	<u>11,814,189</u>	<u>9,007,708</u>	<u>9,007,708</u>	<u>-23.8%</u>
Total, I-X	\$ 33,047,826	\$ 33,940,482	\$ 35,138,237	\$ 35,271,847	\$ 35,012,246	-0.4%

FY 2013 Budget Request Summary

Budget	Actual FY 2010	Actual FY 2011	Budget FY 2012	Dept Request FY 2013	Town Manager FY 2013	% 12-'13
BUSINESS TYPE FUNDS						
450 Water Operating Fund						
Water Fund Salary	192,357	\$194,985	\$187,723	\$225,095	\$225,095	
Water Fund Expenses	1,047,841	1,091,800	1,115,550	1,149,000	1,149,000	
Overhead	210,468	201,325	215,316	222,339	222,339	
Prepaid Non-Betterment	138,751	132,568	126,379	116,950	116,950	
Debt Service	<u>1,117,260</u>	<u>1,143,159</u>	<u>1,084,550</u>	<u>957,873</u>	<u>1,006,362</u>	
TOTAL COSTS	\$2,706,677	\$2,763,837	\$2,729,518	\$2,671,257	\$2,719,746	-0.4%
TOTAL REVENUE*	\$2,382,296	\$2,782,296	\$2,365,223	\$2,271,257	\$2,319,746	
SURPLUS/(DEFICIT)	(\$324,381)	\$18,459	(\$364,295)	(\$400,000)	(\$400,000)	

Attachment # 2

Town of Chatham FY2013 Capital Plan

	A	B	C	F	G	H	I	J	K	L
1	Department	Description	Dept	FY 12	FY 12	FY 13	FY 13	FY 14	FY 15	FY 16
2	Priority #			Request	Actual	Request	Approved	Program	Program	Program
3										
4		CAPITAL PROGRAM & BUDGET		CAPITAL	CAPITAL					
5						FY 13	FY 13			
6		CAPITAL PROGRAM & BUDGET SUMMARY:		BUDGET	BUDGET					
7						Request	Approved			
8		General Government		190,000	60,000	94,300	89,300	77,500	115,000	115,000
9		Public Safety		259,100	65,100	294,539	40,039	296,500	233,000	53,500
10		Community Development		60,000	-	12,500	12,500	12,500	12,500	12,500
11		Health & Environment		156,000	124,000	786,000	374,000	2,456,000	1,454,000	621,000
12		Public Works (without Water)		735,000	286,000	1,486,000	278,000	1,548,000	718,000	743,000
13		Equipment		547,188	352,500	1,373,202	1,018,154	683,368	1,026,034	734,210
14		Total Town Funded Capital Budget (Column g)		1,947,288	887,600	4,046,541	1,811,993	5,073,868	3,558,534	2,279,210
15		Funding Sources:								
16		Free Cash			814,300	582,327	582,327	38,000		
17		Waterways Improvement Funds			-		1,000			
18		Cemetery Sale of Lots			1,000		8,000			
19		Shellfish Revolving			8,000		45,200			
20		Prior Articles				850,000	850,000			
21		Capital Exclusion					287,466			
22		Raise & Appropriate								
23		Total Funding Sources			887,600	1,432,327	1,811,993	-	-	-
24						(\$2,614,214)	\$0			
25		General Government								
26	Annual #1	Land Management, Assessment & GIS	IT	50,000	40,000	12,500	12,500	12,500	50,000	50,000
27	Annual #2	MIS Training, Website	IT	30,000	10,000	-	-	-	-	-
28	Annual #3	Hardware replacement & upgrade	IT	10,000	10,000	26,800	26,800	10,000	10,000	10,000
29	13-1	Ch 18 Equipment				5,000	5,000	5,000	5,000	5,000
30	13-2	Consulting & Engineering	TM	50,000	-	50,000	50,000	50,000	50,000	50,000
31	12-2	Tri-Centennial Celebration	TM	50,000	-	-	-	-	-	-
32	10-1	Business Machines	FIN/TM							
33		Total General Government		190,000	60,000	94,300	89,300	77,500	115,000	115,000
34										
35		Public Safety								
36		Police Department								
37	11	Tactical Equipment	PD							
38	10	Accident Reconstruction Equipment	PD			3,500				
39	13	Replace Computers	PD			10,000				
40	13	Speed Control Display Trailer	PD	5,000	-	-	-	3,000		
41	14	Animal Control Shelter Trailer	PD			-	-	35,000		
42	14	Command Post Trailer	PD			-	-	75,000		
43	14	Replacement of Portable Radios	PD			13,500	-	113,000		
44		Subtotal Police		5,000	-	13,500	-	113,000		
45		Fire/Rescue Department								
46	12-2	Thermal Imaging Camera	FD	12,500	12,500	-				
47	12-3	CO-Oximeter	FD	4,600	4,600	-				
48	12-5,14-1,16	Ambulance Stretcher	FD	10,000	10,000	-		12,500		12,500
49	13-1,15-2	Protective Clothing	FD			15,000			15,000	
50	13-3	Stabilization Kit	FD			10,039	10,039			
51	13-4	Fire Nozzles, Appliances & Adapters	FD			-				
52	14-3, 15-1	Mobile Data Terminals	FD					12,000	12,000	
53	14-4	Radio Equipment	FD					12,000		
54	15-3	800 MHZ portable Radios	FD							
55	17-1	Heart Monitors	FD							
56		Subtotal Fire/Rescue		27,100	27,100	25,039	10,039	36,500	27,000	12,500
57		Emergency Management								
58	11-01;13-01	Emergency Management Brochures	CD			4,000		12,000		
59	13-1	Generator Cables						1,000		
60	14-1	Trailer Tires								
61		Subtotal Other Pub Safety				4,000	12,000			
62		Harbormaster/Wharfinger								
63	11-7	Fuel Dispenser Replacement	HBR							
64	Annual 13-1;14	Aids to Navigation	HBR	10,000	10,000	10,000	5,000	10,000	10,000	10,000
65		\$5,000 per year proposed from Waterways Impr Fund								
66	Annual 13-2; 14	Mooring Management	HBR	8,000	8,000	8,000	4,000	8,000	8,000	8,000

