Town of Chatham

ARTICLES IN THE WARRANT
for the
2012 ANNUAL TOWN MEETING

With Recommendations of
Chatham Board of Selectmen
and
Finance Committee

MONDAY, MAY 14, 2012
6:00 P.M.

Please bring this report to the meeting for use in the proceedings at the

CHATHAM HIGH SCHOOL
425 CROWELL ROAD

INTRODUCTION

This 2012 Annual Town Meeting warrant will follow generally the same format to which you, residents and taxpayers, have become accustomed. Each article in the warrant is enumerated, as required by law. In addition, the warrant includes the motion which cites the intended action for the article, and its funding amount as a matter of consideration without the intention to restrict any action. The article's speaker and/or proponent is listed and the recommendations of the Board of Selectmen, Finance Committee, and any other appropriate board or committee are noted on each article. Finally, an explanation of the content of the article is provided.

Again this year, a detailed sub-line item budget is provided in an Appendix at the end of this booklet. Several other Appendices are provided as well. The 2012 warrant book is also available on the Town's website – www.chatham-ma.gov, along with other substantive and qualitative information on Department operations consistent with our efforts for open government 24/7 and greater transparency.

Our goal remains to provide a clear, concise warrant and enough information on each article so that you may be prepared on the subject matter as you arrive at the meeting.

Thank you in advance for your consideration.

Jill R. Goldsmith
Town Manager

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Finance Committee Report

The Finance Committee believes that the budget process of FY 2013 presents a series of challenges for Chatham citizens. In early January it became evident that there was going to be several items where decisions would be done very late in the process and these items would have a material effect on the overall budgeted expenditures for FY 2013. Additionally, there was going to be the need to examine the funding side of the equation given large increases in debt service, as well as the lack of available free cash and debt drop-off (both historically used to fund the capital budget and capital facilities plan). On the positive side of the funding equation, there was going to be significantly less funding needed for the schools operating budget due to regionalization.

The budget endorsed by the Board of Selectmen will result in a 12.7% property tax increase in FY 2013. This increase has been thoroughly discussed and is a concern of the Committee. The Committee voted a negative recommendation on Article 6 (the town operating budget) as well as Article 10 (the capital authorization for the "Quint"). These votes were primarily due to a desire to find alternative funding sources outside of the property tax levy. The alternatives would not cause a change or disruption to town services. However, the tax rate increase could be reduced by at least several percentage points.

The following highlights the major items where there have been significant discussions:

1) Monomoy Regional School District (MRSD) – the budget submission was delayed by almost two months and early on there was a lack of clarity as to the amount of "saves" that would be realized by Chatham in 2013.

   Please note that there are no school expense reductions since the MRSD continues to operate 6 separate schools and their budget has actually increased this year by approximately 5%. However, due to the funding agreement when regionalization was approved, Chatham now pays 28% of the combined budget (with Harwich paying 72%). The final amount of the net save in 2013 is $1.8 million. This is lower than the amount previously communicated, but the MRSD has mentioned in several meetings this year that Chatham will realize the full amount of saves (in excess of $3 million) by 2015. The Finance Committee voted to approve the schools budget.

   Aside from the importance of the actual amount of saves for Chatham, the question was what Chatham would do with the money. The options are to spend it or return the money to the taxpayers (through lower property taxes). Chatham will be using the saves to fund other spending increases in this years' budget.

2) Capital spending and associated funding mechanisms – the longstanding policy for Chatham has been to fund the capital plan with "free" cash. Even though free cash has been declining in recent years, there is $562,000 available for 2013.

Given the importance of making ongoing investments to maintain the appearance of the town, the Finance committee recommended in February that the Board of Selectmen (BOS) devise a new policy to ensure an appropriate level of funding for the capital plan. While there has been no new policy, the BOS also decided not to maintain the existing policy of using free cash available. Instead, they decided to fund 100% of the annual capital plan by increasing property taxes. What happened to the $562,000? It was put it into an "undesignated reserve account" (the assumption being that this would ensure the towns' triple "A" bond rating). The Finance Committee voted to approve the Capital Plan.

3) Funding for a new fire apparatus (i.e. the Quint) – while there was general agreement about the need at some point to replace one of the old pumpers with a Quint, the issue is what is the most prudent way to move forward on both the timing of delivery for a Quint and also how payment is best structured. The BOS voted to raise 100% of the amount needed by raising property taxes in fiscal 2013. The Finance Committee voted overwhelmingly not to accept this funding option and requested the town manager to discuss further options with the BOS. The BOS chose not to act on these options. As to timing of delivery, where might the Quint be stored until 2014 when the new fire station is completed? The Chief suggests at the DPW or Water Treatment facility. Given the above issues, the Finance Committee believes it is best to provide options to taxpayers such that funding of the Quint would take place over several years, as is done with all major capital purchases. The Finance Committee will be looking to present alternatives at Town Meeting in May.

4) Fire Department operating budget – there continues to be an issue of excessive overtime in the fire department (between $400,000 and $500,000 per year). The Committee feels that it is time to address this now, well before the next budget cycle. There are at least several areas that need to be explored. The first is whether there is a correlation between the number of headcount and amount of overtime; second is to investigate if this is more of a "structural" issue (amount of and timing for shifts, etc). The Police department addressed the overtime issue several years back and through structural changes, reduced overtime significantly. The fire department provides an excellent service to the town today and with EMS calls continuing to grow with an aging population, it is important that there be a proper structure as well as an appropriate level of staffing.

5) Increasing Debt service – due to approvals received from Town Meeting in previous years, there will an increase of close to $2 Million in debt service to pay for the new Police station, Town Annex, and as the town starts to pay for Phase 1 of the Sewer project. It has been known that permanent long term funding would be needed for these items. However, the increase is significant and there is an expectation that debt service levels will be high for the foreseeable future (and most likely to go even higher in light of proposals for a new fire station and Chatham's share of the new regional high school).

6) Fire Station Design and Construction – the need to replace the current fire station on Depot Road has been under discussion for several years and there has been a multitude of proposals submitted through the Capital Projects Review Committee. There have been concerns about the size and associated cost of a new station and while the current proposal has been reduced from earlier proposals, the cost projections have stayed the same as earlier proposals. Article 16 asks for approval to borrow up to $9,521,407 to pay for the cost of construction. The Finance Committee does have concerns with amounts allocated for "cost escalations" and "contingencies", which seem excessive and represent about 20% of the total project cost. The Finance Committee voted to approve the Fire Station article.

There are four major articles related to the 2013 annual budget; the associated spending is in Table 1 and the funding of the articles in Table 2:

TABLE 1 – Spending

Article # Description	2011 Actual	2012 Budget	2013 Budget	2013 vs. 2012 Higher/(Lower)
Article 6 - Town Operation (ex.debt)	17,303,452	17,613,445	18,426,567	813,122
Debt Service	5,216,532	5,740,691	7,450,668	1,709,977
Total Operating Budget	22,519,984	23,354,136	25,877,235	2,523,099
Article 7 - School Operating Budget	9,989,469	10,261,778	8,434,323	(1,827,455)
Article 8 - Five Yr. Cap. Authorization	1,160,183	887,600	1,074,300	186,700
Article 10 - Fire Apparatus (Quint)	-0-	-0-	850,000	850,000
Total	$33,669,636	$34,503,514	$36,235,858	$1,732,344

TABLE 2 – Funding

Funding Sources for Items above	2011 Actual	2012 Budget	2013 Budget	2013 vs. 2012 Higher/(Lower)
Property Tax Levy	24,992,557	26,121,917	29,463,892	3,341,975
Local Receipts/Fees (note 2 below)	5,868,137	6,037,361	5,634,251	(403,110)
Free Cash (funds capital spend)	1,051,333	814,300	-0-	(814,300)
State Support/Other (note 3 below)	1,757,609	1,529,936	1,137,715	(392,221)
Total	33,669,636	34,503,514	36,235,858	1,732,344

Notes to the items in the Tables above:

1) The Water Department Budgets (Operating and Capital) are excluded from the above numbers. There are separate articles for the Water Department and from the funding perspective; the Water department is self-funded through water fees charged directly to homeowners.
2) Local receipts/fees are projected to be less in 2013 than 2012; this is due to a one-time benefit received in 2012 that is not expected to repeat in 2013. Local receipts revenues include hotel, motel, and meals tax; excise taxes; user fees for town services.

3) State support and other funding sources continue to decrease, as has been the trend in recent years.

The Budget Process and Finance Committee recommendations

With the arrival of a new Town Manager (not to mention the Finance Director being in her second year), the Finance Committee believes it is a good time to examine and reevaluate opportunities for how town government can provide its wide array of services more efficiently and effectively. While the majority of Chatham residents would likely say things work well today, that does not alleviate the need to improve further on how services are provided to town residents. This is traditionally a cost exercise, though the funding side should also be examined. In recent years, Chatham voters have approved significant rebuilding efforts to our municipal buildings as well as its infrastructure. The bills are now coming due and the debt associated with these efforts will be here for the foreseeable future.

Outside of debt service costs, salary and benefits for town employees make up approximately 75% of the towns' operating budget. Salary increases have been mitigated in recent years due to a poor economy but benefits costs (i.e. health care) continue to grow. While it is important to maintain a stable work force such that services can be maintained, that will be a challenge if operational efficiencies are not achieved. Chatham should be recognized as a leader in providing municipal services.

To assist with these efforts, the Finance Committee provided 23 separate items to the Board of Selectmen (BOS) on Feb.14th, such that they would have a chance to discuss them prior to the finalization of the budget this year or consider them in conjunction with the Town manager going forward.

There were six broad categories which are listed below with a few examples of specific items recommended. The full listing and details can be found on Chatham's website.

1) Overall Process related items:
   - Multi-year look as part of the annual budget process (we believe this has been agreed by the BOS and Town Manager). This is the most critical item going forward.
   - Need a new formula for funding the capital plan.
   - Budget definitions need to be clarified as part of the goal setting process.
2) Revenue items:
   - Local receipts from all user fees/permits, etc., should be re-examined for possible increases going forward.
   - Local receipts from hotel/motel tax should be re-examined for increases and expansion to short term rentals (all subject to these being allowed by law).
3) Expense items:
   - Per contractual arrangements, increases for steps and longevity are included in all departments; the goal should be to eliminate these in future contracts (move to pay for performance).

- Cost of Living increases (COLA's), which are separate from step and longevity increases mentioned above, should not be agreed for 2013.
- There is a need to increase operational efficiencies; through targeted investment in technology, further regionalization of services, streamlined organizational structure.

4) Capital Plan:
   - Fund the Muddy Creek culver replacement study as part of the sewer project (now agreed).
   - Further evaluation is needed as to how, when and where to replace the skateboard park (deferral now agreed).
5) Debt Service:
   - In addition to the discussion elsewhere in this report, there is a need to show the debt picture going out over a multi-year time horizon.
6) Regional Schools
   - A multi-year outlook is critical to ensure that the commitments made with regards to expense saves are realized.
   - Need to understand how much school choice money will be left as of June 30, 2012 and if the monies will go back to the individual towns.

The Finance Committee is appreciative for all the hard work and dedication from Finance Director Alix Heilala, Town Manager Jill Goldsmith and administrative liaison Amanda Monahan.

Respectfully submitted,

Kenneth Sommer, Chair	Jo Ann Sprague, Vice-Chair	Robert Dow, Secretary
Rosalyn Coleman	Coleman Yeaw	Norma Avellar
John Whelan	Richard Stenberg	John Crea

Resolution: Resolved that the Town vote to adopt the following rules of procedure for the Annual Town Meeting of May 14, 2012.

A) The Moderator shall have the option of reading each Article in the Warrant verbatim or summarizing the subject matter therein in general terms, at his discretion.

B) Upon an Article having been disposed of by vote, the Moderator shall entertain a motion to reconsider said Article or to accept a Resolution pertaining to said Article only during the same session during which said vote was acted upon.

C) A motion to move the previous question shall require a two-thirds vote and may not be debated.

D) The Moderator shall not accept a motion to move the previous question by any person discussing the Article until after an intervening speaker has discussed the Article.

E) A non-voter may request the privilege of addressing the meeting on a motion made under any Article or Resolution offered the request to be granted by the Moderator unless there is an objection by a voter. Upon objection, the Moderator shall poll the meeting by voice or count, at his discretion, and a majority vote in favor shall entitle said non-voter to address the meeting. However, the Moderator may grant the privilege of the floor to any non-resident Town Department Head without necessity of a vote.

F) The Moderator shall not entertain the question of the presence of a quorum at any point at which a motion to move the previous question has already been voted.

G) Speakers addressing the meeting shall be limited to five (5) minutes within which to present their remarks. The Moderator will not recognize anyone who has previously spoken on the Article until all persons wishing to address the meeting have had an opportunity to speak. The Moderator may exercise reasonable discretion in enforcement of this rule.

The foregoing rules are not intended to alter or change the traditional conduct of the Town Meetings in Chatham except as specifically stated above.

COMMONWEALTH OF MASSACHUSETTS

TOWN OF CHATHAM
ANNUAL TOWN MEETING WARRANT
MONDAY, MAY 14, 2012
6:00 P.M.

THE COMMONWEALTH OF MASSACHUSETTS

Barnstable, ss.

GREETINGS:

To any of the Constables of the Town of Chatham in the County of Barnstable.

IN THE NAME OF THE COMMONWEALTH OF MASSACHUSETTS, you are hereby directed to NOTIFY and WARN the INHABITANTS OF THE TOWN OF CHATHAM qualified to vote in elections and Town affairs, to meet in the gymnasium of the Chatham High School on Crowell Road in said Chatham on the 14th day of May at 6:00 o'clock in the evening, then and there to act on any business that may legally come before said meeting, and to meet again in the Community Center on Thursday, the 17th day of May, 2012 to elect the necessary Town Officers as contained in the Warrant.

Polls for the election of Officers will open at 7:00 a.m. and will close at 8:00 p.m.

BALLOT QUESTION

QUESTION 1.

Debt Exclusion Fire Station Ballot Question

Shall the Town of Chatham be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bonds to be issued in order to pay costs of design, construction, renovation and equipping a new Fire Station on Depot Road?

Article 1 – Annual Town Election

To bring in their votes on one ballot to elect the following Town Officers:

One Moderator for a three (3) year term
Two Selectmen for three (3) year terms
One Monomoy Regional School Committee member for a three (3) year term

No Motion

Article 2 – Accept Annual Reports

To hear the reports of various Town Officers and Committees and see what action the Town will take relative to the appointment of officers not chosen by ballot, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Florence Seldin, Chairman, Board of Selectmen
I move that the Town Moderator and Board of Selectmen be authorized to appoint the necessary Town officers whose appointments are not otherwise provided for and that the Town hear and accept the reports of various Town officers and committees as they appear in the Town Report.

Speaker: William G. Litchfield, Moderator

Explanation: *The purpose of this Article is to enable a Town officer or committee member to address the Town Meeting, particularly if said officer or committee was not able or did not choose to submit a Town Report.*

Article 3 – Fix Salaries – Elected Officials

To fix the salaries of the elected Town officers for the fiscal year beginning July 1, 2012, or take any other action in relation thereto.

Officer	FY2012 Voted	FY2013 Request
Moderator	$ 600	$ 600
Selectmen – Each	2,000	2,000
Chairman – Extra	500	500

(Board of Selectmen)

Motion: By Leonard Sussman, Vice-Chairman, Board of Selectmen
I move that the Town vote to fix the salaries of the elected Town officers in accordance with the positions and amounts in this Article.

Speaker: Alix Heilala, Finance Director

Explanation: *In accordance with Massachusetts General Law, Chapter 41, Section 108, salaries and compensation of elected officers must be fixed annually by vote of the Town at an Annual Town Meeting. This Article fixes (sets), but does not appropriate these salaries. Actual appropriation of funds for these salaries occurs under Article 6 – Town Operating Budget.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 4 – Consolidated Revolving Funds

To see if the Town will vote pursuant to the authority granted under Massachusetts General Law Chapter 44, Section 53E ½ , to establish or reestablish the following Revolving Funds for the purpose of receiving revenues and making disbursements in connection with the following authorized Town activities, or take any other action in relation thereto.

A) Airport Revolving Fund
All monies received by the Airport Commission from the operation of the Chatham Municipal Airport shall be credited to this fund. The Airport Commission shall be authorized to expend from this fund, without further appropriation, to defray the expenses of the Chatham Municipal Airport operated by the Commission. No more than $85,000 shall be expended from this fund during fiscal year 2013.

