

SUMMER RESIDENTS ADVISORY COMMITTEE  
POSITION PAPER - BUDGETARY ISSUES  
APPENDIX  
August 22, 2014

This Appendix illustrates the impact of the SRAC recommendations for FY16-FY18

**ASSUMPTIONS**

1. Real estate tax levy held constant at 2014 level for FY 16-FY18, plus tax
2. attributable to new growth of \$50 million annually.
3. State receipts continue at 2013 level.
4. Local receipts continue at 2013 level, escalated at 2.5% annually .
5. Hotel Tax increased 2% beginning 2016, funding OPEB Trust \$500,000, and Tourism promotion \$100,000.
6. Mooring fees increased to market rates beginning 2016.
7. Town will build new firestation in 2015 at cost of \$10.3 million.
8. Wastewater implementation. Town will spend \$17 million through FY 18, borrowing
9. \$8.5 million in FY17 and \$8.5 million in FY18 at 2% for 20 years with level amortization.
10. Town will fund 5 year capital plan at 2015 level annually in FY 16 - FY 18.
11. Town will fund OPEB Trust \$600,000 annually in FY16--FY18.

<b>BUDGETARY IMPACT</b>		A	B	C	D
		FY15	FY16	FY17	FY18
		Budget	Budget	Budget	Proposed
<b>SOURCES OF FUNDS</b>					
1	Real Estate Tax Levy	\$29,500,000	\$29,500,000	\$29,500,000	\$29,500,000
2	Less: Overlay	\$250,000	\$450,000	\$250,000	\$250,000
3	Add: New Growth	\$254,000	\$508,000	\$762,000	\$1,016,000
4	State Aid (net)	\$1,071,832	\$1,071,832	\$1,071,832	\$1,071,832
5	Local Receipts	\$7,150,984	\$7,329,759	\$7,513,003	\$7,700,828
6	Hotel/Motel Tax Increase		\$600,000	\$600,000	\$600,000
7	Permits Increase		\$250,000	\$250,000	\$250,000
8	<b>Total Sources</b>	<b>\$37,726,816</b>	<b>\$38,809,591</b>	<b>\$39,446,835</b>	<b>\$39,888,660</b>
<b>USES OF FUNDS</b>					
9	Education	\$8,161,225	\$8,365,256	\$8,574,387	\$8,788,747
10	Add: Chatham's share MRSD debt service		\$600,000	\$600,000	\$600,000
11	Debt Service	\$7,256,209	\$6,991,838	\$6,785,466	\$6,277,594
12	Add: Fire Station 15		\$700,000	\$700,000	\$700,000
13	Wastewater 17			\$510,000	\$510,000
14	Wastewater 18				\$510,000
15	<b>Total Debt Service</b>	<b>\$7,256,209</b>	<b>\$7,691,838</b>	<b>\$7,995,466</b>	<b>\$7,997,594</b>
16	Five Year Capital	\$1,914,000	\$1,914,000	\$1,914,000	\$1,914,000
17	OPEB Trust	\$200,000	\$600,000	\$600,000	\$600,000
18	<b>Subtotal (lines 9-18)</b>	<b>\$17,531,434</b>	<b>\$19,171,094</b>	<b>\$19,683,853</b>	<b>\$19,900,341</b>
19	Operating Budget				
	Ex Debt, Education, OPEB Trust	\$19,532,770	\$19,532,770	\$19,532,770	\$19,532,770
20	<b>Free Cash (line 8 minus line 19 &amp; 20)</b>	<b>\$662,612</b>	<b>\$105,727</b>	<b>\$230,212</b>	<b>\$455,549</b>

**NOTES** Sources and comments noted below. References are to numbered lines and lettered columns.

- 1A 2015 Finance Director estimate
- 2A-2D Overlay estimated at \$250,000 annually, increasing to \$450,000 in FY16, a revaluation year.
- 3A-3D Taxes on new annual growth of \$50 million estimated at \$254,000 annually.
- 4A-4D State Aid at 2013 level held constant
- 5A-5D 2013 actual of \$6,806,410 escalated annually at 2.5%
- 6B-6D Finance Director estimate
- 7B-7D Estimated at slightly more than double existing mooring permit fees
- 9A-9D 2015 budget escalated annually 2.5%
- 10B-10D Allocation of Chatham's share of MRSD high school construction debt service
- 11A-11D Existing debt service schedule per Warrant p. A-45
- 12B-12D \$10.3 million cost bonded at 3.50% for 20 years level amortization
- 13C-13D \$8.5 million borrowed at 2% for 20 years level amortization
- 14D \$8.5 million borrowed at 2% for 20 years level amortization
- 16A-16D Funded at 2015 level
- 17A-17D Funding for OPEB Trust, in addition to pay as you go amounts included in operating budget
  
- 19A-19D Operating budget ex education, debt service, OPEB Trust and added promotion