Town of Chatham
FY2013 Capital Plan

	A	B	C	F	G	H	I	J	K	L
1	Department	Description	Dept	FY 12 Request	FY 12 Actual	FY 13 Request	FY 13 Approved	FY 14 Program	FY 15 Program	FY 16 Program
2	Priority #									
3										
67		<i>\$4,000 per year proposed from Waterways Impr Fund</i>	HBR							
68	Annual 13-3	Town Landing Maintenance	HBR	4,000	4,000	4,000	4,000	8,000	8,000	8,000
69		<i>\$4000 in '12 & '13 proposed from Waterways Impr Fund</i>	HBR							
70	Annual 13-4	Boat Maintenance & Equipment	HBR	6,000	6,000	6,000	5,000	6,000	5,000	5,000
71	Annual 13-6	Mitchell River Drawbridge Repairs & Maintenance	HBR	25,000	10,000	25,000	-	10,000	10,000	10,000
72	13-7	Fish Pier Repairs	HBR	160,000	-	160,000		80,000		
73		Boathouse/Shed	HBR							
74	13-8	On-line Mooring Renewal Program	HBR	14,000		14,000				
75		<i>\$14,000 per year proposed from Waterways Impr Fund</i>	HBR							
76	13-9	Little Mill Pond Re-decking	HBR	25,000		25,000				
77	14-8, 15-2	Barge Rental	HBR					25,000	25,000	
78	10-9	Wind Generator	HBR						140,000	
79	15-1	Fish Pier Diesel & Gas Tank Replacement	HBR							
80		Subtotal Harbor/Pier		227,000	38,000	252,000	18,000	147,000	206,000	41,000
81										
82		Lighthouse Beach								
83	12-1	Buoys	LT	-	-					
84										
85				259,100	65,100	294,539	40,039	296,500	233,000	53,500
86		Total Public Safety								
87										
88		Community Development								
89	13-1, 14-1	GIS Flyover	CD	60,000	-	12,500	12,500	12,500	12,500	12,500
90	11-01	GPS Data Collection Device	CD							
91		Subtotal Community Development		60,000	-	12,500	12,500	12,500	12,500	12,500
92										
93		Total Community Development		60,000	-	12,500	12,500	12,500	12,500	12,500
94										
95		Health & Environment								
96		Stormwater Management								
97	Annual #1	Drainage/Stormwater Management	STW	20,000	20,000	20,000	20,000	20,000	20,000	20,000
98	13-1	Conservation Lands Management/Forest Mgmt Plan	H & E	20,000	-	20,000		2,000	-	2,000
99	13-2	Trail Guide - Conservation Lands	H&E	12,000		12,000				
100		Subtotal Stormwater		52,000	20,000	52,000	20,000	42,000	40,000	42,000
101		Coastal Resources								
102	Annual #1	Dredging Program	CR	75,000	75,000	75,000	75,000	75,000	75,000	200,000
103	Annual #2	Aerial Shoreline Condition Photo Survey	CR	9,000	9,000	9,000	9,000	9,000	9,000	9,000
104	Annual #3	Town Landing Infrastructure Improvements	CR	20,000	20,000	20,000	20,000	20,000	20,000	20,000
105		<i>\$10,000 from waterways improvement</i>								
106	13-1	OMBY Pier & Float Replacement	CR			330,000		330,000	-	-
107	13-2	Muddy Creek Culvert Replacement	HE			250,000	250,000	1,750,000		
108	13-3	Chatham Harbor Public Access	CR			50,000				
109	14-1	Ryder's Cove Bulkhead Replacement	CR					180,000		
110	14-2	Bassing Harbor Dredging Permits	CR					50,000		
111	15-1	South Chatham Nourishment	CR						1,200,000	
112	15-2	Scatteree Landing Erosion Protection	CR						65,000	
113	15-3	Barn Hill Ramp Walkway	CR							350,000
114	16-1	Ryder's Cove Ramp Replacement	CR						30,000	
115	17-1	Town Landing Comprehensive Survey	CR							
116		Subtotal Coastal Resources		104,000	104,000	734,000	354,000	2,414,000	1,414,000	579,000
117		Total Health & Environment		156,000	124,000	786,000	374,000	2,456,000	1,454,000	621,000
118										
119		Public Works (without Water)								
120		Parks & Recreation & Cemetery								
121	11-4	Concession Stand - Volunteer Park	P&R							
122	13-1	Relocate Skate Park & Add Walking Track	P&R	40,000	-	60,000	60,000			
123		<i>\$45,200 repurposed article Volunteer Park</i>								
124	13-2	New Cardio Equipment for CCC Fitness Room	P&R			6,000		6,000	6,000	6,000
125	13-4	Ryders Cove Park Construction	P&R			10,000		10,000	10,000	10,000
126	16-1	Sandblast & Repaint Vet's Field Bleachers	P&R							50,000
127	15-1	Handicap Access Path Volunteer Park	P&R						25,000	
128	16-1	Outdoor Basketball Court	P&R						35,000	-
129	16-2	Picnic Pavillion -Volunteer Park	P&R							30,000