B) Bassett House Revolving Fund
All monies received by the Town from the operation of the lease of the Bassett House shall be credited to this fund. The Town Manager shall be authorized to expend from this fund, without further appropriation, to defray the maintenance expenses of the House operated by the Chamber of Commerce. No more than $8,000 shall be expended from this fund during fiscal year 2013.

C) Inspectional Services Revolving Fund
10% of all monies received by the Town from the issuance of all inspection permits shall be credited to this fund. The Community Development Department, with the approval of the Town Manager, shall be authorized to

expend from this fund, without further appropriation to defray the expenses of consulting services associated with the approval of inspectional permits. No more than $70,000 shall be expended from this fund during fiscal year 2013.

D) Recycling Revolving Fund

All monies received by the Department of Health and Environment from the sale of recycling bins, compost bins, rain barrels, kitchen scrap buckets, water saving devices, recycling bags/totes, and other items particular to recycling conservation, shall be credited to this fund. The Department of Health and Environment, with the approval of the Town Manager, shall be authorized to expend from this fund, without further appropriation, to defray the expense of purchasing additional recycling containers and items particular to recycling and conservation, including advertising the availability of such items. No more than $5,000 shall be expended from this fund during fiscal year 2013.

(Board of Selectmen)

Motion: By Timothy Roper, Clerk, Board of Selectmen
I move that the Town authorize and approve the Airport Revolving Fund, Bassett House Revolving Fund, Inspectional Services Revolving Fund and the Recycling Revolving Fund for the purposes and in the amounts listed in Article 4 of the Warrant.

Speaker: Alix Heilala, Finance Director

Explanation: *The purpose of these revolving funds is to segregate the revenues generated by each of these operations and to restrict the use of those revenues to the purpose for which they are collected. As required by State statute, the following is an accounting of these funds for the last eighteen months:*

Airport Revolving Fund

	Balance	***Receipts***	***Expenditures***	***Balance***
FY11	*$16,692.95*	*$29,298.00*	*$22,804.79*	*$23,186.16*
FY12	*$23,186.16*	*$13,858.02*	*$ 8,779.03*	*$28,265.15*

(Thru 12/31/11)

Bassett House Revolving Fund

	Balance	***Receipts***	***Expenditures***	***Balance***
FY11	*$16,748.64*	*$ 3,000*	*$ -*	*$19,748.64*
FY12	*$19,748.64*	*$ 1,500*	*$ -*	*$21,248.00*

(Thru 12/31/11)

Inspectional Services Revolving Fund

	Balance	Receipts	Expenditures	Balance
FY11	$75,604.02	$38,450.00	$39,108.00	$74,946.02
FY12	$74,946.02	$21,950.08	$21,025.00	$75,871.10

(Thru 12/31/11)

Recycling Revolving Fund

	Balance	Receipts	Expenditures	Balance
FY11	$ 914.99	$ 2,504.00	$ 3,169.00	$ 249.99
FY12	$ 249.99	$ 1,158.49	$ -	$ 1,408.48

(Thru 12/31/11)

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 5 – Wood Waste Reclamation Facility Enterprise Fund

To see if the Town will vote to raise and appropriate and/or transfer from available funds, a sum of money to operate the Wood Waste Reclamation Facility Enterprise Fund, or take any other action in relation thereto.

Lease Revenue	$25,000
Operating Expenses	$25,000

(Board of Selectmen)

Motion: By Sean Summers, Board of Selectmen
I move that the Town vote to appropriate $25,000 to operate the Wood Waste Reclamation Facility Enterprise Fund and to meet said appropriation the Town raise $25,000 through lease revenue.

Speaker: Alix Heilala, Finance Director

Explanation: *Town Meeting voted to adopt Chapter 44 Section 53F ½ of the Massachusetts General Laws establishing an Enterprise Fund. An enterprise fund establishes a*

separate accounting and financial reporting system to support a specific business activity, in this case the Wood Waste Reclamation Facility.

One of the requirements of an enterprise fund is that a budget has to be adopted at Town Meeting every year. The Wood Waste Facility is leased out with annual revenue at approximately $25,000 per year. The revenue will be used to support groundwater monitoring and other costs associated with the operation of the facility.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 6-0-1

Article 6 – Town Operating Budget

To see if the Town will vote to raise and appropriate and/or transfer from available funds, such sums of money as it determines necessary for Town expenses and charges, including without limitation of the foregoing, debt and interest, wages, salaries and expenses for operation of the Town's departments and offices, all for the fiscal year beginning July 1, 2012 and ending June 30, 2013 inclusive, or take any other action in relation thereto.

(Board of Selectmen)

Town Operating Budget Overview

Description	FY11 Actual	FY12 Voted	FY13 Dept. Req	Proposed Budget FY13
Operating Budgets (Expenses)				
General Government	$1,952,414	$1,843,121	$1,929,316	$1,929,316
Public Safety	5,192,066	5,227,333	5,456,721	5,446,243
Community Development	732,593	661,100	668,987	695,823
Health & Environment	787,802	815,635	824,060	823,039
Public Works & Facilities	3,779,353	3,913,246	4,365,998	4,068,848
Community & Social Services	929,132	961,523	1,002,845	962,163
Employee Benefits	3,629,389	3,840,390	4,302,212	4,100,000
Undistributed Ins. & FinCom Reserve Fund	300,703	351,097	401,135	401,135
Debt Service	5,216,532	5,740,691	7,450,668	7,450,668
Operating Budget Total	$22,519,984	$23,354,136	$26,401,942	$25,877,235

Motion: By David Whitcomb, Board of Selectmen
I move that the Town vote to appropriate the sum of $25,877,235 to fund the Operating Budget for the Town for the fiscal year beginning July 1, 2012 for the

purposes and amounts designated in the column titled "Proposed Budget FY13" of Article 6 of the Warrant and to meet said appropriation, the Town raise $24,797,691 through the tax rate and transfer $170,000 from the Waterways Improvement Fund, $886,544 from the Land Bank Fund, $10,000 from the Wetlands Protection Fund, $10,000 from Cemetery Perpetual Care Fund and $3,000 from the Railroad Museum Fund.

Speaker: Jill R. Goldsmith, Town Manager

Explanation: *A full explanation of this funding request and its fiscal context is provided in Appendix B: Town Manager's Budget Summary. The School Operating budgets are not included in this article and are presented in Article 7.*

There are several items that impact the FY2013 budget with debt service as the single largest increase to both the operating budget and impact to the tax rate. The Town will issue bonds in June for previously approved projects that include the Wastewater Treatment Facility, PD/Annex buildings, land acquisition, and roadway improvements - $43.9m - amounting to an increase of $1.7m in the debt service budget which accounts for approximately eleven percent (11%) increase to the tax rate for FY2013. The Debt amortization schedules are listed in Appendix E, and may change depending on the bond sale in June and the interest rate of the low bidder.

The FY2013 operating budget as presented in Article 6 (excluding debt above and the Schools budgets in Article 7) amounts to an overall increase of two percent (2%) to FY2012, which is below the Proposition 2 ½ allowable growth to the levy limit. Such increase of 2% is mostly attributable to the so called Budget Busters- nondiscretionary (fixed) and Other Budgets. Each year there are costs – required expansion of operations, fixed costs, or regulatory measures which consume the full amount of allowable growth of approximately $800,275. The actual budget increase is $798,686, of which only approximately $100,000 was used for discretionary items out of the $25,877,235 proposed FY2013 budget request.

- *The employee benefits budget shows an increase of 6.8% due to the municipal budget now required to cover the costs for Chatham school retirees which has shifted from the school budget back to the town budget, offsetting any savings from the recently adopted municipal health reform. On the positive side, this is a relatively small increase when compared to previous increases of 12-15% in one year.*
- *With the new Wastewater Treatment Facility coming 'on-line' there is a State (DEP) requirement for an additional operator. This is budgeted under contracted services in the Public Works Division, and will increase again in FY2014 with a second operator required under State regulations. We were successful in deferring the second operator one year.*
- *Retirements/Pensions continue to impact expenses. The Retirement Assessment increased 28%. 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. While our practice of "pay as we go" to fund this item is acceptable, we are establishing a Trust Fund under Article 32 with funding of it in FY2014.

- *Liability and Workers Compensation insurance has been increased by 63%. This is premium based. We continually monitor this and have received quotations for FY2013 to check market conditions which confirmed our Insurer as the low cost provider.*
- *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. 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 FY2014; thus providing for an increase of 42% in utility costs.*
- *Additional items include policy decisions related to increase efficiencies or expanded service opportunities:*
  - *Funding for a Town Landing Officer*
  - *Fire Dispatch – moving from partial services provided by the County Dispatch services operated by the Sheriff to full service on or about January 2013*
  - *Reorganization of the Community Development and Facilities Departments*
  - *Elimination of funding for the Lighthouse Beach Boat Operator as recommended by Park and Recreation Commission*

The enclosed budget is <u>not</u> reflective of use of any reserves – Free Cash or Stabilization. Free Cash is generated by revenue from non-property tax sources received in excess of estimates and from budget turn backs. FY2012 general fund Free Cash was certified in December 2011 in the amount of $582,327. Such funds are targeted to be saved – i.e. not used, and carried forward to build up the Town's reserves in the Undesignated Fund Balance from which Free Cash is derived, as a one year departure from the Town's practice of funding the capital plan with increasingly limited Free Cash.

Our financial strategy for FY2013, as driven by the $43.9m bond sale in June 2012, is to demonstrate Town's commitment to building its reserves to maintain AAA Bond Rating when it is reviewed by Standard & Poor's in late May 2012. Funding recommendations for the Capital articles (9&10) is a result of this priority.

	<u>FY2009</u>	<u>FY2012</u>
➢ *Unreserved Fund Balance (UFB)*	*$2,099,262 (6.61%*	*$893,134 (2.66%)*
➢ *Free Cash (a component of above)*	*$1,606,285*	*$582,327*

In FY2009 when the Town received its AAA Bonding, the UFB was 6.61% of the operating budget; in FY2012, the UFB represented 2.66% of the operating budget.

This demonstrates the need to build up reserves as recommended by the Independent Auditors, Financial Advisors and Bond Rating Companies. Should the Town's Bond Rating be given a

negative outlook or worse, a downgrade prior to the bond sale, it could cost an additional $522,971 (0.25%) for the just the PD/Annex project borrowing.

How the financial strategy for FY2013 works to preserve the Town's AAA Bond Rating:

- *Ratings review scheduled in **May 2012** following ATM for June Bond Sale of $43,900,000*
- *Unreserved Fund Balance (See Town Annual Report Balance Sheet)*
- *One-year pause for expending Free Cash. Carry forward FY2012 Free Cash ($582,327) to build fund balance for FY2013*
- *Use Recurring/Available Revenues to Fund Operating Budget*
- *Fund Capital Items with School "savings" – approximately $1.8m. Similar in practice to "debt drop off" strategy*
- *Return to the past practice of using Free Cash to fund Capital Budget in FY2014. With Free Cash replenished in FY2014 due to the carry-over for the bond review, we will resume the practice of using Free Cash to fund capital items.*

The approval of Articles 6, 7, 9, and 10 provide for an approximate total of 12.7% increase to the FY2012 tax rate – the majority due to debt service at approximately 11%.

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. Our excellent AAA Bond Rating of 2009 has sustained and survived when many other municipalities with the same bond ratings were downgraded in 2011. However, now we are seeing towns with lower bond ratings have higher percentages of reserves. We must remain very cognizant how easy it is to be downgraded. As such, I am committed to our sound fiscal strategies and to review policies regularly, prepare a multi-year budget model/strategy in consultation with the BOS and FinCom soon after Town Meeting, and seek innovation and efficiencies in the delivery of Town services.

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 3-4-0 [Disapprove]

Article 7 – School Operating Budget

To see if the Town will vote to raise and appropriate and/or transfer from available funds, such sums of money as it determines necessary for Educational and School expenses and charges, including without limitation of the foregoing, debt and interest, wages, salaries and expenses for operation of the School's departments and offices, all for the fiscal year beginning July 1, 2012 and ending June 30, 2013 inclusive, or take any other action in relation thereto.

(Board of Selectmen)

FY 2013 School Operating Budget Overview

DESCRIPTION	FY11 ACTUAL	FY12 VOTED	FY13 DEPT REQ	PROPOSED BUDGET FY13
Operating Budgets (Expenses)				
Chatham Public Schools	9,710,595	9,974,126	0	0
Monomoy Regional School District.			8,119,685	8,119,685
Cape Cod Regional Technical H.S.	278,874	287,652	314,638	314,638
Operating Budget Total	9,989,469	10,261,778	8,434,323	8,434,323

Motion: By Jeffrey Dykens, Chairman, Monomoy Regional School Committee
I move that the Town vote to appropriate the sum of $8,434,323 to fund the Operating Budgets for the Schools for the fiscal year beginning July 1, 2012 for the purposes and amounts designated in the column titled "Proposed Budget FY 13" of Article 7 of the Warrant and to meet said appropriation, the Town raise $8,434,323 through the tax rate.

Speaker: By Jeffrey Dykens, Chairman, Monomoy Regional School Committee

Explanation: *This article requests funding for Chatham's obligation to the Monomoy Regional School District and the Cape Cod Regional Technical High School as separate "assessments" within the Town's budget. Compared to FY2012 the FY2013 budget reflects an increase of $26,986 for Cape Tech, and a decrease of $1,854,411 to fund Chatham's portion of the regional school district. The budget was voted by the Monomoy Regional School Committee on April 11, 2012.*

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 5-2-0

Article 8 – Water Department Operating Budget

To see if the Town will vote to raise and appropriate and/or transfer from available funds, such sums of money as it determines necessary for expenses and charges, including without limitation of the foregoing, debt and interest, wages, salaries and expenses for operation of the Town Water Department for the fiscal year beginning July 1, 2012 and ending June 30, 2013 inclusive, or take any other action in relation thereto.

(Water and Sewer Commissioners)

Budget Overview

WATER FUND				Proposed Water Budget
Description	FY11 Actual	FY12 Voted	FY13 Dept. Req	FY 13
Water Costs				
Operating				
Salaries	194,985	191,273	225,095	225,095
Expenses	1,091,800	1,115,550	1,179,000	1,179,000
Sub-total Operating	1,286,785	1,306,823	1,404,095	1,404,095
Debt				
Principal	793,174	765,297	720,350	720,350
Interest – Long-term	249,985	219,253	236,012	236,012
Interest – Short-term	100,000	100,000	50,000	50,000
Subtotal Debt	1,143,159	1,084,550	1,006,362	1,006,362
Total Water Direct Costs	2,429,944	2,391,373	2,410,457	2,410,457
Overhead – Indirect Costs	201,324	215,316	222,339	222,339
Overhead – Rate payback for Bett	132,568	126,379	116,950	116,950
Subtotal Overhead	333,892	341,695	339,289	339,289
Water Operating Budget	2,763,836	2,733,068	2,749,746	2,749,746

Motion: By Florence Seldin, Chairman, Board of Selectmen
I move that the Town vote to appropriate $2,410,457 for direct costs, and further that an additional $339,289 be transferred to the General Fund to be applied to overhead and indirect costs associated with the Water Department Operating Budget of the Town for the fiscal year beginning July 1, 2012, for the purposes and in the amounts designated in the column titles "Proposed Water Budget FY 13" of Article 8 of the Warrant and to meet said appropriation, the Town raise $2,349,746, through water receipts and raise $400,000 through the tax rate.

Speaker: William G. Redfield, Interim Director, Water & Sewer Department

Explanation: *The FY 2013 Water Department budget was directed towards continuing to improve: the quality of water provided; customer relations; and providing a high level of reliability to the water supplies and distribution system to ensure that the Town has safe drinking water and the required flows for firefighting.*

The Water Department is planning to continue to improve on its services by performing the following projects:

- *Dissemination of information on the Department's water quality and services by preparing and mailing the "Chatham Water Department 2012 Water Quality Report" and the "Chatham Water News" to all water customers;*
- *Perform a valve exercising program with the spring water system disinfecting and flushing program;*
- *Maintain all public fire hydrants and perform fire flow tests;*
- *Optimizing the corrosion control system to ensure the water system continues to meet lead and copper regulations;*
- *Cleaning, painting, and keeping organized all well pumping stations;*
- *Update water main and service records;*
- *Maintain and replace water meters; and*
- *Optimize the accuracy of all existing and new accounts on the Town's centralized computer system.*

All the above will be performed by funding the Water Department's budget line items based on FY 2011 actual expenses for operating the water system.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 9 – Five Year Capital Authorization

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, a sum or sums of money, to be expended for capital projects, equipment and expenses, or take any other action in relation thereto.