Town of Chatham
FY2013 Capital Plan

	A	B	C	F	G	H	I	J	K	L
1	Department	Description	Dept	FY 12 Request	FY 12 Actual	FY 13 Request	FY 13 Approved	FY 14 Program	FY 15 Program	FY 16 Program
2	Priority #									
3										
130		Subtotal - Park & Recreation		40,000	-	76,000	60,000	16,000	76,000	96,000
131		Highway Department								
132	Annual #1	Road Resurfacing	HWY	200,000	112,500	210,000	100,000	220,000	230,000	240,000
133	Annual #2	Emergency Road Repair	HWY	10,000	10,000	10,000	10,000	10,000	10,000	10,000
134	Annual #3	Catch Basins	HWY	50,000	30,500	50,000	25,000	60,000	60,000	60,000
135	Annual #4	Road Maintenance Projects	HWY	28,000	12,000	28,000	12,000	30,000	30,000	30,000
136	Annual #6	Sidewalk Construction	HWY	50,000	25,000	50,000	-	50,000	50,000	50,000
137	Annual #7	Bike Trail Maintenance	HWY	25,000	10,000	25,000		25,000	25,000	25,000
138	Annual #8	Street Signs	HWY	6,000	5,000	6,000	5,000	6,000	6,000	6,000
139		Subtotal Highway		369,000	205,000	379,000	152,000	401,000	411,000	421,000
140		Landfill (Transfer Station)								
141	12-01	Building Maintenance	HWY	300,000		300,000				
142	13-01	Recycling - Phase 1	HWY			500,000		500,000		
143	14-01	Recycling - Phase 2	HWY					400,000		
144		Subtotal Landfill		300,000	-	800,000	-	900,000	-	-
145		Building & Grounds								
146	Annual	ADA Compliance	BG			5,000		5,000	5,000	
147	Annual #1	Property Management/Building Maintenance Projects	TM		80,000	200,000	40,000	200,000	200,000	200,000
148		Subtotal Building & Grounds Projects			80,000	205,000	40,000	205,000	205,000	200,000
149										
150		Cemetery Department								
151	07-1	Clean & Repair Head Stones	CEM	1,000	1,000	1,000	1,000	1,000	1,000	1,000
152	07-2	Cemetery Expansion	CEM			10,000		10,000		
153		Subtotal Cemetery		1,000	1,000	1,000	1,000	1,000	1,000	1,000
154										
155		Airport Commission								
156	Annual #1	Continuing Modernization	TM/AIR	25,000	-	25,000	25,000	25,000	25,000	25,000
157		Subtotal Airport		25,000	-	25,000	25,000	25,000	25,000	25,000
158										
159		Total Public Works		735,000	286,000	1,486,000	278,000	1,548,000	718,000	743,000
160										
161		Equipment - All Departments								
162										
163	Annual #1	Annual Cruisers (2) Replacement	PD/TM	98,460	66,500	34,998	23,332	46,664	46,664	46,664
164	12-01	Replace Chief's Unmarked Admin. Vehicle	PD/TM	29,426		10,940	10,940	10,940	10,940	10,940
165	13-2	Replace Animal Control Vehicle	PD/TM	20,876	-	9,882	9,882	9,882	9,882	4,000
166	13-5	Purchase of Police Motorcycle	PD/TM			4,000	4,000	4,000	4,000	4,000
167	14, 15	Replace Vehicle - Pick-up Truck/SUV	PD/TM					-	11,666	11,666
168	14-3	Replace ATV	PD/TM	5,000				6,000		
169	16-2	Replace Unmarked Police Detective Vehicle	PD/TM	29,426		9,882		9,882	9,882	10,940
170	12-1,14,16	Replace Ambulance/Rescue	FD/TM	180,000	180,000			190,000		195,000
171	13-1	Purchase of Quint Apparatus	FD/TM			850,000	850,000			
172	13-2	Service Chief Vehicle	FD/TM	30,000		38,500				
173	14-2	Engine Repair/Paint	FD/TM						15,000	
174	15-1	Replace Fire Engine/Pumper - Purchase	FD/TM						525,000	
175	15-2	Replace Staff Vehicle	FD/TM							30,000
176	Annual	Inspections Vehicle	CD/TM	5,000	-	5,000		10,000	5,000	10,000
177	11-1	Rigid Hull Boat	HBR/TM					20,000		
178	12-1,13-6	Engine Replacement - Harbormaster (H-21/H-24)	HBR/TM	18,000	18,000	28,000				
179	13-5	Firefighting/Dewatering Pump	HBR/TM	8,000		8,000				
180	14-7	Utility Truck	HBR/TM					10,000		
181	16-6	Boat Replacement (H-26)	HBR/TM							110,000
182	12-1	Shellfish Outboard Engine Replacement	CR/TM	8,000	8,000					
183	13-1	Shellfish Truck Replacement	CR/TM			28,000	28,000			
184	10-06	Front End Loader	HWY/TM							
185	14-02	Small Dump/Recycling Truck	LDF/TM					55,000		
186	15-01	Front End Loader	LDF/TM						150,000	
187	16-01	Container Roll Off Truck	LDF/TM							130,000
188	12-1	Replace H&E Vehicle	H&E/TM	25,000	25,000	27,000	27,000	28,000	28,000	
189	13-1	Replace Park & Rec 1 Ton Dump Truck 2003	P&R/TM			44,000				
190	13-5	Top Dressing Machine	P&R/TM			10,000				
191	14-01	Replace Park & Rec 1 Ton Dump Truck 2004	P&R/TM					50,000		
192	14-02	Replace Existing Utility Trailer	P&R/TM					10,000		

Town of Chatham
FY2013 Capital Plan

	A	B	C	F	G	H	I	J	K	L
1	Department	Description	Dept	FY 12	FY 12	FY 13	FY 13	FY 14	FY 15	FY 16
2	Priority #			Request	Actual	Request	Approved	Program	Program	Program
3										
193	14-03	Grounds Debris Removal Equipment	P&R/TM					18,000		
194	14-04	New Van for driving participants to programs/events	P&R/TM	35,000				35,000		
195	17-1	Replace Park & Rec Dump Truck 2007	P&R/TM					-		
196	12-1	Replace Small Truck-	SEW/TM	55,000	55,000					
197	13-1	Flat Bed Truck, Plow & Crane	SEW/TM			65,000	65,000			
198	13-5	Replace Small Truck-	HWY/TM			55,000				
199	13-5,14-7	Large Dump Truck w/ Plow & Sander 1994	HWY/TM			105,000		110,000		
200	13-7,14-8,16	Replace Small Truck with Plow	HWY/TM			40,000		45,000		45,000
201	15-1	Replace Front End Loader	HWY/TM						150,000	
202	15-8	Woodchipper	HWY/TM						40,000	
203	15-9	Forklift	HWY/TM						35,000	
204	16-1	Replace Containter Roll-off Truck	HWY/TM							130,000
205		Total Equipment		547,188	352,500	1,373,202	1,018,154	683,368	1,026,034	734,210
206										
207		Subtotal Capital (General Fund)		1,947,288	887,600	4,046,541	1,811,993	5,073,868	3,558,534	2,279,210
208										
209										
210		<i>Schools</i>								
211										
212		School Security	SCH				-			
213		Utility Services	SCH				-			
214		Grounds	SCH				-			
215		Buildings	SCH				-			
216		Equipment	SCH	50,000			-			
217		Technology	SCH	134,733			-			
218										
219		Subtotal Schools		184,733						
220										

Town of Chatham
FY2013

CIP - Project	Dept	FY13 Req	FY13 TMGR Rec
Land Management, Assessment & GIS	IT	\$ 12,500	\$ 12,500
Hardware replacement & upgrade	IT	\$ 26,800	\$ 26,800
Consulting & Engineering	TM	\$ 50,000	\$ 50,000
Stabilization Kit	FD	\$ 10,039	\$ 10,039
Generator Cables	EMGT		\$ 12,000
Aids to Navigation	HBR	\$ 10,000	\$ 5,000
<i>\$5,000 per year proposed from Waterways Impr Fund</i>			
Mooring Management	HBR	\$ 8,000	\$ 4,000
<i>\$4,000 per year proposed from Waterways Impr Fund</i>			
Town Landing Maintenance	HBR	\$ 4,000	\$ 4,000
<i>\$4000 in '12 & '13 proposed from Waterways Impr Fund</i>			
Boat Maintenance & Equipment	HBR	\$ 6,000	\$ 5,000
GIS Flyover	CD	\$ 12,500	\$ 12,500
Drainage/Stormwater Management	STW	\$ 20,000	\$ 20,000
Dredging Program	CR	\$ 75,000	\$ 75,000
Aerial Shoreline Condition Photo Survey	CR	\$ 9,000	\$ 9,000
Town Landing Infrastructure Improvements	CR	\$ 20,000	\$ 20,000
<i>\$10,000 from waterways improvement</i>			
Muddy Creek Culvert Replacement	HE	\$ 250,000	\$ 250,000
Relocate Skate Park & Add Walking Track	P&R	\$ 60,000	\$ 60,000
<i>\$45,200 repurposed article Volunteer Park</i>			
Road Resurfacing	HWY	\$ 210,000	\$ 100,000
Emergency Road Repair	HWY	\$ 10,000	\$ 10,000
Catch Basins	HWY	\$ 50,000	\$ 25,000
Road Maintenance Projects	HWY	\$ 28,000	\$ 12,000
Street Signs	HWY	\$ 6,000	\$ 5,000
Property Management/Building Maintenance Projects	TM	\$ 200,000	\$ 40,000
Cemetery -Clean & Repair Head Stones	CEM	\$ 1,000	\$ 1,000
Airport -Continuing Modernization	TM/AIR	\$ 25,000	\$ 25,000
Annual Cruisers (2) Replacement	PD/TM	\$ 34,998	\$ 23,332
Replace Chief's Unmarked Admin. Vehicle	PD/TM	\$ 10,940	\$ 10,940
Replace Animal Control Vehicle	PD/TM	\$ 9,882	\$ 9,882
Purchase of Police Motorcycle	PD/TM	\$ 4,000	\$ 4,000
Purchase of Quint Apparatus	FD/TM	\$ 850,000	\$ 850,000

Town of Chatham
FY2013

CIP - Project	Dept	FY13 Req	FY13 TMGR Rec
Shellfish Truck Replacement	CR/TM	\$ 28,000	\$ 28,000
Replace H&E Vehicle	H&E/TM	\$ 27,000	\$ 27,000
Flat Bed Truck, Plow & Crane	SEW/TM	\$ 65,000	\$ 65,000
		\$ 2,133,659	\$ 1,811,993



Town of Chatham

Budget and Financial Management Policies



Introduction

The financial management policies of the Town of Chatham are derived from the Town's adopted By-laws and Charter. The implementation of these policies is driven by our commitment to attain the following goals on a continual basis:

- Provide a full range of municipal services to the community in order to preserve our citizens' high quality of life.
- Maintain a stabilized tax levy.
- Recruit top tier personnel with above market compensation.
- Promote a seamless flow of communication among staff, committees and boards.
- Retain our substantial credit rating level.