(Board of Selectmen)

Capital Budget Overview

Description	FY 12 Actual	FY 13 Request	FY 13 Proposed
CAPITAL PROGRAM & BUDGET SUMMARY			
General Government	60,000	144,300	139,300
Public Safety	52,600	306,539	135,000
Community Development	0	12,500	12,500
Health & Environment	124,000	536,000	134,000
Public Works (without Water)	298,500	1,486,000	363,000

Equipment	352,500	1,435,500	290,500
Schools	0	0	0
Total Town Funded Capital Budget	**887,600**	**3,920,839**	**1,074,300**

Motion: By Leonard Sussman, Vice-Chairman, Board of Selectmen
I move that the Town vote to appropriate $1,074,300 for the purpose of funding the FY13 Capital Budget in the column titled "FY13 Proposed" of Article 9 of the Warrant and to meet said appropriation, the Town raise $1,035,300 through the tax rate and transfer $1,000 from cemetery lot sales, and $38,000 from Waterways Improvement Fund.

Speaker: Alix Heilala, Finance Director

Explanation: *This budget has been funded at 50% less than the requested amounts for needed equipment, property management projects, and infrastructure repairs. In FY2013 the Town has the opportunity to appropriately fund a capital program that addresses needed capital and infrastructure improvements to sustain and protect the Town's investment. (Please refer to Appendix G for details on the proposed Capital budget.)*

The Capital budget requests funding at a level that the Town can appropriate from within/under the allowable levy limit without the need for a debt exclusion, or one-time capital exclusion to tax above the allowable levy limit. This provides for a one-year departure from the Town's practice of using available but diminishing "Free Cash" to fund the Capital budget in order to build up reserves - by carrying forward the current balance of Free Cash certified at $583,000 in 2011. Chatham is one of the few MA towns with a AAA bond rating, but reserves have been decreasing since the Town received the rating in 2009 which is one area that is susceptible. As we have a review by the Bonding agencies scheduled in late May 2012 for a June bond sale of $43,900,000 of previously approved debt, this one year departure from using Free Cash to fund the Capital budget will provide for Free Cash to carry-forward to build up the Town's reserves and preserve the bond rating as recommended by the Town's Financial Advisor. In maintaining a multi-year perspective, in FY2014 we plan return to the practice of funding the Capital budget with Free Cash.

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 5-2-0

Article 10 - Capital Authorization – Quint Fire Apparatus

To see if the Town will vote to raise and appropriate, and/or transfer from available funds, a sum or sums of money, to be expended for the purchase of the Quint Fire Apparatus, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Timothy Roper, Clerk, Board of Selectmen
I move that the Town vote to appropriate $850,000 for the purchase of a Quint Fire Apparatus, and for all costs incidental and related thereto, and to meet said appropriation, the Town raise $850,000 through the tax rate.

Speaker: Michael Ambriscoe, Fire Chief

Explanation: *The purpose of this article is to purchase a "Quint" type of fire apparatus. This vehicle will replace the fire department's 26 year old pumper, which is considered to be beyond its useful years in life. The National Fire Protection Association Standard 1911 recommends fire apparatus over 25 years of age should be taken out of service. The fire department has three pumpers which are 11, 23 and 26 years old.*

The 2011 Fire Department Operational Study, which recommends the purchase of a Quint, states, "Given the current staffing pattern, having the capability of a Quint is essential for safe and effective operations." The study states the need for a ladder truck and replacement of the 26 year old pumper. The Quint is one vehicle that will serve the function of both a fire pumper and ladder truck for the next 25 years.

Because of the financial impact for this capital expenditure, the request for the "Quint" apparatus was separated from the capital budget (Article 10) to provide the taxpayers direct input in deciding this purchase. Rather than borrowing or leasing for this purchase which would have a multi-year impact to the tax rate plus interest, in FY2013, the Town has the funding capacity to purchase this apparatus in full within/under the allowable tax levy limit. Approval of this article to appropriate $850,000 to purchase the Quint will add $0.14 to the FY2013 tax rate. For the average home valued at $794,000, such will add $111.16 to the annual tax bill in FY2013.

Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 0-7-0 [Disapprove]

Article 11 – Water Department Capital Budget – Mill Pond Wells

To see if the Town will vote to appropriate a sum of $650,000 for the construction of the Mill Pond Wells' pumps and pump houses, including appurtenances, and for all costs incidental and related thereto, and to determine whether this appropriation shall be raised by borrowing or otherwise; or take any other action relative thereto.

(Board of Selectmen)

MOTION: By Sean Summers, Board of Selectmen
I move that the Town appropriate $650,000 for the construction of the Mill Pond Wells' pumps and pump houses, including their appurtenances, and for all costs incidental and related thereto; that to meet this appropriation, the Treasurer with the approval of the Board of Selectmen is authorized to borrow $650,000 under G.L. Chapter 44, Sections 7 and/or 8 or any other enabling authority; that the Treasurer with the approval of the Board of Selectmen is authorized to contract for any federal or state aid available for the project provided that the amount of the authorized borrowing shall be reduced by the amount of such aid received prior to the issuance of the bonds or notes under this vote; and that the Board of Selectmen is authorized to take any other action necessary to carry out this project.

Speaker: William G. Redfield, Interim Director, Water & Sewer Department

Explanation: *In 2007 the Town appropriated $1,500,000 for the design and construction of a single well at the Mill Pond site in Northwest Chatham. To assure that the Town would not have to spending millions of dollars to treat this well's water to meet drinking water regulations for surface water supplies, the well was relocated 150 feet from Mill Pond. The aquifer at 75 feet from the pond, the original well's location, is 75 feet thick and is able to supply 700 gallons per minute, the amount the Town needs from this site. The new well location, 150 feet from the pond, is only 25 to 35 feet thick and requires two wells at 350gpd to produce the needed 700gpd. The additional funds are needed for the construction of the second well.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 12 – Water Department Capital Budget - Iron Removal Treatment Facilities

To see if the Town will vote to appropriate $700,000 to pay costs of the design of Iron Removal Treatment Facilities for Tirrell's & Ebens Way Wells, and for all costs incidental and related

thereto; to determine whether this appropriation shall be raised by borrowing or otherwise; or to take any other action in relative thereto.

(Board of Selectmen)

MOTION: By David Whitcomb, Board of Selectmen
I move that $700,000 is appropriated to pays costs of the design of Iron Removal Treatment Facilities for Tirrell's and Ebens Way Wells, and for all costs incidental and related thereto; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen, is hereby authorized to borrow $700,000 under G.L. Chapter 44, Sections 7 and/or 8 or any other enabling authority; that the Treasurer with the approval of the Board of Selectmen is authorized to contract for any federal or state aid available for the project provided that the amount of the authorized borrowing shall be reduced by the amount of such aid received prior to the issuance of the bonds or notes under this vote; and that the Board of Selectmen is authorized to take any other action necessary to carry out this project.

Speaker: William G. Redfield, Interim Director, Water & Sewer Department

Explanation: *Many locations in New England have iron in the soil that is dissolved by the ground water. Over time the concentration of the iron increases to an amount that discolors the water that is pumped from the aquifer by wells. Tirrill's Way Well #6 and Ebens Way Well #7 located in South Chatham are pumping water that has an iron concentration that is turning the Town water red and brown. The solution is to remove the iron from the water by changing the type of iron that is found in natural water to a type that can be filtered. An iron removal treatment facility will perform this treatment and provide clear water from these two wells.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 13– Water Capital Budget Authorization – Water Mains

To see if the Town will vote to appropriate $1,000,000 for the design and construction of replacement water mains and for all costs incidental and related thereto; to determine whether this appropriation shall be raised by borrowing pursuant to Chapter 44 of the General Laws, from the Massachusetts Water Pollution Abatement Trust or otherwise; and to take any other action relative thereto.

(Board of Selectmen)

MOTION: By Florence Seldin, Chairman, Board of Selectmen

I move that $1,000,000 is appropriated for the purpose of financing the design and construction of replacement water mains and for all costs incidental and related thereto, including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow $1,000,000 and issue bonds or notes therefor under Chapter 44, §7(1) of the General Laws and or Chapter 29C of the General Laws; that such bonds or notes shall be general obligations of the Town unless the Treasurer with the approval of the Board of Selectmen determines that they should be issued as limited obligations and may be secured by local system revenues as defined in Section 1 or Chapter 29C; that the Treasurer or any other Town official with the approval of the Board of Selectmen is authorized to borrow all or a portion of such amount from the Massachusetts Water Pollution Abatement Trust established pursuant to Chapter 29C and in connection therewith to enter into a loan agreement and/or security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; and that the Board of Selectmen, Treasurer or other appropriated local body or official is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary to carry out the project.

Speaker: William G. Redfield, Interim Director, Water & Sewer Department

Explanation: *The replacement of old, unlined, and under sized water mains and the public portion of the water services connected to these water mains will improve the quality of water to the customers who have these pipes delivering water to them. The smaller water mains and the water services were installed using pipes made from lead, steel or copper that leach into the water, and unlined water mains leach iron into the water. The replacement of these pipes will also conserve water by preventing the waste of water through possible leaks from the old pipes. Undersized water mains will be replaced with a water main with a minimum diameter of eight inches to improve the flow of water for fire protection. The Town is eligible to receive a grant of between 35% to 45% from the United States Department of Agriculture for the replacement of these type of water mains and services.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 14 – FY2013 Collective Bargaining Agreements

To see if the Town will vote to raise and appropriate or transfer from available funds in the treasury a sum of money to fund salary increases and other cost-items resulting from contract settlements with union personnel, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Leonard Sussman, Vice-Chairman, Board of Selectmen

I move that the article be divided into four (4) questions: one for each of the four contracts for which an expenditure of funds is sought:

1. Move: That the sum of $_____ be raised and appropriated to fund salary increases and other cost-items resulting from a contract settlement by and between the Town of Chatham and the *Chatham Municipal Employees Association* (CMEA), and to authorize the Town Accountant to allocate such sum to the appropriate operating budgets, and further;

2. Move: That the sum of $_____ be raised and appropriated to fund salary increases and other cost-items resulting from a contract settlement by and between the Town of Chatham and the *Chatham Police Union, MCOPSs Local 294*, and to authorize the Town Accountant to allocate such sum to the appropriate operating budgets, and further;

3. Move: That the sum of $_____be raised and appropriated to fund salary increases and other cost-items resulting from a contract settlement by and between the Town of Chatham and the *Chatham Dispatcher Union, New England Police Benevolent Association, Local 115,* and to authorize the Town Accountant to allocate such sum to the appropriate operating budgets, and further;

4. Move: That the sum of $ _____ be raised and appropriated to fund salary increases and other cost-items resulting from a contract settlement by and between the Town of Chatham and the *Chatham Fire Union, IAFF Local 2712,* and to authorize the Town Accountant to allocate such sum to the appropriate operating budgets.

Speaker: Jill R. Goldsmith, Town Manager

Explanation: *All of the Town's four municipal collective bargaining units have contracts expiring on June 30, 2012. Negotiations are underway. Funding for the new*

Union contracts beginning in FY2013 (July 1) requires a funding appropriation to accompany ratification by the BOS. Funding for the Union settlements is not included in the FY2013 proposed budget under Article 6.

Board of Selectmen Recommendation: *Recommendation from Town Meeting Floor*
Finance Committee Recommendation: *Recommendation from Town Meeting Floor*

Article 15– Cost of Living Adjustment (COLA) – [PLACEHOLDER]

To see if the Town will vote to raise and appropriate and/or transfer from available funds such sums of money as are necessary to implement salary and wage adjustments for non-union employees, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Timothy Roper, Clerk, Board of Selectmen
I move that the Town vote to raise and appropriate $_____to implement salary wage adjustments for non-union Town employees.

Speaker: Jill R. Goldsmith, Town Manager

Explanation: *Similar to the collective bargaining units, the cost of living wage adjustment for non-union employees is funded in a warrant article separate from the operating budget under Article 6. Approximately 38 non-union employees are affected by this action.*

Board of Selectmen Recommendation: *Recommendation from Town Meeting Floor*
Finance Committee Recommendation: *Recommendation from Town Meeting Floor*

Article 16 – Fire Station Design & Construction

To see if the Town will vote to appropriate a sum of money for paying costs of the design, construction, renovation, and equipping of a new Fire Station on Depot Road, including all costs incidental and related thereto; to determine whether this appropriation shall be raised by borrowing or otherwise; or to take any other action relative thereto provided, however, no money shall be borrowed hereunder unless the town votes to exempt from the limitation on total taxes imposed by G.L. c.59, §21C (Proposition 2 ½) amounts required to pay the principal and interest on the borrowing authorized by this vote.

(Board of Selectmen)

MOTION: By Leonard Sussman, Vice-Chairman, Board of Selectmen
I move that $9,521,407 is appropriated for paying costs of the design, construction, renovation, and equipping a new Fire Station on Depot Road, including all costs incidental and related thereto; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow $9,521,407 under Chapter 44 of the General Laws or any other enabling authority; and that the Board of Selectmen is authorized to take any other action necessary to carry out this project; provided, however, that this vote shall not take effect until the Town votes to exempt from the limitation on total taxes imposed by G.L. Chapter 59 §21C (Proposition 2 ½) the amounts required to pay the principal and interest on the borrowing authorized by this vote.

Speaker: Debbie Aikman, Chair – Capital Projects Review Committee

Explanation: *The Town continues to move forward with the implementation of the Capital Facilities Replacement Plan. With the Police Station and Town Annex buildings completed, the next facility to be addressed is the Fire Station. The current fire station was constructed in 1952, with an addition in 1975. The facility was built for what was then a volunteer fire department. Since the 1950s, the department has undergone several changes in both size and operation but was confined to the size of the present building. Service demand grew the department from a volunteer department to a staff of both call and full time firefighters. The department has far outgrown the building which no longer provides operational efficiency.*

The existing facility does not meet the needs of a present day fire department and is not capable of addressing the future needs. The living space has a crowded bunk area and one bathroom for male and female firefighters. Locker facilities are deficient in size and lack adequate toilets, showers and sinks. There is no space for firefighters to train or drill. The building doesn't meet the recommended standards for the decontamination of medical equipment; storage of oxygen, storage of medical supplies or storage of firefighting gear. The administrative area lacks office space, meeting space and record storage. The 1950s sized apparatus bays are too small for present day and future fire apparatus.

The overall condition of the building is poor and the heating and electrical systems are inadequate. The roof has leaked for several years and produced rot and mold. The building is not in compliance with the Americans with Disabilities Act or the Life Safety Codes.

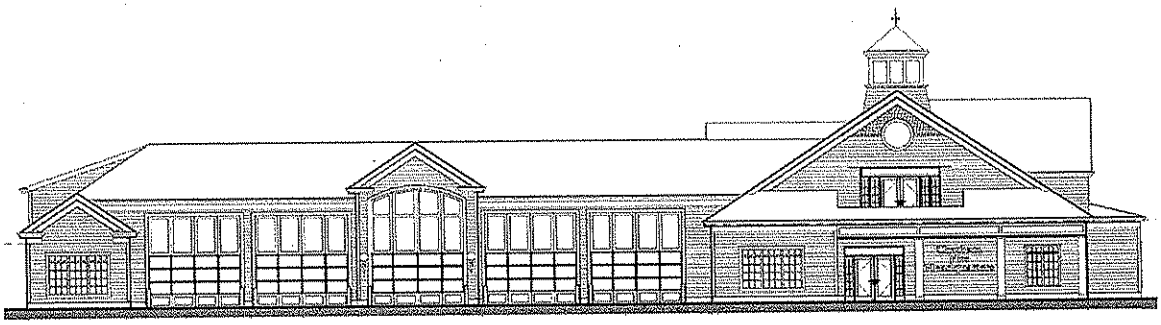
To address the current and future needs of the Fire Department, a conceptual plan has been developed for a new fire station to be constructed at

the present location on 135 Depot Road. The proposed building enhances the ability of the Fire Department to meet the service needs of the community. The proposed building will also meet the space/storage needs of the Fire Department by providing room for future apparatus, addressing health, safety and security issues and providing for department training.