Policies, By-laws & Charter Sections Relating to Financial Management

General By-Law Section 15-1

The annual operating budget schedule shall be as follows:

- On or before January 5 of each year the School Committee shall submit the operating and Capital Budgets as adopted by the Committee to the Town Manager.
- On or before February 15 of each year the Town Manager shall submit to the Board of Selectmen a comprehensive operating budget for all Town functions for the next fiscal year.
- The Selectmen shall formally vote their recommendations on the operating budget presented by the Town Manager.
- On or before March 1 of each year the Town Manager shall forward the operating budget, including recommendations of the Selectmen, to the Finance Committee.

Town Charter Part VI Section 6-2

Within a time fixed by bylaw to the annual town meeting, the town manager shall submit to the board of selectmen a proposed operating and capital budget for all town departments, including operating and capital budgets as adopted by the School Committee for the ensuing fiscal year with an accompanying budget message and supporting documents.

The budget message submitted by the town manager shall explain the budget in fiscal terms and in terms of work programs. It shall outline the proposed fiscal policies of the town for the ensuing fiscal year; describe the important features of the proposed budget and indicate any major variations from the current budget, fiscal policies, expenditures and revenues together with reasons for such change. The proposed budget shall provide a complete fiscal plan of all town funds and activities and shall be in the form the board of selectmen deems desirable.

Within a time fixed by bylaw the board of selectmen shall review the operating and capital budget improvements program and make changes as deemed appropriate prior to transmitting the budget and capital improvement program to the finance committee.

Town Charter Part VI Section 6-3

The Finance Committee shall, upon receipt of the operating and capital budgets from the board of selectmen, consider in public meetings the detailed expenditures for each town department and agency. The finance committee may request the town manager to provide necessary information from any town agency. The town manager shall promptly meet requests of the finance committee.

The finance committee shall file a report of its recommendations for action prior to the date on which the town meeting is to act on the proposed budget. The report of the finance committee shall include the fiscal and tax implications of the proposed budget and a statement outlining support or opposition to the proposed budget or sections of the proposed budget. The report of the finance committee shall be prepared in sufficient time to be incorporated in the annual town meeting warrant. The budget to be acted upon by the town manager shall be the budget approved by the board of selectmen with the accompanying recommendations of the finance committee.

Operating Budget Policy

- The annual operating budget shall be appropriated on a balanced basis where recurring revenues are used to fund recurring expenses:
 - Recurring revenues include property taxes, vehicle excise, fees for services, licenses and permits, fine and forfeits, interest earnings, state aid, and available funds.
 - Recurring expenses include salaries and wages, employee benefits, materials, supplies, contractual costs, and debt service for capital projects.
- The operating budget shall be voted upon by function at the annual town meeting.

Revenue Policy

- Fees for all municipal services shall be set to recover approximately 100% of the cost of the service.
- Fees for all municipal services shall be reviewed on an annual basis.
- Estimated receipts shall be monitored on a monthly basis.
- One-time revenues shall be used to fund one-time expenses.
- In order to maintain a level tax rate, debt drop-off, the increased debt capacity created as previously incurred debt is paid down, shall be utilized to fund the Capital Facility Plan.
- The School Department's revenue share shall be calculated on a local formula which allocates new growth funds and property tax revenues according to relative budget size. All costs associated with the school department including benefits shall be included in the education budget and shall determine the percentage of the school's revenue share.

Expense Policy

- The Town shall maintain a Five-Year Staffing Plan in order to gradually implement staff increases and to plan for offsetting revenue sources and/or reorganization efforts.
- Cost of Living Adjustments for municipal employees shall be voted on annually at Town Meeting according to the Consumer Price Index and affordability.
- Department Heads must receive approval for exceeding budgeted expenses from either the Town Manager or Finance Director before costs are incurred.
- All efforts shall be made to identify and implement cost containment/reduction initiatives on an annual basis.
- Purchase orders shall be submitted for expenses incurred over \$2,000. If the amount is subjected to procurement all bid documents must be submitted with the Purchase order.
- The Town Manager shall serve as the chief procurement officer and be responsible for the purchase of all supplies, materials and equipment except books and other educational materials for schools, and approve the award of all contracts for all Town departments with the exception of the School Department.

Reserve Policy

- The Town of Chatham shall maintain a Stabilization Fund.
- The Overlay Surplus, a fund balance remaining after the payment of property tax abatements, shall be the dedicated funding source of the Stabilization Fund.
- Standard Stabilization Fund uses include, but are not exclusively limited to, settlement of litigation and emergency expenditures.
- The Town may, with taxpayer approval, use the Stabilization Fund as an "internal bank" to borrow from itself for capital projects.
- The Town shall maintain a balance of \$1.5 million.

General By-Law Section 15-2

- A. On or before February 15 of each year the Town manager shall submit to the Board of Selectmen a capital budget for all Town functions for the next fiscal year.
- B. The Selectmen shall formally vote their recommendations on the capital budget presented by the Town Manager.
- C. On or before March 1 of each year the Town Manager shall forward the capital budget, including recommendations of the Selectmen to the Finance Committee.

Town Charter section 6-2 Capital Improvements Program

The town manager shall submit a five year capital improvement program to the board of selectmen at the date fixed by bylaw for the submission of the proposed operating budget unless some other time is provided by bylaw. The Capital Improvement Program shall contain information concerning the cost of such program including a schedule of the existing principal and interest owed by the Town. Year one of the five year capital improvements program shall be submitted within the operating budget for the ensuing fiscal year.

Capital Improvement Budget Policy

- Items in the capital improvement budget shall fall into the categories of maintenance, equipment and new projects and within the range of \$5,000-\$250,000.
- The Capital Improvement Budget shall be funded by Free Cash and other one time available funds.
- The Capital Improvements budget shall be voted at town meeting by function.

Debt Management Policy

- The Town will propose all new debt issues as debt exclusions.
- The Town will maintain good communications with banks, financial advisors, bond counsel and bond rating agencies.
- The Town shall maintain a debt level of 4.7 million of expenditure per year.
- The Town will structure debt payments in order to maximize cash flow.
- The Town will frequently analyze existing debt in order to take advantage of refunding options.



TOWN OF CHATHAM
 OFFICE OF THE SELECTMEN
 TOWN MANAGER

549 Main Street, Chatham, Massachusetts, 02633
 (508) 945-5105
www.chatham-ma.gov



Attachment #
 4

Jill R. Goldsmith, Town Manager

MEMORANDUM

TO: Department Heads, Boards, and Committees

FROM: Jill R. Goldsmith, Town Manager *JRG*

DATE: October 18, 2011

SUBJECT: FY 2013 Budget Review Schedule Including Warrant Article and Annual Report Submittal Deadlines

SCHEDULE FOR FY 2013 BUDGET PLANNING

TASKS	Dates
Budget Kick-off Discussion (BOS/FinCom)	November 1, 2011 (rescheduled from tentative date of 10/11/11)
FY 2013 Budget packets distributed	October 18, 2011
Departmental Proposed FY 2013 Operating Budgets submitted to the Town Manager	November 10, 2011
Department Proposed FY 2013 Capital Improvement Requests submitted to Town Manager	November 10, 2011
Department Proposed FY 2013 Financial/Fiscal Warrant Articles submitted to Town Manager	December 15, 2011
FY 2013 Monomoy Regional School District Budget submission to the Town Manager	January 5, 2012
FY 2013 Proposed Town Manager Operating and Capital Budgets and Budget Message submitted to the BOS and Finance Committee	January 12, 2012
BOS action/recommendations on the FY 2013 Town Manager's Proposed Operational and Capital Budgets (after 30 days from receipt)	February 17, 2012

TASKS	Dates
BOS Transmittal of the Approved FY 2013 Operating and Capital Budgets to the Finance Committee	March 1, 2012
ANNUAL TOWN REPORT	
<i>Annual Reports</i> to Kristin Sullivan in the Board of Selectmen/TM Office electronically in <u>Word</u> to ksullivan@chatham-ma.gov for inclusion in the Annual Town Report. More details to follow.	January 13, 2012
ANNUAL TOWN MEETING WARRANT	
Deadline to submit warrant articles for the 2012 Annual Town Meeting <i>All Articles shall be forwarded electronically to the Finance Director in "Town Meeting Ready Format" in Word which includes the Motion, Explanation, and Speaker. Any requests for Town Counsel review will be coordinated through the Town Manager's Office. Staff Liaisons to Committees shall be responsible for ensuring Committees comply with the submittal timeline and format.</i>	<u>Fiscal Warrant Articles:</u> December 15, 2011 <u>Non-fiscal Warrant Articles:</u> January 13, 2012
<u>Community Preservation Committee (CPC) Grants</u> Internal (Town boards, depts.) requests to Finance Director Outside requests to CPC	November 10, 2011 December 1, 2011
Deadline to submit Citizen Petitioned Articles (an electronic version is requested to accompany the formal hard copy submittal to the Town Manager).	March 2, 2012
Deadline to submit CPA and Land Bank Articles	March 2, 2012
BOS Closing of Warrant for Annual Town Meeting	March 20, 2012
Deadline to submit Warrant for Printing/Publication	March 30, 2012
Publication of the Annual Town Meeting Warrant (14 days prior to Town Meeting)	April 27, 2012
Annual Town Meeting	May 14, 2012
Annual Town Election	May 17, 2012

cc: Board of Selectmen
Finance Committee

Carolyn M. Cragin, Ed.D.
 Transitional Superintendent



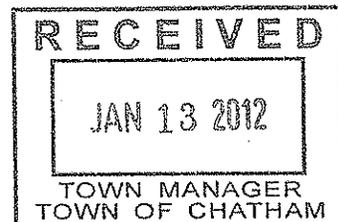
Donald C. Mercure
 Transitional Treasurer

MONOMOY REGIONAL SCHOOL DISTRICT

81 Oak Street
 Harwich, Massachusetts 02645-2701
 508-430-7200

Attachment #
 5

FY 13 Budget Calendar		
July-December 2011		
	Budget Development	Administrators
January 2012		
4	Budget Subcommittee Meeting	
11	MRSC Budget Process Discussion	Admin, School Committee
25	Budget Presentation	Admin, School Committee
February 2012		
TBD	Public Hearing	
TBD	Chatham Finance Committee	Admin, Budget Subcommittee
TBD	Harwich Finance Committee	Admin, Budget Subcommittee
TBD	Chatham Board of Selectmen	Admin, Budget Subcommittee
TBD	Harwich Board of Selectmen	Admin, Budget Subcommittee
March 2012		
14	Final Budget Vote	School Committee
Within 30 days from 14th	Notification of Towns' Assessments	Treasurer
May 2012		
7	Harwich Town Meeting	
14	Chatham Town Meeting	