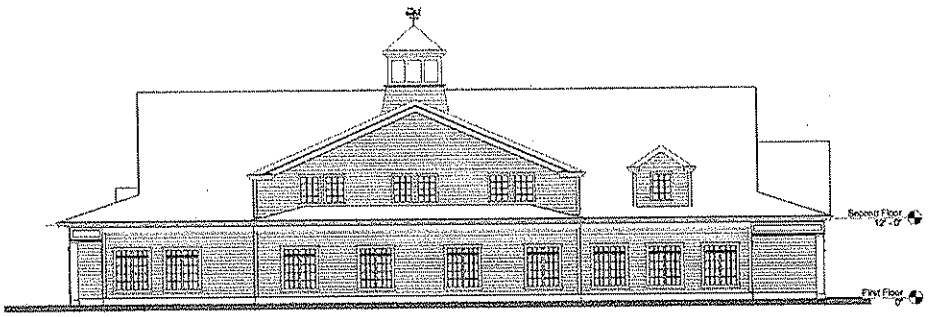
The funding mechanism for this Article is a Capital Debt Exclusion.

Board of Selectmen Recommendation: Approve 3-2-0
Finance Committee Recommendation: Approve 5-2-0

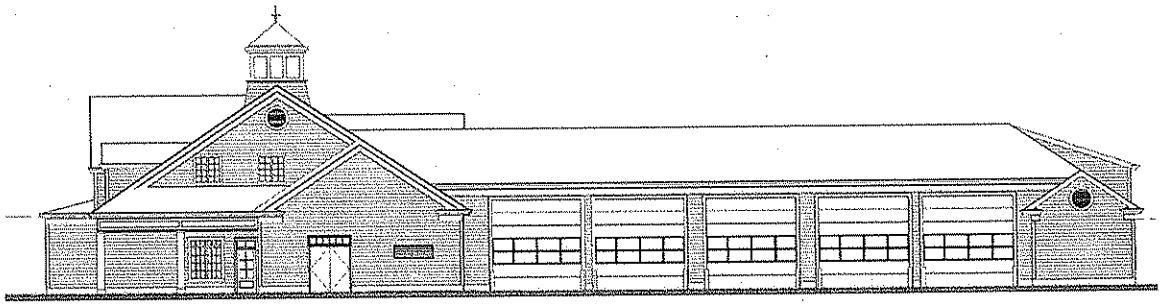
Article 16 – Fire Station Design and Construction: Proposed Elevations



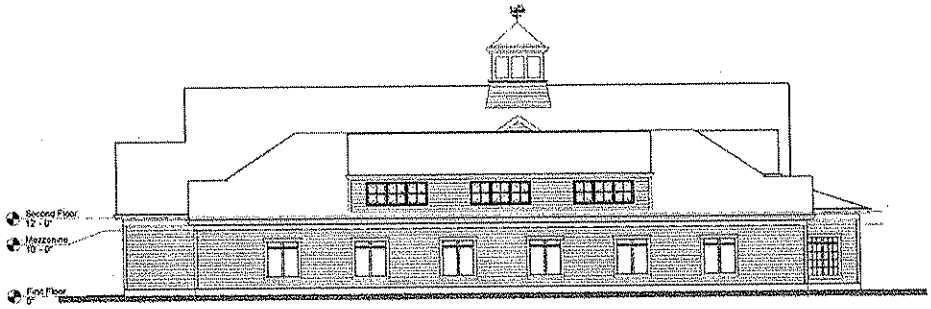
1 FRONT ELEVATION



3 EAST SIDE ELEVATION



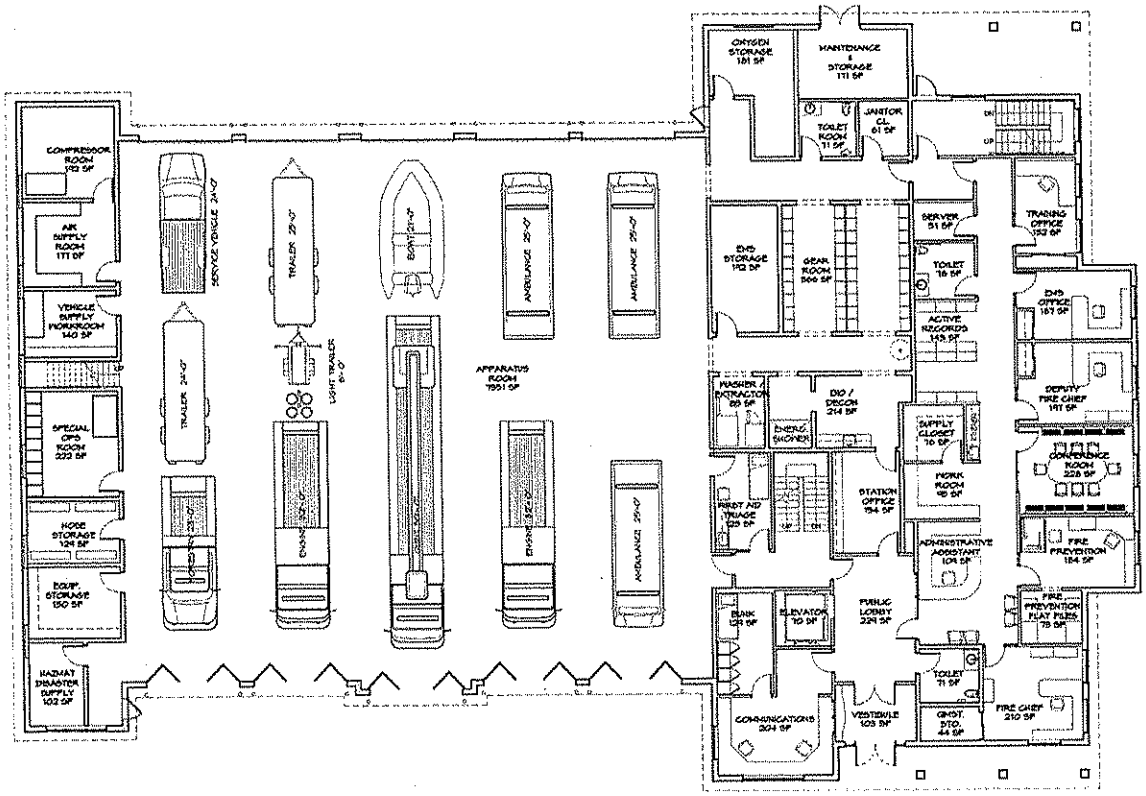
1 REAR ELEVATION



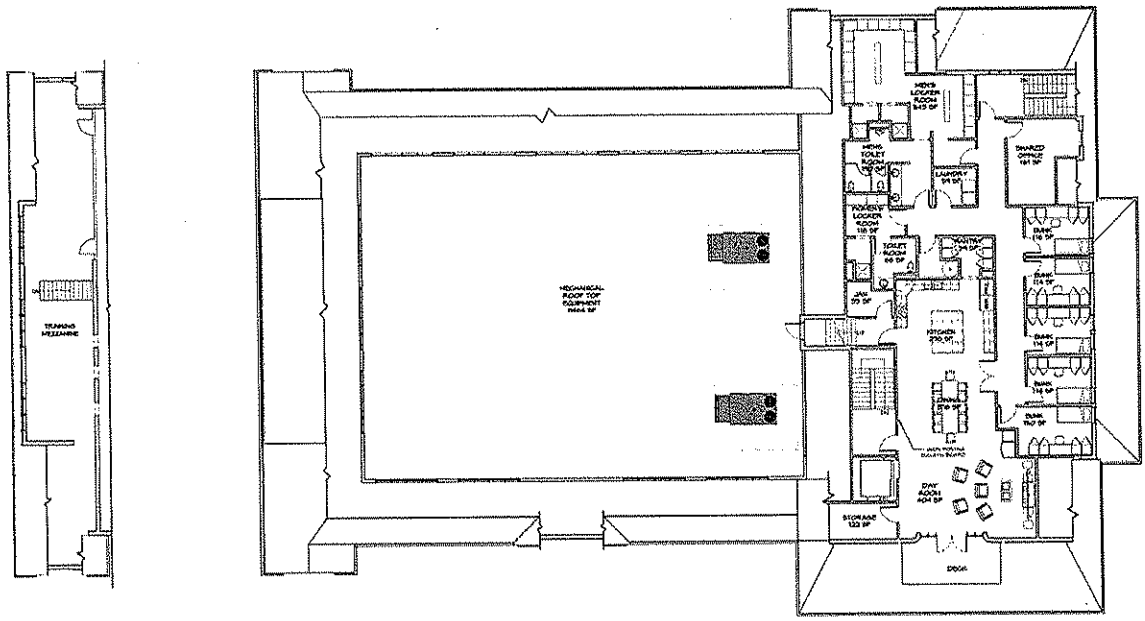
2 WEST SIDE ELEVATION

Article 16 – Fire Station Design and Construction: Proposed Floor Plans – First & Second Floors

First Floor

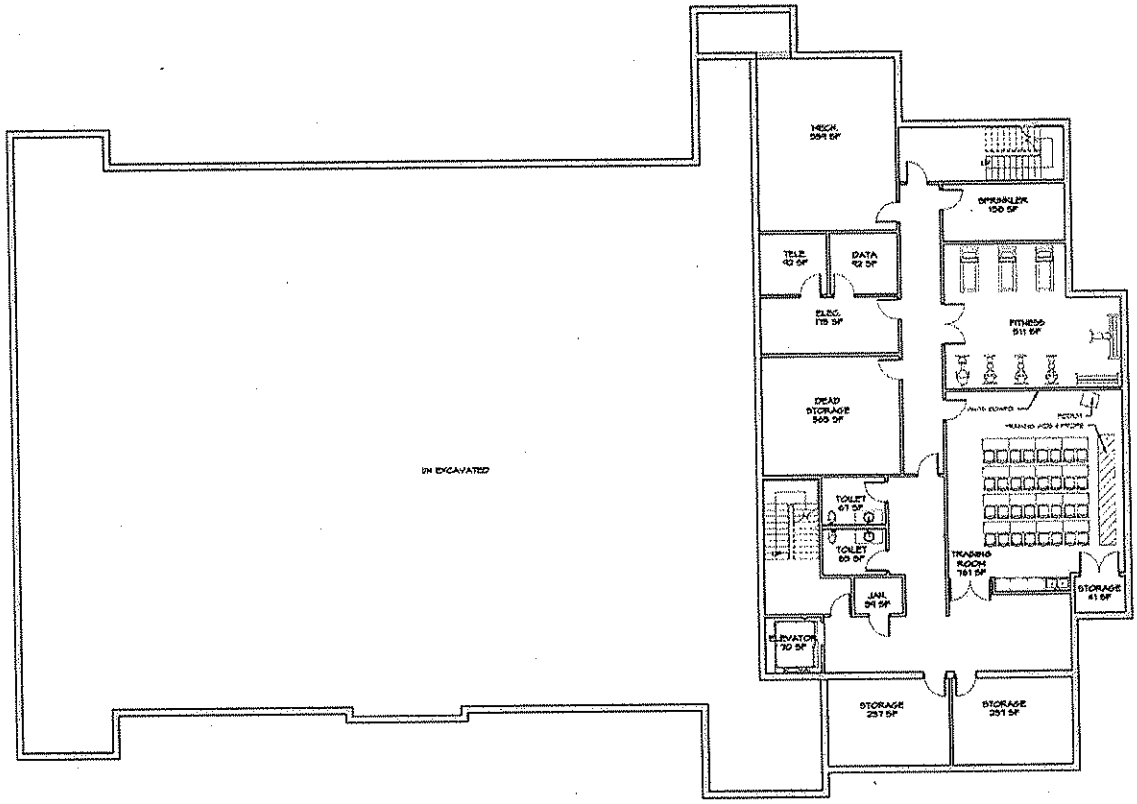


Second Floor

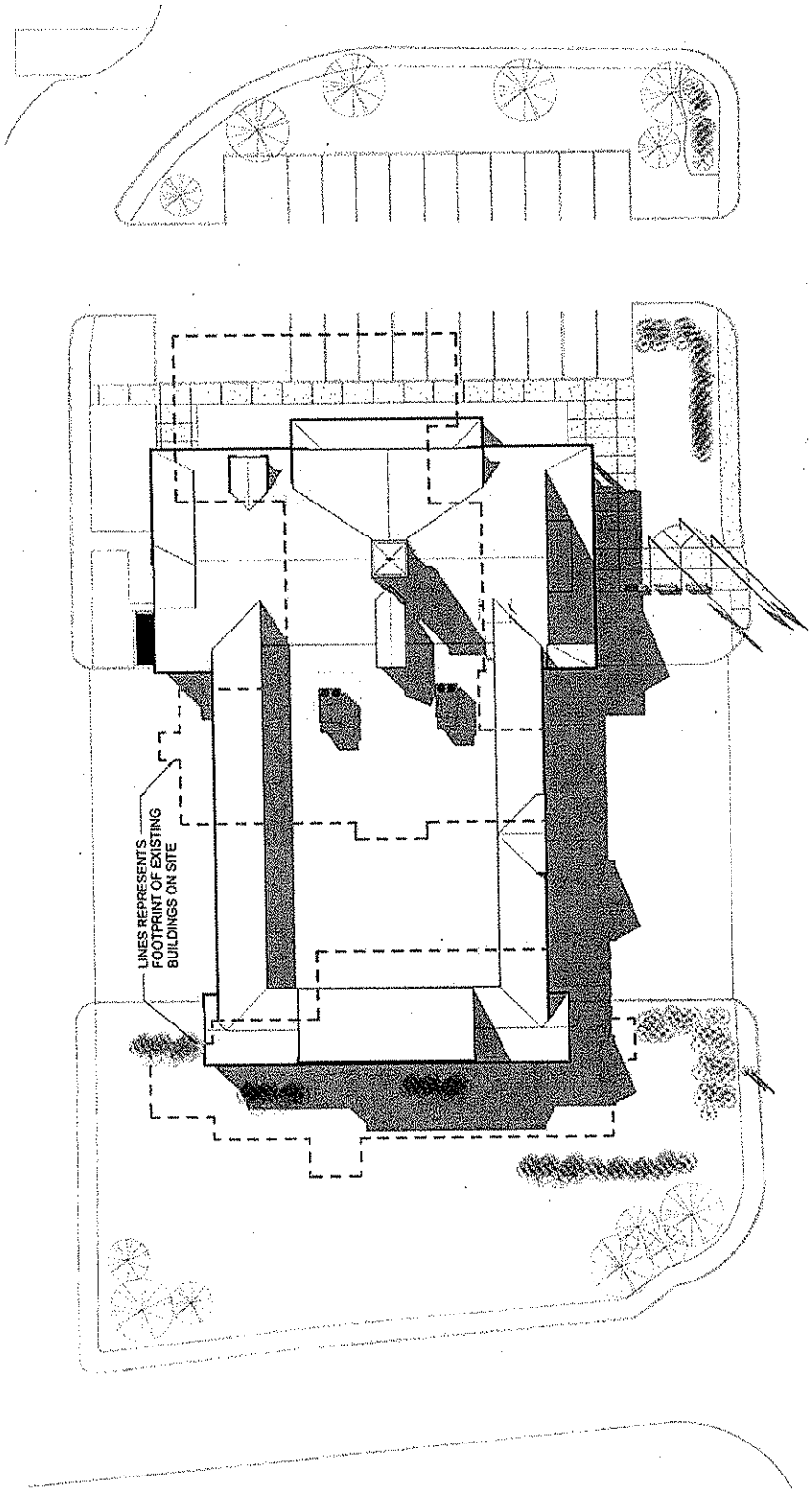


② Mezzanine ① Second Floor

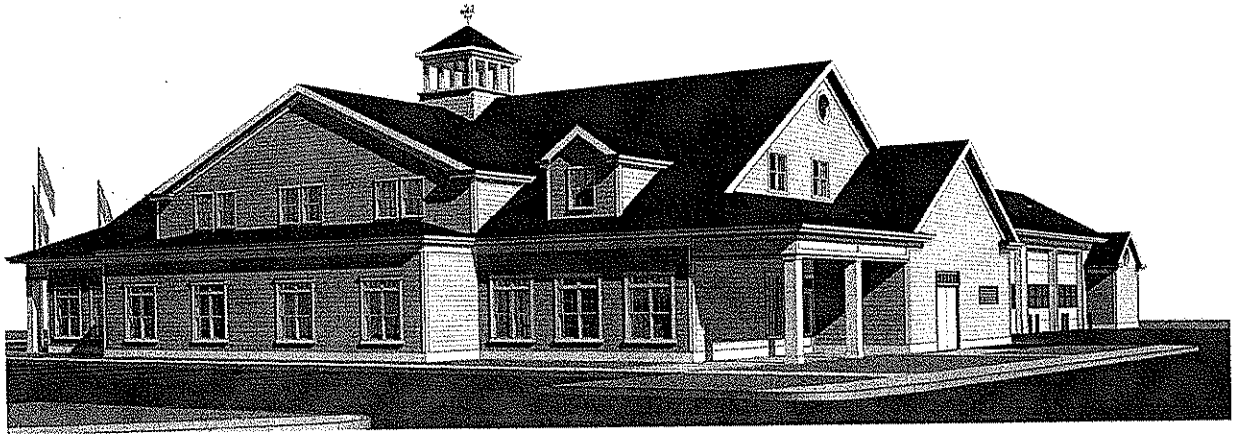
Article 16 – Fire Station Design and Construction: Proposed Floor Plan - Basement Level



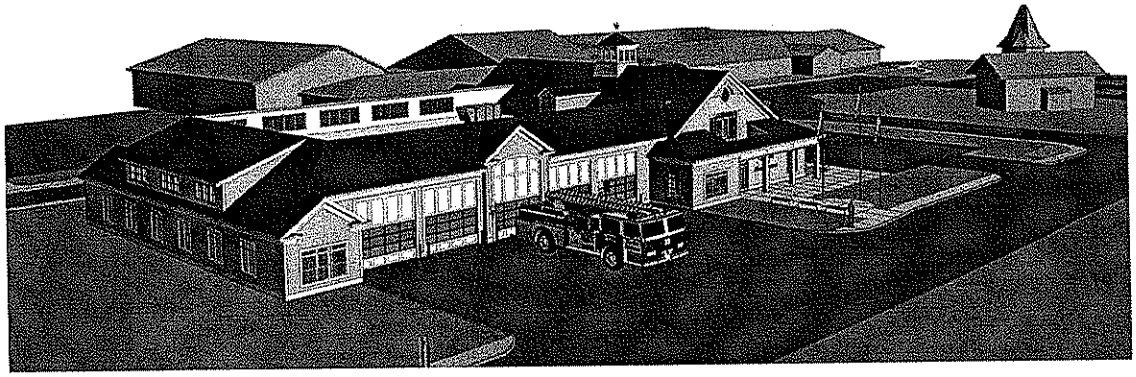
Article 16 – Fire Station Design and Construction: Site Plan

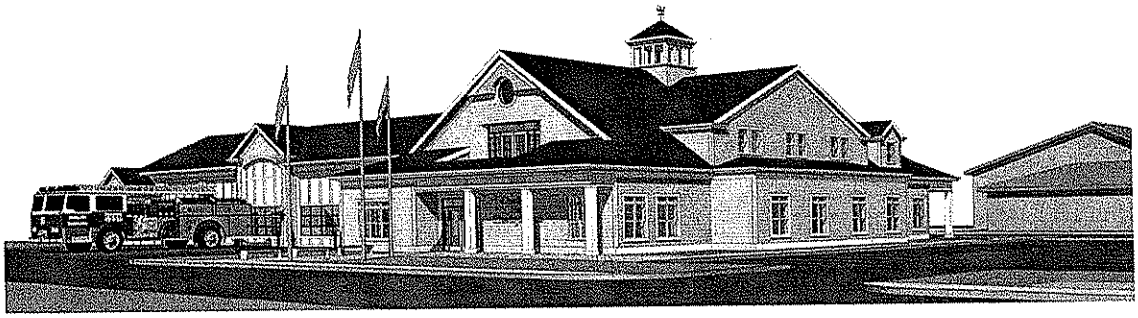


Article 16 – Fire Station Design and Construction: Perspectives – Front and East

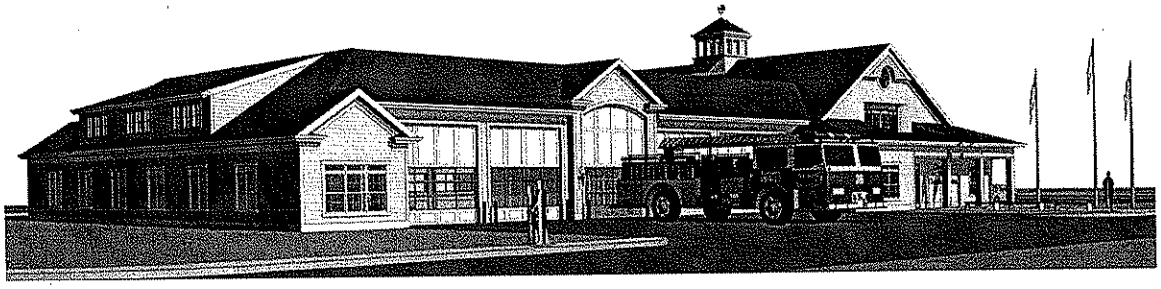


1 3D View 11





1 Perspective



Article 16 – Fire Station Design and Construction: Total Project Budget

Chatham Fire Department **Preliminary Construction Estimate** **Base Estimate**	**Building SF**	**Variables**	**Preferred Option**
CONSTRUCTION COSTS			9-Feb-12
Basement Level	5187	$ 180	$ 933,660
First Floor Level - Apparatus Bay	8589	$ 240	$ 2,061,360
First Floor Level - Administrative Area	6179	$ 330	$ 2,039,070
Second Floor Level	4158	$ 160	$ 665,280
Building Demolition (Includes budget for asbestos abatement)			$ 235,000
Site Costs (Includes foundation excavation)			$ 466,000
Total Square Footage (Blended cost per square foot target)	**24,113**	$ 265	
Construction Costs Sub Total			**6,400,370**
Construction Contingencies (Goal of 5% at time of bid)		10%	$ 640,037
Green Implementation		5%	$ 320,019
Construction contingency will be reduced as construction details are developed			
Subtotal			**$ 7,360,426**
Construction Escalation to end of 2013		8%	$ 588,834
Total Construction Costs			**$ 7,949,260**
Construction Cost Per Square Foot			**$ 330**
SOFT COSTS			
Design Engineering Fees (Allowance)		8%	$ 588,834
Owners Project Manager (Allowance)		3%	$ 220,813
Furniture and Equipment (Allowance)			$ 130,000
Communication Technologies			$ 260,000
CommunicationTower			$ 81,500
Additional Project Costs (testing, survey, geotech, etc.)			$ 162,000
Total Soft Costs			**$ 1,443,147**
TEMPORARY COSTS			
Temporary Facilities Allowance (Direct charges to owner, not included in the bid documents such as off-site storage, temp housing, etc)			$ 129,000
Total Temporary Costs			**$ 129,000**
GRAND TOTAL			**$ 9,521,407**

Article 17 - Monomoy Regional High School Construction

To see if the Town will approve the $68,000,000 borrowing authorized by the Monomoy Regional School District for the purpose of paying costs of the construction of a new school, including the payment of all costs incidental or related thereto, which will be named The Monomoy Regional High School, to be located on a parcel of land which is currently owned by the Town of Harwich and on which the current Harwich High School now exists. The address of the current Harwich High school is 75 Oak Street, Harwich, MA. The new school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the District may be eligible for a school construction grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended at the direction of the School Building Committee. The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any Project costs the District incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the District and its member municipalities. Any grant that the District may receive from the MSBA for the Project shall not exceed the lesser of (1) fifty-one and thirty-three one-hundredths percent (51.33%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA, and to act fully thereon.

Motion: By David Whitcomb, Board of Selectmen
[No motion] *Per new information received on April 11, 2012 from the MRSC requesting postponement of consideration until after July 25, 2012]*

Speaker: Jeffrey Dykens, Chairman, Monomoy Regional School Committee

Explanation: *At its meeting of April 11, 2012, the Monomoy Regional School Committee by unanimous consensus indicated that it would postpone action at the Annual Town Meetings and ballot votes to a future date after the July 25, 2012 meeting of the Massachusetts School Building Authority ("MSBA") when the final project scope (design) and budget will be approved.*

Board of Selectmen Recommendation: *Recommendation from Town Meeting Floor*
Finance Committee Recommendation: *Recommendation from Town Meeting Floor*

Article 18 – Land Bank - Main Street Property

To see if the Town will vote to authorize the Board of Selectmen to acquire by purchase or eminent domain, for conservation, open space or recreational purposes, a parcel of land consisting of 1.36 acres, more or less, located at 2175 Main Street, Chatham, Massachusetts as identified by Assessors' Map 5E/4/F23, as more fully described in a deed recorded with the Barnstable Registry of Deeds in Book 25909, Page 317 owned by the Chatham Conservation Foundation, Inc.; to appropriate a sum of money for such acquisition; to determine whether

this appropriation shall be raised by borrowing, by the use of Cape Cod Land Bank funds, or otherwise; or to take any other action relative thereto.

(Land Bank Open Space Committee)

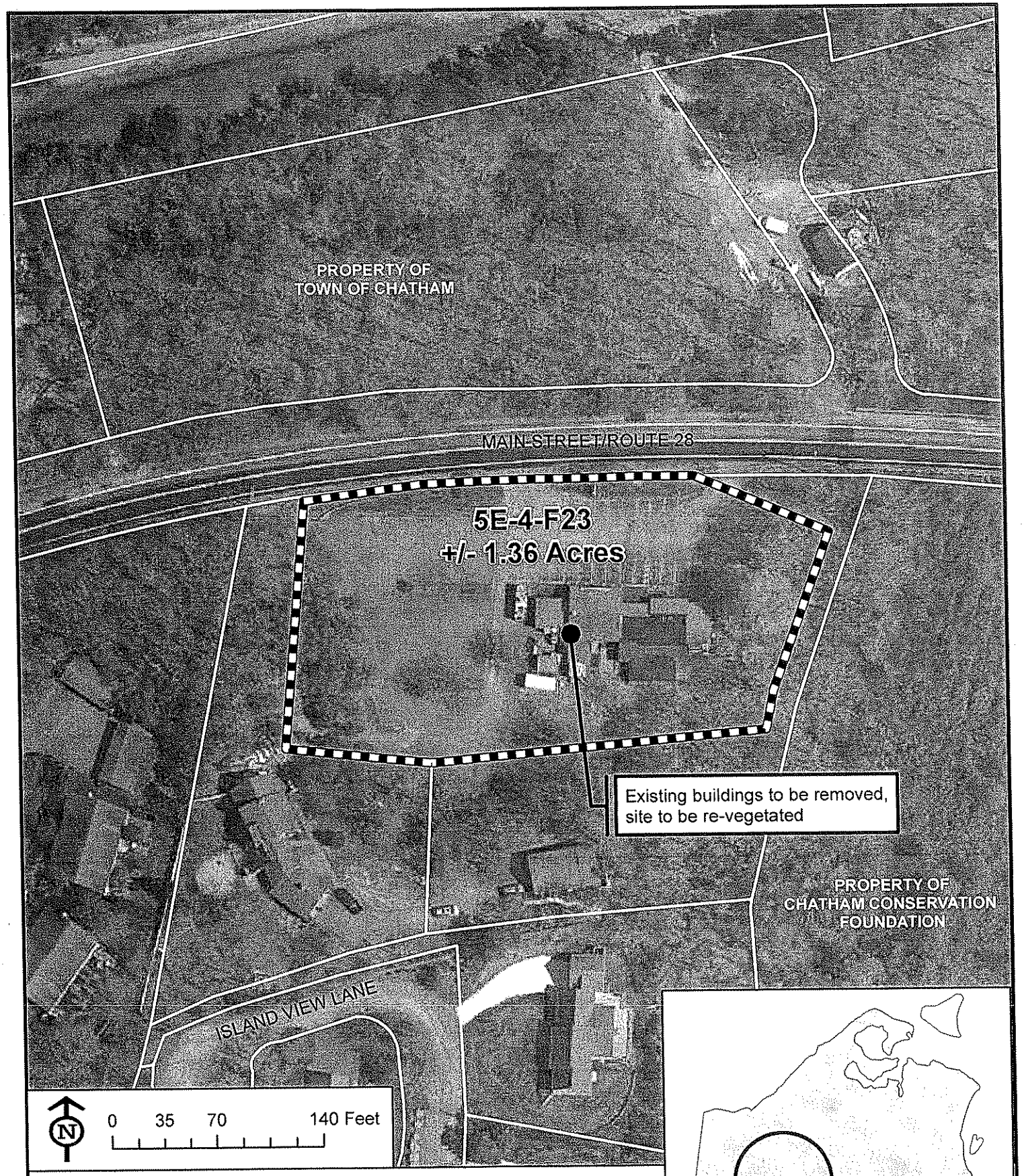
Motion: Jack Farrell, Land Bank Open Space Committee (LBOSC)
I move that the Town appropriate $173,250 for the acquisition by purchase or eminent domain, for open space or recreational purposes, a parcel of land consisting of 1.36 acres, more or less, located at 2175 Main Street, Chatham, Massachusetts as identified by Assessors' Map 5E/4/F23, as more fully described in a deed recorded with the Barnstable Registry of Deeds in Book 25909, Page 317 owned by the Chatham Conservation Foundation, Inc.; that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow $173,250 under Chapter 293 of the Acts of 1998 as amended by Section 211 of Chapter 127 of the Acts of 1999 and Chapter 44 of the General Laws; that while any such borrowing shall constitute a general obligation of the Town, it is the intent of the Town that the principal of and interest on any such borrowing shall be paid from funds in the Town's Land Bank Fund except as otherwise provided by subsequent Town votes; and that the Board of Selectmen is authorized to acquire such property by purchase or eminent domain and to take any other action necessary to carry out this project.

Speaker: Jack Farrell, LBOSC

Explanation: *It is the charge of the Land Bank Open Space Committee to identify properties for acquisition as open space, and to present the opportunity to Town Meeting. 2175 Main Street contains 1.348 acres and is developed with a 1960 commercial building and an asphalt and gravel parking lot. It is abutted on the east by conservation land owned by the Chatham Conservation Foundation, Inc. and on the north (across Route 28) by conservation lands owned by both the Town of Chatham and by the Chatham Conservation Foundation, Inc. In order to accomplish a timely closing of the purchase, the Chatham Conservation Foundation, Inc., agreed to act as a "placeholder" for the Town (as they did in the Town's acquisition of the Valley Farm property off Hardings Beach Road in 2006). The Foundation completed the purchase on December 9, 2011 and has held title pending voter approval at May's Annual Town Meeting.*

The funding for this "Main Street conservation and beautification project" will be provided in part by the Land Bank (Article 18), Community Preservation Fund (Article 19), and a donation from the Chatham Conservation Foundation, Inc. ($38,500).

Land Bank Open Space Committee Recommendation: Approve 5-0-0
Board of Selectmen Recommendation: Approve: 2-3-0 [Disapprove]
Finance Committee Recommendation: Approve: 1-6-0 [Disapprove]



TOWN OF CHATHAM 2012 ANNUAL TOWN MEETING

ARTICLES 18 and 19: Main Street Property

2175 Main Street

Parcel 5E-4-F23

+/- 1.36 Acres

Article 19 – Community Preservation - Main Street Property

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to acquire by purchase for conservation, open space purpose and passive recreation a parcel of land 2175 Main Street, Chatham Massachusetts as identified by Assessors' Map 5E/4/F23, as more fully described in a deed recorded with the Barnstable Registry of Deeds in Book 25909, Page 317 owned by the Chatham Conservation Foundation, and to authorize the Selectmen to take all necessary measure to acquire said property, including the acceptance of a deed and to further authorize the Conservation Commission and the Board of Selectmen to grant a perpetual conservation restriction as authorized under MGL, Chapter 184, §§31-33 at the time of closing, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: Victor Di Cristina, Community Preservation Committee
I move that the Town vote to appropriate $173,250 with $87,500 from Open Space Reserve and $85,750 from FY2013 estimated revenues to acquire by purchase for conservation and open space purposes, a parcel of land consisting of 1.36 acres, more or less, located at 2175 Main Street, Chatham, Massachusetts as identified by Assessors' Map 5E/4/F23, as more fully described in a deed recorded with the Barnstable Registry of Deeds in in Book 25909, Page 317 owned by the Chatham Conservation Foundation, Inc. and to authorize the Selectmen to take all necessary measures to acquire said property, including the acceptance of a deed, and to further authorize the Board of Selectmen to grant a perpetual conservation restriction as authorized under MGL Chapter 184, §§ 31-33 that is to be held by the Chatham Conservation Foundation, Inc.