Board of Selectmen
Goals
Calendar 2012 and Fiscal 2013
Adopted November 15, 2011

Mission Statement: The Board of Selectmen and Town Manager provide executive leadership for the Town of Chatham. Together, we pursue collaborative processes, ethical, and professional procedures to insure that Town resources are directed to providing the best services possible to protect public safety, public assets and a special quality of life in Chatham.

Relating to the Board of Selectmen

- I. **Protect and Enhance the Financial Health of the Town:**
In collaboration with the Town Manager, Finance Director, and Finance Committee, create a value-based budget for FY 2013 that:
 - begins with a review of the current year appropriations and service delivery in relation to policies and economic conditions to determine if any adjustments need to be made in the next budget year cycle
 - develops fiscal and program priorities to guide strategies for budgeting and collective bargaining.
 - provides for a level funded budget, and consider any consequences of a level funded budget in conjunction with the service delivery as communicated and expected by our citizenry and Advisory Boards
 - considers how to utilize/direct cost-savings resulting from anticipated educational budget savings
 - provides for salaries and benefits of Town employees to reflect current economic and market conditions, and takes advantage of any new State laws or municipal reform opportunities relating to stabilizing or reducing operational and personnel costs
- II. **Protect and Enhance Future Use of Town Land/ Buildings/Facilities**
 - Authorize for 2012 Town Meeting articles that support timely construction of a new regional high school and the conversion of the existing H.S. /M.S to Middle School.
 - Authorize for 2012 Town Meeting a design plan for a central fire station that will deliver a new appropriately sized station at a reasonable cost.
- III. **Protect and Enhance the Professionalism and Effectiveness of the Town's Staff, Boards and Committees, and Enhance Effectiveness and Efficiency:**
 - Support professional management by encouraging Departments to seek new and innovative ways to deliver municipal services.
 - Work with Town Manager to enhance effectiveness and efficiency of town departments via support of managerial practices, professional development, departmental reorganization including the consideration of streamlining, outsourcing, regionalization, and other efforts to improve service delivery.

**Board of Selectmen
Goals
Calendar 2012 and Fiscal 2013
Adopted November 15, 2011**

IV. Protect the Environmental and Historic Quality of the Town

- Continue to monitor and review the (CWMP) wastewater plan at the policy level and encourage continued discussion and planning for the next phase of expansion and the funding required.
- Encourage the timely reconstruction of the Mitchell River Bridge, within the parameters of the Accelerated Bridge Program, and in recognition of the historic preservation requirements.

V. Emphasize Long-Term, Strategic Planning of Town Operations and Resources, and Service Delivery

- Provide policy direction relating to Town fire/emergency medical response operations expectations and needs, including but not limited to EMS/first-responder services, equipment, dispatching, personnel and practices. Review recommendations in Fire Department Operational Study, and provide direction for short-term and long-term implementation, including alternative delivery of Town EMS services in a fair and equitable way.
- Provide policy direction to Initiate a Town-wide parking plan and seek solutions to parking limitations at Town landings, Fish Pier, and Lighthouse Beach.
- Continue support for West Chatham/Rte. 28 road improvements.
- Support the award of the Marconi RFP/Plan to secure future tenants for these buildings.
- Support the Planning Board for the implementation and on-going review of the Local Comprehensive Plan (LCP) relating to zoning.

- BOS Goals Calendar 2012 and Fiscal 2013 -



TOWN OF CHATHAM

OFFICE OF THE SELECTMEN
TOWN MANAGER

549 Main Street, Chatham, Massachusetts, 02633
(508)945-5100
www.chatham-ma.gov

Attachment # 7

TO: Honorable Board of Selectmen

FROM: Jill R. Goldsmith, Town Manager *JRG*

DATE: January 13, 2012

SUBJECT: Town Manager Administrative Order; Proposed Reorganization

To accompany the Town Manager's budget submittal for Fiscal Year 2013, I respectfully propose a reorganization via Administrative Order that will affect both the Community Development and Facilities departments effective July 1, 2012. These changes are brought about by the direction that has been given by the Board of Selectmen (BOS) through its goals and objectives, town-wide local comprehensive plan initiatives, and the awareness that additional staffing resources are needed in the Community Development department with a necessary re-alignment of staffing to accomplish such. It is understood that there will continue to be a need for leadership in completing a significant number of special (non-building) projects as well as leadership in the planning area for long range planning and any accompanying amendments to the protective (zoning) bylaw.

The intention of the proposed reorganization is to:

- Reinststate funding for the Director of Community Development position with a focus on Town long range and strategic planning and serve as the Department Head;
- Establish a new position of Inspector of Buildings (Building Commissioner)/Zoning Enforcement Officer;
- Reclassify and transfer the Principal Planner position to a new Principal Projects and Operations Administrator position and move the new position from Community Development to a new Projects Operation and Administration Budget #190 with a direct reporting relationship to the Town Manager. Funding for the Principal Planner position will be eliminated; and
- Eliminate the funding for the Facilities Superintendent position.