Speaker: Victor Di Cristina, Community Preservation Committee

Explanation: *Please refer to the explanation in Article 18 above.*

Community Preservation Committee Recommendation: Approve 6-0-0
Board of Selectmen Recommendation: Approve: 2-3-0 [Disapprove]
Finance Committee Recommendation: Approve: 1-6-0 [Disapprove]

Article 20 – Community Preservation - Orpheum Theatre Preservation

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to fund utility/site improvements at the former Chatham/Orpheum Theater located at 637 Main Street, Chatham, Massachusetts; or take any other action in relation thereto.

(Community Preservation Committee)

Motion: John Kaar, Community Preservation Committee
I move that the Town vote to appropriate the sum of $398,712 from the FY2013 Community Preservation Revenues in order to fund utility/site improvements at the former CVS to fund the Historic preservation of the building by the Chatham Orpheum Theatre organization.

Speaker: John Kaar, Community Preservation Committee

Explanation: *This request is to assist the Chatham Orpheum Theatre group in their goal to bringing back to Chatham a part of its history. The Orpheum Theatre building was for the last 30+ years a commercial business with little attention paid to its previous life as a theater. The restoration of this building as a theater will not only provide a pleasing aesthetic exterior, but the reuse as a theater creates a connection with the past that has been lost over the last few decades. This project will help contribute to a vibrant Main Street, while preserving a significant landmark for townspeople. The funds recommended would be used for restoration of the exterior of the building to include trim, roofing, siding, doors & windows, paint, etc. Funds would also assist with improvements necessary for ADA Compliance. The Chatham Historical Commission has deemed this property as one that is "historically and culturally significant" (minutes 11/1/11). The Community Preservation Act requires that a Historic Deed Restriction be placed on the property.*

Community Preservation Committee Recommendation: Approve 6-1-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 21 – Community Preservation - Historic Property Survey

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to fund a Historic Property Survey, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: Jane Moffett, Community Preservation Committee
I move that the Town vote to appropriate the sum of $21,000 from FY2013 Community Preservation Fund Revenues in order to fund continuance of the Historic Property Survey.

Speaker: Jane Moffett, Community Preservation Committee

Explanation: *This article seeks funds to continue the program of the Chatham Historical Commission, begun in 2003, to professionally document, in narrative and photos, the historic properties in the Town. This program was initiated at the recommendation of the Massachusetts Historical Commission. Since its inception the program has documented approximately 600 of structures built prior to 1900. The requested amount is expected to be sufficient to contract for the completion of an additional 60 surveys. The negative votes noted below were a desire for a larger sum to be allocated for this program, and do not reflect lack of support for the survey.*

Community Preservation Committee Recommendation: Approve 4-3-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 22 – Community Preservation – St. Martin's Lodge (Masonic Temple)

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to fund repairs necessary for the preservation of the Masonic Temple, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: John Geiger, Community Preservation Committee
I move that the Town vote to appropriate the sum of $56,030 from FY2013 Community Preservation Fund Revenues in order to fund exterior repairs and renovation for St Martin's Lodge (Masonic Temple) at 52 Old Harbor Road, Chatham.

Speaker: John Geiger, Community Preservation Committee

Explanation: *This article seeks funds for repairs necessary to the exterior of St. Martin's Masonic Lodge on Old Harbor Road. The building dates to the 1850s when it was built as the Baptist Church. The Chatham Historical Commission has determined that the building is historically significant, an example of classic Greek revival architecture.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 4-4-0 [Disapprove]

Article 23 - Chatham Housing Authority- Housing Production Plan (FY2012)

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary to fund consulting services to establish the Chatham Housing Production Plan, or take any other action in relation thereto.

Motion: Joanne Taylor, Community Preservation Committee
I move that the Town vote to transfer the sum of $10,000 from Article 19 of the May 2008 Town Meeting (Technical Assistance for Affordable Housing Accessory Apartments) in order to fund assistance is establishing the Chatham Housing Production Plan.

Speaker: Joanne Taylor, Community Preservation Committee

Explanation: *This article would transfer funds available under a previous CPA article to be used immediately upon appropriation in the current fiscal year to hire a consultant to create a Housing Production Plan. The Housing Production Plan is a 'roadmap' to create affordable housing units. This request would allow for the Housing Production Plan to be underway before the Affordable Housing consultant is hired. The current balance in the 2008 article is $56,848.28, and this will use $10,000 of those funds.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-1

Article 24 - Community Preservation - Affordable Housing Consultant

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money as it determines necessary to contract with an Affordable Housing Consultant, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: By Bruce Beane, Community Preservation Committee
I move that the Town vote to appropriate and transfer the sum of $25,000 from FY 2013 Community Preservation Fund revenues in order to contract with an Affordable Housing Consultant in accordance with the Explanation below.

Speaker: Bruce Beane, Affordable Housing Committee

Explanation: *The Town is required to have a Production Plan for new affordable housing units, but the plan needs many details to be worked out before it is implemented. This appropriation would allow the Affordable Housing Committee and Community Development Department to hire a consultant, on an as-needed basis, to help develop programs to deliver the new affordable housing units expected by the Town's Production Plan.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 4-1-0
Finance Committee Recommendation: Approve 7-0-1

Article 25 - Community Preservation Fund Reserve (Community Housing)

To see if the Town will vote to reserve for later appropriation a sum of money it determines necessary for Affordable/Community Housing, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: John Kaar, Community Preservation Committee
I move that the Town vote to reserve $55,000 from FY 2013 Community Preservation Revenues for Community Housing.

Speaker: Alix Heilala, Finance Director

Explanation: *The Community Preservation Act requires 10% of estimated revenues be appropriated or set aside (reserved for later appropriation) for the each of the following three categories: Open Space, Historic Preservation, and Community Housing. The $55,000 is to meet the 10% requirement for Community Housing for FY 2013.*

Community Preservation Committee Recommendation: Approve 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 26 - Community Preservation Fund Reserve (Open Space)

To see if the Town will vote to reserve for later appropriation a sum of money it determines necessary for Open Space, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: John Kaar, Community Preservation Committee
I move that the Town vote to reserve $80,000 from FY 2013 Community Preservation Revenues for Open Space Reserve.

Speaker: Alix Heilala, Finance Director

Explanation: *The Community Preservation Act requires 10% of estimated revenues be appropriated or set aside (reserved for later appropriation) for the each of the following three categories: Open Space, Historic Preservation, and Community Housing. The $80,000 is to meet the 10% requirement for Open Space for FY 2013. This article is a 'placeholder' in case the previous article for Open Space does not pass. If the former article passes, this article will not be moved.*

Community Preservation Committee Recommendation: *Recommendation from Town Meeting Floor*
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 27 - Community Preservation Fund Reserve (Historic Preservation)

To see if the Town will vote to reserve for later appropriation a sum of money it determines necessary for Affordable/Community Housing, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: John Kaar, Community Preservation Committee
I move that the Town vote to reserve $80,000 from FY 2013 Community Preservation Revenues for Historic Preservation.

Speaker: John Kaar, Community Preservation Committee

Explanation: *The $80,000 is to meet the 10% requirement for Historic Preservation for FY 2013. This article is a 'placeholder' in case the minimum required for Historic Preservation is not met through approval of previous articles. If the 10% is met through passage of those articles, this article will not be moved.*

Community Preservation Committee Recommendation: *Recommendation from Town Meeting Floor*
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 28 - Community Preservation - Administrative Costs

To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money it determines necessary for the purpose of funding administrative costs associated with the Community Preservation Act, or take any other action in relation thereto.

(Community Preservation Committee)

Motion: Ira Seldin, Community Preservation Committee
I move that the Town vote to appropriate the sum of $15,000 from FY 2013 Community Preservation Fund Revenues for the purpose of funding administrative costs associated with the Community Preservation Act.

Speaker: Ira Seldin, Community Preservation Committee

Explanation: *The Community Preservation Act allows Town Meeting to appropriate up to 5% of estimated revenues for the Community Preservation Committee to carry out its statutory duties. This year $15,000 is being requested for clerical expenses, appraisals, consulting and legal services. Any unspent funds return to the Community Preservation Fund balance.*

Community Preservation Committee Recommendation: 7-0-0
Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 8-0-0

Article 29 - Transfer of Town Land for Cemetery Expansion Purposes (Seaside Cemetery)

To see if the Town will vote to transfer the control and management of a parcel of land off of Hitching Post Road in Chatham, Massachusetts identified as Assessors Map 14F-1, consisting of approximately 1.57 acres, more or less, as fully described in a deed recorded with the Barnstable County Registry of Deeds in Book 1111 Page 361 owned by the Town of Chatham, from the Board of Selectmen to the Cemetery Commission for the expansion of the Seaside Cemetery, or take any other action in relation thereto.

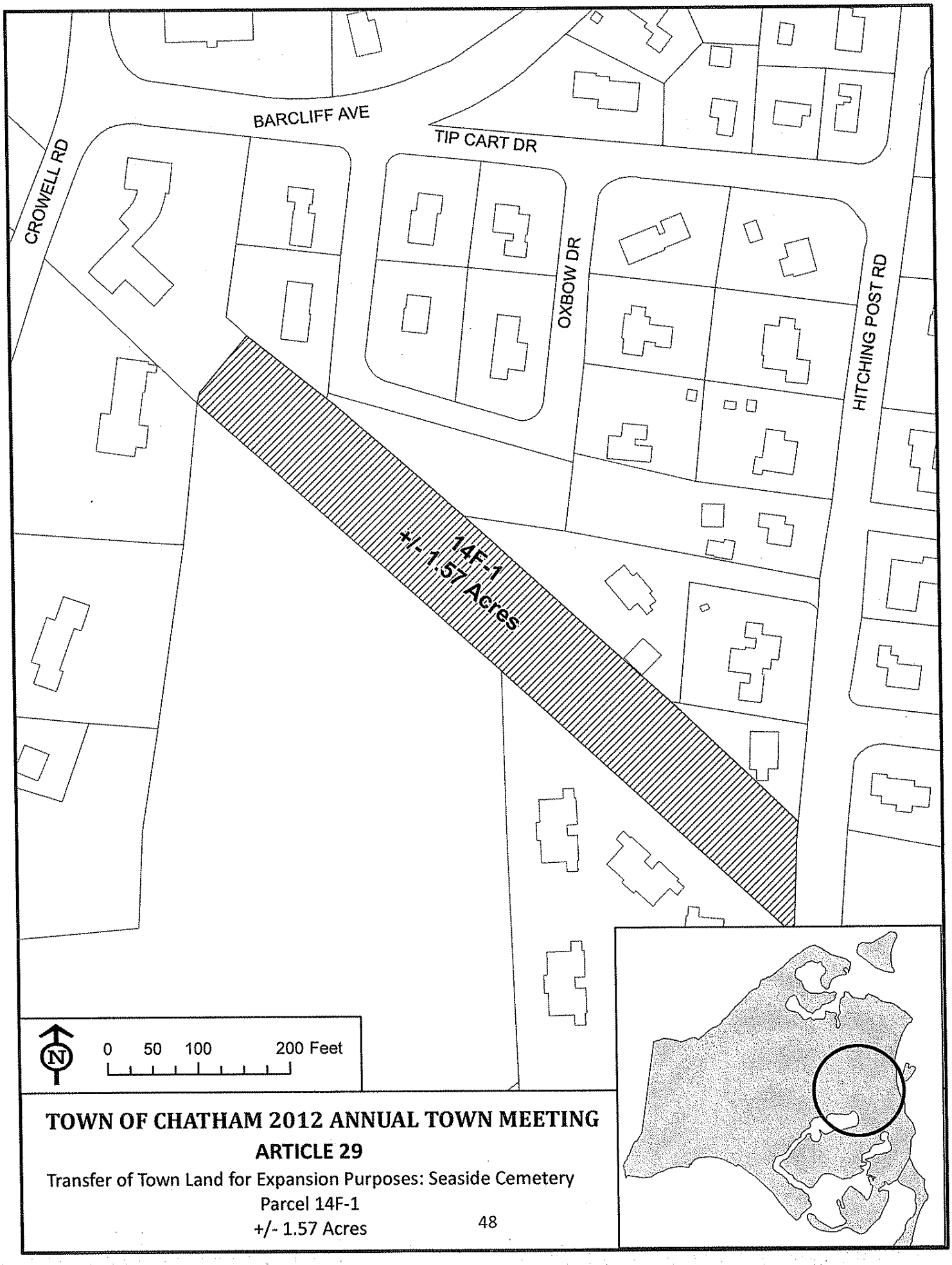
(Board of Selectmen)

Motion: By, Sean Summers, Board of Selectmen
I move that the Town vote to transfer the control and management of the parcel of land described in the Warrant for Article 29 from the Board of Selectmen to the Cemetery Commission for the expansion of the Seaside Cemetery.

Speaker: George Goodspeed, Cemetery Commission

Explanation: *This article proposes to transfer the control and management a parcel of land off of Hitching Post Road from the Board of Selectmen to the Cemetery Commission for the expansion of the Seaside Cemetery. This parcel was acquired by the Town in 1961.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0



TOWN OF CHATHAM 2012 ANNUAL TOWN MEETING

ARTICLE 29

Transfer of Town Land for Expansion Purposes: Seaside Cemetery

Parcel 14F-1

+/- 1.57 Acres

Article 30 – Granting of Easement Stepping Stones Road (Union Cemetery)

To see if the Town will vote to authorize the Board of Selectmen to grant a permanent access easement across a portion of Union Cemetery, identified as Assessor's Parcel 12F-7, fronting Stepping Stones Road along the western property boundary for the purposes of providing driveway access to land of Pamela N. Riley, 56 Stepping Stones Road, identified as Assessor's Parcel 12G-12-4A and 58 Stepping Stones Road, identified as Assessor's Parcel 12G-8B-C3 and to authorize the Board of Selectmen to do all things necessary to carry out the provisions of this article, or take any other action in relation thereto.

(Board of Selectmen)

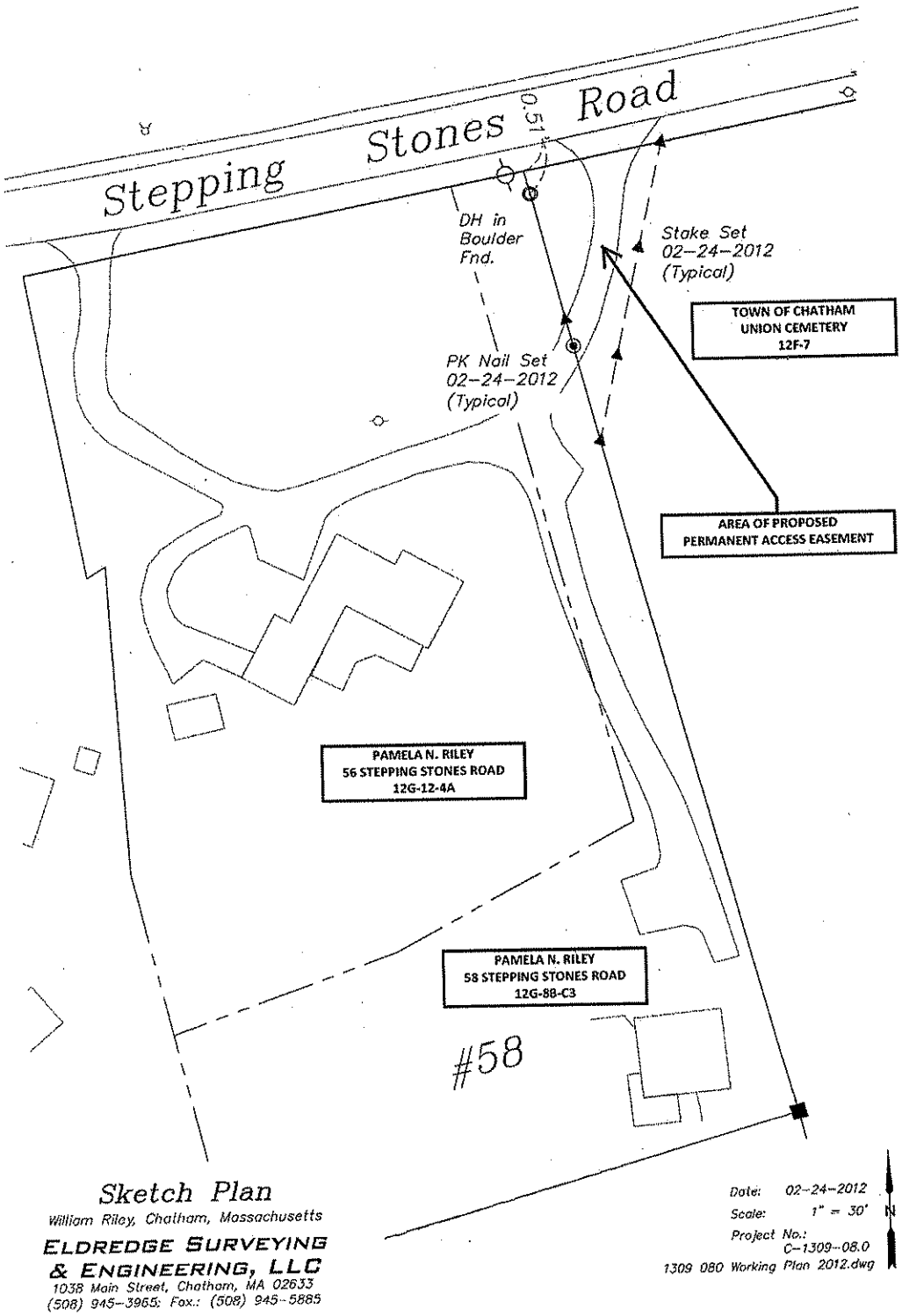
Motion: By Florence Seldin, Chairman, Board of Selectmen
I move that the Town vote to authorize the Board of Selectmen to grant a permanent access easement for the purposes of providing driveway access across a portion of Lot 12F-7 to Pamela N. Riley, 56 and 58 Stepping Stones Road as shown on the accompanying sketch and to authorize the Board of Selectmen to do all things necessary to carry out the provisions of this article.