All positions noted above are recognized positions in the Chatham Municipal Employees Association (CMEA). As such, I have notified CMEA of my intention to reorganize and they are afforded the opportunity to discuss the impact of these changes.

Director Community Development – (Grade 15). This position will be refilled for Fiscal 2013. Since there is a need for leadership in planning, zoning, and enforcement, we will be looking for a person with a strong background in long range and strategic municipal planning as well as leadership oversight for interpretation and enforcement of the State Building Codes and zoning. This position will be the Department Head for Community Development and in a new direction also serve as the Town Planner. This position was previously held by Kevin McDonald prior to his retirement under the Early Retirement Initiative (ERI). It is anticipated that this position will be filled on or before August 2012.

Inspector of Buildings/Building Commissioner/Zoning Enforcement Officer – (Proposed Grade 11). This is a newly created position that will bring a currently outsourced function back into the Town's employ and CMEA. Previously this position also served as the Director of Community Development; however, this position will serve as a division head to the inspectional services staff. Such position as defined by MGL requires additional certification/credentials over and above the Local Inspector position. The skills for this position would include a significant background in code and zoning interpretation and enforcement, as well as the ability to effectively communicate such. It is anticipated that the position will be filled on or before September 2012.

Principal Projects and Operations Administrator – (Proposed Grade 12). This is a newly created position. Responsibilities would include a combination of oversight on special projects and supervision of facilities (buildings and grounds) operation staff and functions. The special projects would generally include projects that involve more than one department and require oversight and coordination between the departments involved. Special projects will be assigned by the Town Manager. It is proposed for the Principal Planner/Acting Department Head, Terry Whalen, to transfer to this position, leaving the Principal Planner position unfunded in the Community Development department budget.

Facilities Superintendent – This (Department Head) position will not be funded in Fiscal 2013, primarily due to a declining demand for services. At the time this position was created, there were a number of major construction projects pending for town facilities. With the completion of a majority of those projects, and the required use of an Owners Project Manager, the need for a full time staff person in this position no longer exists. The remaining duties for this position will be shifted to other roles in the organization. The buildings operation oversight will go to a newly created position of Principal Projects and Operations Administrator, as noted above, with the Assistant Facilities Superintendent continuing to schedule and carry out work orders. The custodial services operational oversight will transfer to the Director Park & Recreation as there has existed a custodial connection through facilities. A substantial amount of the administrative functions such as procurement and bill paying will be provided by the Finance Department as the school regionalization in fiscal 2013 will reduce the workload. (Note: The Finance Department has historically performed some of these administrative functions for the Facilities Department, and this does not represent a significant shift in workload.)

FISCAL IMPACT

The Early Retirement Incentive (ERI) Program approved by the Town in December 2010 (Fiscal 2011), and subsequently by Public Employees Retirement Administration Commission (PERAC) provided for a required total salary savings of \$399,559. In filling positions vacated by employees who participate in the ERI, the Town is limited to paying compensation, contract and professional services in an amount that does not exceed 30% of the total annual salary of all participants in the program calculated as of their respective retirement dates in Fiscal 2011; 45% in Fiscal 2012; and 60% in Fiscal 2013. With the proposed reorganization, the Town will remain within the allowable ERI salary limits of \$239,735 (60% of the salary).

The fiscal 2013 budget reflects the net effect of the reorganization in the Community Development Department, Facilities Department, and new Projects Operation and Administration Budget #190. The expense line item in the Community Development budget was reduced via a transfer to the new budget #190.

POSITION	FY2012 ANNUAL SALARY	FY2013 ANNUAL SALARY
Director of Community Development (ERI)	\$ -	\$ 96,654
Inspector of Buildings/Building Commissioner /Zoning Enforcement Officer	\$ 43,189	\$ 71,012
Principal Projects and Operations Administrator	\$ -	\$ 88,386
Principal Planner	\$ 96,954	\$ -
Facilities Superintendent	\$ 81,886	\$ -
	\$ 222,029	\$ 256,052

FILING OF THE ADMINISTRATIVE ORDER

While the proposed reorganization coincides with the proposed Fiscal 2013 Town Manager Budget recommendation and is subject to appropriation, actions to reorganize and appoint a Department Head are subject to the Town’s Charter.

- Part V, Section 5-1a: Administrative Orders made by the Town Manager shall become effective on the thirtieth (30) day following the day on which notice of the proposed administrative order is filed with the Board of Selectmen and the Office of the Town Clerk unless the Board of Selectmen, “shall, within such period, by majority vote of the board of selectmen, vote to reject such administrative order or has earlier voted to affirm it.”

- Part IV, Section 4-6: The action to appoint a Department Head is described as, “Appointment of department heads by the town manager shall become effective on the fifteenth day following the day on which notice of the proposed appointment is filed with the board of selectmen unless the board of selectmen shall, within such period, by majority vote of the full board of selectmen, vote to reject such appointment.”

The proposed Reorganization works as an initial step to addresses the 2012 (FY2013) BOS goals and implementation directives for the Town Manager relating to:

III. Protect and Enhance the Professionalism and Effectiveness of the Town’s Staff, Boards, and Committees, and Enhance Effectiveness and Efficiency

V. Emphasize Long-Term, Strategic Planning of Town Operations and Resources, and Service Delivery

Thank you in advance for your consideration. Should you have any questions regarding the foregoing, please do not hesitate to contact me at 508.945.5105 or jgoldsmith@chatham-ma.gov.

cc: Office of the Town Clerk (For filing of the Administrative Order)
Department Heads