Speaker: Bruce Gilmore, Town Counsel

Explanation: *Grant of this easement is to complete an outstanding agreement associated with the construction of the Old Colony Rail Trail along Stepping Stones Road. If passed, this Article authorizes the Board of Selectmen to grant a permanent access easement across a portion of the Union Cemetery Property fronting on Stepping Stones Road. This grant of a permanent easement across Lot 12F-7 is "quid-pro-quo" compensation agreed to back in 2004. The corresponding Bike Path Easement has been granted to the Town for the Rail Trail in this vicinity.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0

Article 30 – Granting of Easement Stepping Stones Road



Article 31 – Petition to the Massachusetts General Court to Validate Charter Amendments Voted by Town Meeting as Article 21 of the May 2001 Town Meeting and Article 3 of the Special Town Meeting of January 25, 2010 as Voted by Ballot on May 13, 2010

To see if the Town will vote to authorize the Board of Selectmen to petition the Massachusetts General Court to file special legislation to validate the Chatham Charter amendments votes as Article 21 at the May 15, 2001 session of the Annual Town Meeting and the May 13, 2010 Annual Town Election, notwithstanding any general or special law to the contrary, or as amended by the legislature to accomplish the purposes intended, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Leonard Sussman, Vice-Chairman, Board of Selectmen
I move that the Town vote to authorize the Board of Selectmen to petition the Massachusetts General Court to file special legislation to validate the Chatham Charter amendments votes as Article 21 at the May 15, 2001 session of the Annual Town Meeting and the May 13, 2010 Annual Town Election, notwithstanding any general or special law to the contrary, or as amended by the legislature to accomplish the purposes intended.

Speaker: Jill R. Goldsmith, Town Manager

Explanation: *This action was requested by the Legislature's House Counsel to validate actions previously voted by Town Meeting. We were recently notified on February 6, 2012 that the legislation became "stale" having expired during the last Legislative term with no action. Re-voting of this article validates it for the current Legislative term. The article was previously approved as Article 21 of the May 2001 Town Meeting and Article 3 of the Special Town Meeting of January 25, 2010 as Voted by Ballot on May 13, 2010.*

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0

Article 32 - Local Option; Other Post Employment Health Insurance Liability Trust Fund

To see if the Town will vote to adopt MGL Chapter 32B, Section 20 authorizing the Town to create an Other Post Employment Health Insurance Liability Trust Fund for the purpose of funding future financial obligations of the Town for health insurance benefits of retirees, such legislation to take effect without further submissions to a Town Meeting, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Timothy Roper, Clerk, Board of Selectmen
I move that the Town vote to create an Other Post Employment Health Insurance Liability Trust Fund for the purpose of funding future financial obligations of the Town for health insurance benefits of retirees, such legislation to take effect without further submissions to a Town Meeting.

Speaker: Jill R. Goldsmith, Town Manager

Explanation: *Acceptance of this statute provides for the establishment of a trust fund to fund future financial obligations for Town health insurance benefits – also referred to as other post-employment benefits (OPEB) for retirees. Such action is viewed favorably by bonding agencies and complies with GASB 43 and 45. At this time, no funding appropriation is requested. The OPEB report is available on the Town's website:*
http://www.chatham-ma.gov/public_documents/ChathamMA_Finance/Barnstable%20County%20GASB%2043_45%20report%20as%20of%206_30_2010%20-%20Unit%20.pdf

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 33 - Senior Citizen Property Tax Work-off Abatement

To see if the Town will vote to accept MGL Chapter 59, Section 5k to establish a Senior Citizen Property Tax Work-off Abatement program, effective Fiscal Year 2013, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By Sean Summers, Board of Selectmen
I move that the Town vote to accept MGL Chapter 59, Section 5k to establish a Senior Citizen Property Tax Work-off Abatement program, effective Fiscal Year 2013.

Speaker: Jill R. Goldsmith, Town Manager

Explanation: *Acceptance of this statute (local option) provides for the establishment of a property tax work off program for taxpayers over 60 years old. Taxpayers must be the assessed owner of the property on which the tax to be abated is assessed. If the property is in subject to a trust, the senior must have legal title (be one of the trustees.) Under this program, participating taxpayers volunteer their services to the municipality in exchange for a reduction in their tax bills. The*

abatement is calculated by hours volunteered at the established state minimum wage for a maximum abatement. After acceptance of the statute, the Selectmen may establish procedures to set the maximum abatement per taxpayer (typically a maximum of $600) and number of participants based on annual availability of funds (not to exceed $10,000), as well as program coordination and other restrictions. Acceptance of the statute may be revoked, but after three years from acceptance.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 34 – Stabilization Fund

To see if the Town will vote to raise and appropriate and/or transfer from available funds, a sum of money to the Stabilization Fund, or take any other action in relation thereto.

(Board of Selectmen)

Motion: By David Whitcomb, Board of Selectmen
I move that the Town vote to transfer $50,000 from the Overlay Surplus account and said funds to be added to the Stabilization Account.

[Two-Thirds Majority Vote Required (Stabilization Fund)]

Speaker: Alix Heilala, Finance Director

Explanation: *The Stabilization fund is a reserve fund, or a rainy day fund, and is set aside in order to be available for emergency expenditures. In the case of an unforeseen expenditure, a community with a Stabilization Fund balance may use the available fund balance rather than spiking its property tax rate. Bond rating agencies rate municipalities more highly if they maintain a healthy reserve balance in this and other reserve accounts. The Town has set a goal of $1.5M for this account, with the current balance of $1,676,825 as of January 31, 2012.*

A municipality needs to be extremely cautious about using a stabilization fund balance, or any reserve balance for a recurring expense, since such a practice would eventually deplete a reserve balance resulting in a non-funded recurring obligation or deficit. This article is a request to begin to replenish the funds that were utilized in FY10 and FY11.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 7-0-0

Article 35 - Amendment to the Pleasant Bay Resource Management Plan

To see if the Town will vote to amend the 2008 Pleasant Bay Resource Management Plan Update by inserting, after section 8.6.3, a new section 8.6.4, the text of which is as printed below. The full section, with referenced tables and figures, as well as a report providing detailed background to this recommendation is on file with the Town Clerk. [Copies of the full section as well as the back-up report may also be viewed at the Town Hall Annex, Health and Environment Dept. and on the Town web site.]

8.6.4 Limited Improvement Dredging to Maintain or Restore Historical Navigable Access

Under the following conditions *within the area identified in Figure 4 as the Zone of Potential Future Dredging* in the Pleasant Bay ACEC, the resource management plan indicates that a municipality may seek local, regional and state authorization to undertake improvement dredging:

1. The proposed dredging is intended to maintain or restore historical navigable access for the public and is of the minimum scale necessary to maintain that access. Historical navigable access refers to the location of navigation channels and water depth at mean low water necessary to accommodate vessel drafts characteristic of the majority of vessels traditionally moored in Pleasant Bay and its subembayments. For contextual reference, historical channel depths are provided in Table 1, and the sizes of moored vessel are provided in Table 2. Figures A, B and C show channel width at a depth of four feet or greater.

2. Shoaling and changes in tidal regime have altered traditional channels such that historical navigable access between Pleasant Bay and Chatham Harbor, between either water body and the Atlantic Ocean, or through the entrance to Bassing Harbor, is severely impeded. Severely impeded access would, for example, preclude access by the commercial fleet for safe haven of vessels, or preclude safe and reasonable access by recreational boaters.

3. Through the permitting process, the municipality has undertaken an evaluation of alternatives to improvement dredging which demonstrates that the proposed improvement dredging is the preferred feasible alternative to restore historical navigable access with regard to avoiding and minimizing impacts to natural resources.

4. A feasible plan is proposed to place the dredged material within the Pleasant Bay system in a manner that is beneficial to resources protected under local and state wetlands protection regulations.

5. Through the permitting process the municipality has undertaken an evaluation of resource impacts resulting from proposed improvement dredging and placement of

dredged material, and is able to demonstrate avoidance and minimization of resource impacts and adequate mitigation for any unavoidable impacts. Resource impacts of concern include those affecting shellfish populations and habitat, finfish populations and habitat and other resources and values protected under state and local wetlands protection regulations.

The proposed project would be subject to all applicable local, regional and state regulations. During regulatory proceedings the Alliance would provide public comments based on an assessment of information and materials provided with regard to items 1 through 5 above and to further describe the proposed improvement dredging project.

Or take any other action in relation thereto.

(Board of Selectmen)

Motion: By, Florence Seldin, Chairman, Board of Selectmen
I move that the Town vote to amend the 2008 Pleasant Bay Resource Management Plan Update as described in the Warrant.

Speaker: Jane Harris, Steering Committee, Pleasant Bay Alliance

Explanation: *Under state law, improvement dredging (dredging in areas that have never been previously permitted) is prohibited in any state designated Area of Critical Environmental Concern (ACEC) such as Pleasant Bay. Maintenance dredging (dredging that has previously been permitted) is allowed within an ACEC provided appropriate permits for the area are valid and up to date.*

With the encouragement of the Chatham Board of Selectmen, the 2008 Pleasant Bay Resource Management Plan Update charged the Pleasant Bay Alliance with conducting a "study of the potential need for, impacts from, and feasibility of improvement dredging in areas where shoaling is limiting access in areas that traditionally have served as important public navigable waterways." The impetus for this analysis was the recognition that the 2007 inlet had the potential to drastically alter the navigability of the traditional navigation channels in the vicinity of the new inlet. It was recognized that since dredging had never been conducted in those waterways within the ACEC that future improvement dredging would be prohibited even if conditions deteriorated to the point of impeding traditional boating access.

The proposed amendment is the result of more than two years of study of these issues. In addition to this analysis, the Alliance has held several discussions with state officials to explore regulatory solutions to the ACEC prohibition on improvement dredging. The final analysis and amendment proposed above, incorporates the input of these officials.

The amendment is intended to make it possible for the Town of Chatham to potentially seek state and local permits for improvement dredging within the Pleasant Bay Area of Critical Environmental Concern (ACEC) under the following conditions:

- *proposed improvement dredging is municipally sponsored and within the zone specified in the section;*
- *proposed dredging is intended to maintain or restore public navigation access within channels which have been impeded by natural sediment movement; and*
- *the extent of proposed dredging is the minimum needed to maintain historic access.*

The proposed amendment is not a recommendation or proposal for dredging, but an acknowledgement that due to the dynamic conditions, the Town of Chatham may need to dredge some portion of the designated area in the future in order to maintain traditional access. Such a proposal would still undergo extensive local, state and federal permitting reviews. The proposed amendment removes a hurdle that enables the Town to more effectively seek state authorizations for improvement dredging, if needed, within the designated portion of the ACEC subject to all customary environmental reviews associated with the permitting process.

This proposed amendment has been endorsed by the Waterways Advisory Committee, Shellfish Advisory Committee, and Chatham Conservation Commission.

Board of Selectmen Recommendation: Approve 5-0-0
Finance Committee Recommendation: Approve 9-0-0

Article 36– Zoning Bylaw Amendment: Appliances/Accessory Buildings and Structures

~~Strikethrough~~ indicates language proposed for deletion
Underline indicates language proposed for inclusion
Bold Italicized Words are defined in the Bylaw

To see if the Town will vote to amend its Protective (Zoning) Bylaw, **Section II., Definitions, Subsection B.,** by adding new definitions as follows:

"SHED, GARDEN STORAGE" means a single ***story, accessory building*** used for the shelter or storage of tools and/or equipment incidental to the lot's principal use.

"SHED, UTILITY" means a single ***story, accessory building*** used for the housing and operation of mechanical pumps, filters, generators, condensers, air conditioners, power shop tools and the like which are used in a manner that generates and emits noise on a continuous or regular basis.

Including, renumbering the remainder of **Subsection B.** accordingly to account for the above new definitions;

And also, amend **SECTION III - D. District Area Regulations, 3. Specific Requirements** by deleting the existing subsection **g.**:

~~g. Accessory Buildings and Structures~~

~~All structures accessory to a residential use, including buildings over one hundred (100) square feet in area, swimming pools and tennis courts and their enclosures, shall be set back from the road and abutters as required for buildings and structures in Appendix II, Schedule of Dimensional Requirements.~~

~~There shall be impassable fencing at least four (4) feet in height, around all private, in-ground swimming pools. Buildings accessory to the operation of such swimming pools shall be secured at the discretion of the Building Inspector.~~

And replacing it with a new subsection **g.** to read as follows:

g. Exterior Mechanical System Appliances

All exterior mechanical system appliances, located at ground level, including but not limited to air conditioners; condensers; generators; and pumps shall be set back the distance of the ***Abutters Setback*** to the property line as required for ***buildings*** and ***structures*** in **Appendix II, Schedule of Dimensional Requirements.**

And substituting a new subsection **h.** for the existing subsection **h.** to read as follows:

h. Accessory Buildings and Structures

1. Over 100 square feet in area

All ***structures*** accessory to a residential use, including ***buildings*** over one hundred (100) square feet in area; ***swimming pools*** and tennis courts and their enclosures, shall be set back from the ***street*** and ***abutters*** as required for ***buildings*** and ***structures*** in **Appendix II, Schedule of Dimensional Requirements.**

2. Under 100 square feet in area

Garden Storage Sheds

Garden Storage Sheds under one hundred (100) square feet in area shall be set back a minimum of one third (1/3) the distance of the ***Abutters Setback*** from the property line, as required for ***buildings*** and ***structures*** **in Appendix II, Schedule of Dimensional Requirements.** Placement of ***Garden Storage Sheds*** within the ***Street Setback*** area is prohibited, except by Special Permit from the Zoning Board of Appeals. There shall be no more than one (1) ***Garden Storage Shed*** located within the required setback area. The ***Building Height*** of these ***Garden Storage Sheds*** shall not exceed ten feet (10') for sheds with gable, gambrel, hip or lean-to or saltbox style roofs and eight feet (8') for shed or flat style roofs.

Utility Sheds

Utility Sheds under one hundred (100) square feet in area shall be set back the distance of the ***Abutters Setback*** to the property line as required for ***buildings*** and ***structures*** in **Appendix II, Schedule of Dimensional Requirements.** The ***Building Height*** of these ***Utility Sheds*** shall not exceed ten feet (10') for sheds with gable, gambrel, hip or lean-to or saltbox style roofs and eight feet (8') for shed or flat style roofs.

3. Structures Under 25 square feet in area

Single ***story structures*** under twenty five (25) square feet in area and six feet (6') or less in height shall be set back a minimum of one third (1/3) the distance of the ***Abutters Setback*** from the property line as required for ***buildings*** and ***structures*** in **Appendix II, Schedule of Dimensional Requirements.**

And re-letter the existing subsection **h. Lots in More than One** District to subsection **i.** and the remainder of **Subsection D. 3.** as necessary to account for the above new subsection.

Or take any other action in relation thereto.

(Planning Board)

Motion: Cory Metters, Chairman, Planning Board
I move that the Town vote to amend its Zoning Bylaw as printed in the Warrant for **Article 36.**

Speaker: Cory Metters, Planning Board

Explanation: *Historically in Chatham, for almost three decades, property owners have been allowed to locate small sheds closer to their neighbor's lot lines than the dimensional schedule allows. Recent changes to the Building Code have exempted small sheds under 100 sq. ft. from any setback requirement absent a*

local regulation. The purpose of this Article is the codification of setbacks for sheds, graduated for each zoning district by requiring a minimum setback of 1/3 the distance of the abutters' setback from the property line for Garden Sheds (tool storage) and meeting the distance of the abutters' setback from the property line for Utility Sheds (noise emitting) and mechanical appliances.

Only one garden shed per property would be allowed to intrude into the setback areas and the location of garden sheds in the Road Setback would only be allowed by Special Permit. Additionally, this article contains maximum heights of 10 feet for sheds with gable, gambrel, saltbox or hip roofs while flat roofed sheds could only be 8 feet in height.

Planning Board Recommendation: **Approve 4-1-0**
Board of Selectmen Recommendation: **Approve 1-4-0 [Disapprove]**
Finance Committee Recommendation: **Approve 5-4-0**

Article 37– Zoning Bylaw Amendment: Variable Building Coverage - Open Porches

~~Strikethrough~~ indicates language proposed for deletion;
Underline indicates language proposed for inclusion;
Bold, italicized words are defined in the Bylaw.

To see if the Town will vote to amend its Protective (Zoning) Bylaw, **SECTION II DEFINITIONS**: **Subsection B.**, by deleting the existing definition of **"BUILDING COVERAGE"** which presently reads:

> ~~**"BUILDING COVERAGE"** means the ***buildable upland*** portion of a ***lot*** which is covered by ***buildings***, including porches but excluding parking areas, pools, decks and any other permanent ***structures*** which do not have roofs.~~

In its entirety and replacing it with a new definition of **"BUILDING COVERAGE"** which will read as follows:

> **"BUILDING COVERAGE"** The area of the ***buildable upland*** portion of a ***lot*** which is covered by ***buildings***; excluding ***open porches***, not exceeding ten feet (10') in ***depth***, located at the ***first story*** of and not covering more than forty percent (40%) of the perimeter of the main structure of a single family dwelling; but excluding parking areas; ***swimming pools***; ***decks*** and any other permanent ***structures*** which do not have roofs.

And also add the following new definitions of **"DECK"**, **"STORY, FIRST"**, **"STORY ABOVE THE GRADE PLANE"**, **"PORCH"**, **"PORCH DEPTH"** and **"PORCH, OPEN"**:

"DECK" An outdoor ***structure***, without a roof, built as an aboveground platform, either freestanding or attached to a principal or ***accessory building***, that is supported by pillars, posts or the adjacent ***building***'s structure. Landings for stairways required by the building code are not considered ***decks***.

"PORCH" A roofed, open area which may be screened or glazed; attached and with direct access to a ***building*** and not more than seventy five percent (75%) enclosed by walls. A ***porch*** is considered a room when the enclosed space is heated or air conditioned and, if glazed, when the percentage of window area to wall area is less than fifty percent (50%).

"PORCH DEPTH" The dimension of a ***porch*** measured outward from the façade of the ***building***.

"PORCH, OPEN" A roofed ***structure*** attached to a ***building*** and open on two or more sides. A screened-in ***porch*** shall not be considered ***open***.

"STORY, FIRST" The lowest ***story*** in a ***building*** that qualifies as a ***story above the grade plane***.

"STORY ABOVE THE GRADE PLANE" Any ***story*** of a ***building*** having its finished floor surface entirely above the ***grade plane*** or in which the finished surface of the floor next above is:

1. More than six feet (6') above the ***grade plane***; or
2. More than six feet (6') above the finished ground level for more than fifty percent (50%) of the total ***building*** perimeter; or
3. More than twelve feet (12') above the finished ground level at any point.

Including the re-numbering of **Subsection B.** accordingly to account for the above new definitions.

Or take any other action in relation thereto.

(Planning Board)

Motion: Cory Metters, Chairman, Planning Board
I move that the Town vote to amend its Zoning Bylaw as printed in the Warrant for **Article 37**.

Speaker: Cory Metters, Planning Board

Explanation: *The desire to mitigate the potential negative impacts of inappropriate massing impacts on abutters has been a theme regularly expressed at Planning Board meetings by concerned citizens characterized as maximizations of allowable floor area to the detriment of the production of visually pleasing and harmonious architectural designs that fit into neighborhoods and the Town in general. The*

Board and staff has heard from both designers and homeowners that stringent building coverage percentages in Chatham have forced them to not only take full advantage of the number of building stories available under the Bylaw (2 ½ stories) in order to provide the amount of floor area in these homes that they feel is necessary but also, since porches are counted one for one against allowable building coverage, they are frequently forced to sacrifice the inclusion of these porches in their architectural designs in lieu of more expansive habitable floor areas.

The purpose of this Article is to provide a mechanism to encourage the use of "open" porches to provide meaningful mitigation to the undesirable boxy, overly massive look of some residential structures.

Planning Board Recommendation: **Approve 5-0-0**
Board of Selectmen Recommendation: **Approve 4-1-0**
Finance Committee Recommendation: **Approve 3-6-0 [Disapprove]**

Article 38 – Zoning Bylaw Amendment (Private Piers): *Citizen Petition Article*

To see if the Town will vote to amend, **Section IV., Overlay Districts,** Subsection **A. Conservancy District**, Paragraph **6. Procedures**, Subparagraph **c. Private Piers (Commercial and Residential)** of the Protective (Zoning) Bylaw by adding the following language to the end of the text for the first bullet as follows:

c. Private Piers (Commercial and Residential)
The Zoning Board of Appeals may authorize a Special Permit for the construction of a private ***pier*** if it is found that the proposed ***structure*** will not be detrimental to safety on waterways, preservation of water quality, ease of access to and on waterways, equity of interest in utilizing waterways, the protection of the natural environment, and the protection of the aesthetic values of the Town. The Zoning Board of appeals shall; consider, in assessing the potential impact of a proposed ***pier*** or pier extension, the distance of the ***pier*** and its approach area from designated or customary navigation channels, from designated or customary mooring areas, from areas traditionally used for sailing, and from public swimming areas. The Zoning Board shall also consider whether the proposed ***pier*** or pier extension is consistent with locally adopted plans, including the comprehensive plan, any applicable harbor plan, and any applicable resource management plan. The construction of private piers or the extension of existing piers shall be specifically prohibited in the following locations:

- In Pleasant Bay from the Town line at Jackknife Harbor to the southerly property line of 4 Minister's Lane, including Crows Pond, Ryders Cove, Frost Fish Creek, and Bassing Harbor; however, all properties which had amnesty applications pending between October 1990 and October 1996 with the Massachusetts Department of Environmental Protection Division of Waterways for the restoration of previously existing piers as of the date of

adoption of the prohibitions against the construction or extension of private piers shall be excluded therefrom and

- In Chatham Harbor from the southerly property line of 4 Minister's Lane to Cow Yard Landing.

Or take any other action in relation thereto.

(Citizen Petition)

Motion: By Petitioner

Speaker: By Petitioner

Explanation: *The purpose of this Article is to allow the Conservation Foundation to apply for the restoration of a previously existing pier at 197 Strong Island Road.*

Planning Board Recommendation: Approve 4-3-0
Board of Selectmen Recommendation: *Recommendation from Town Meeting Floor*
Finance Committee Recommendation: *Recommendation from Town Meeting Floor*

###

And you are directed to serve this Warrant by posting attested copies thereof at the several Post Offices in said Town, fourteen days at least, before the time of holding said meeting. Hereof fail not and make due return of the Warrant, with your doings thereon, to the Town Clerk, at the time and place of meeting as aforesaid.

Given under our hands this 27th day of March in the year of our Lord, Two Thousand and Twelve.

Florence Seldin, Chairman

Leonard M. Sussman, Vice-Chairman

Timothy L. Roper, Clerk

Sean Summers

David R. Whitcomb

Chatham Board of Selectmen

A True Copy, Attest

Julie Smith, Town Clerk

Barnstable, ss.

Pursuant to the written WARRANT, I have notified and warned the inhabitants of the Town of Chatham by posting attested copies of the same in each of the Post Offices of said Town at least fourteen days before May 14, 2012 on _____, 2012.

_____ Constable

_____ Date

APPENDIX A

BUDGET OVERVIEW FY 2013

TOWN OF CHATHAM, MASSACHUSETTS
BUDGET OVERVIEW
FISCAL 2013

REVENUES

Sources	General Fund	%	Water Fund	%	Total	% of overall
Property Taxes (net of overlay)	$28,702,856	76.98%	$ 400,000	8.40%	$29,102,856	69.21%
Local Receipts	5,833,200	15.64%			5,833,200	13.87%
Water Revenues	339,289	0.91%	2,010,457	42.23%	2,349,746	5.59%
Free Cash	-	0.00%			-	0.00%
State Aid (net of assessments & offsets)	181,317	0.49%			181,317	0.43%
Other Available Funds	464,339	1.25%			464,339	1.10%
Community Preservation/Land Bank Funds	1,592,848	4.27%			1,592,848	3.79%
Bond Authorization	173,250	0.46%	2,350,000	49.37%	2,523,250	6.00%
Total Revenues	**$37,287,099**	**100.00%**	**$4,760,457**	**100.00%**	**$42,047,556**	**100.00%**

EXPENDITURES

Uses	General Fund	%	Water Fund	%	Total	% of overall
Operating Budget:						
General Government	$ 1,929,316	5.17%			$ 1,929,316	4.59%
Public Safety	5,446,243	14.61%			5,446,243	12.95%
Community Development	695,823	1.87%			695,823	1.65%
Coastal Resources	-	0.00%			-	0.00%
Health & Environment	823,039	2.21%			823,039	1.96%
Water Operations			1,404,095	29.49%	1,404,095	3.34%
Public Works & Facilities	4,068,848	10.91%			4,068,848	9.68%
Community & Social Services	962,162	2.58%			962,162	2.29%
Education	8,434,323	22.62%			8,434,323	20.06%
Employee Benefits	4,100,000	11.00%			4,100,000	9.75%
Undistributed Insurance & Reserve Fund	401,135	1.08%			401,135	0.95%
Debt Service	7,450,668	19.98%	1,006,362	21.14%	8,457,030	20.11%
Total Operating Budget	34,311,557		2,410,457	50.63%	36,722,014	
Capital Budget (non-Bonding)	1,924,300	5.16%	-	0.00%	1,924,300	4.58%
Capital (Bond Authorizations)	-	0.00%	2,350,000		2,350,000	5.59%
Routine Town Meeting Articles	135,000	0.36%			135,000	0.32%
Community Preservation/Land Bank Projects	916,242	2.46%	-		916,242	2.18%
Total Expenditures	**$37,287,099**	**100.00%**	**$4,760,457**	**50.63%**	**$42,047,556**	**100.00%**

APPENDIX B

TOWN MANAGER'S FY 2013 FISCAL SUMMARY

TOWN OF CHATHAM

OFFICE OF THE SELECTMEN
TOWN MANAGER
549 Main Street, Chatham, Massachusetts, 02633
(508)945-5105
www.chatham-ma.gov

TO: Honorable Town Meeting Voters

FROM: Jill R. Goldsmith, Town Manager

DATE: April 17, 2012

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

Attached, please find appendices relating to:

C) Town Operating Budget Detail
D) Monomoy Regional School District Operating Budget Detail
E) Debt Amortization Schedule
F) Water Department Operating Budget Detail
G) Five Year Capital Detail

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, 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 by month, and a precursor to benchmarking operations and performance.
www.chatham-ma.gov/Public_Documents/ChathamMA_Manager/Reports%20to%20BOS

Executive Summary

In November 2011, the BOS adopted goals and objectives for the Board and for the Town Manager to implement which related to the Town's financial outlook. 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 in mid-August. Notwithstanding, the expectation of a level funded, level service budget was anticipated.

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

Revenues: $43,480,033

Expenditures	$43,480,030
	$ 3

The Town's Operating Budgets totaled $35,138,237 in FY2012 and for FY2013 it is presented at $34,311,557; a decrease of $826,680. Such is described in more detail in this transmittal. The figures as presented on the attached Pro Forma Fiscal Overview provide a complete financial picture including funding set aside for warrant articles.

The evolution of the FY2013 budget as originally submitted in mid-January to where it stands for the May Town Meeting recommendation is a reduction of $783,224, not including the schools or excluded debt, for a total increase to FY2012 of $798,686 or 4.53%.

While much has been discussed about the impact to tax rate at 14%, actual estimated increase is 12.7% as of April 17, 2012, less than 2% above is attributed to the operating budget. Below is the breakdown of the **12.7%** increase to the tax rate:

- Tax Rate FY2012 4.45

Previously Approved Debt:

- PD Annex 0.24 (exempt debt)
- Wastewater 0.21 (exempt debt)
- Roads/Sidewalks 0.02 (in debt service)

$0.47 = $4.92 = approximately 11 % increase to Tax Rate

FY 2013 Operating Budget (minus debt and school budgets)
$0.14= $798,686

Capital Articles:

* Article 9	5yr Capital Plan	$0.18
* Article 10	Quint Fire Apparatus	$0.14
		$0.32

Minus school savings of **($0.32)**

Estimated Tax Rate FY2013 with approval of the financial articles with offsetting revenues is approximately $5.05 (or less) amounting to an approximate $0.60 increase (or less) to the FY2012 tax rate. With formulaic adjustments, the increase to the FY2012 tax rate is **12.7%.**

The debt for the wastewater project was originally scheduled to occur in FY2012. It was the decision of the previous administration to delay bonding an additional year which contributed to the 11% increase to the tax rate in FY2013 versus the incremental increase beginning in FY2012.

Board of Selectmen Goals

The 2012 (FY2013) goals of the Board of Selectmen were used to drive this budgeting process. 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." With the new regional Monomoy School District and school operational savings of $1,827,455, level funding provided an opportunity for further review of priorities, notably the Town's five year capital plan.

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.

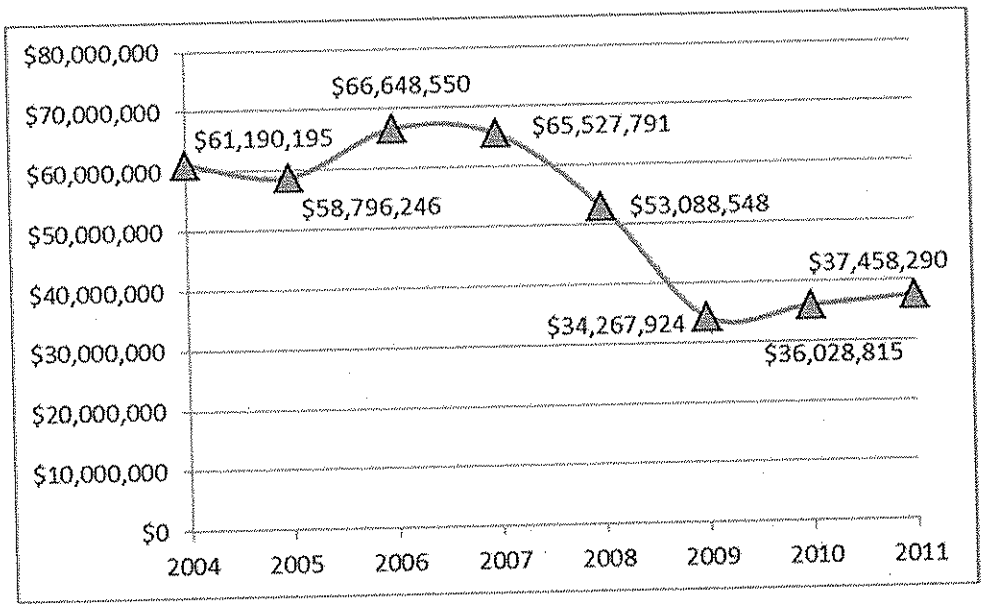
While there was an "uptick" of 13 new dwellings and 54 renovations/additions in 2011 over 2010, Table 1 below illustrates the generally declining trend in new dwellings, demolitions and renovations and additions associated with residential building activity over the period. This trend clearly started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

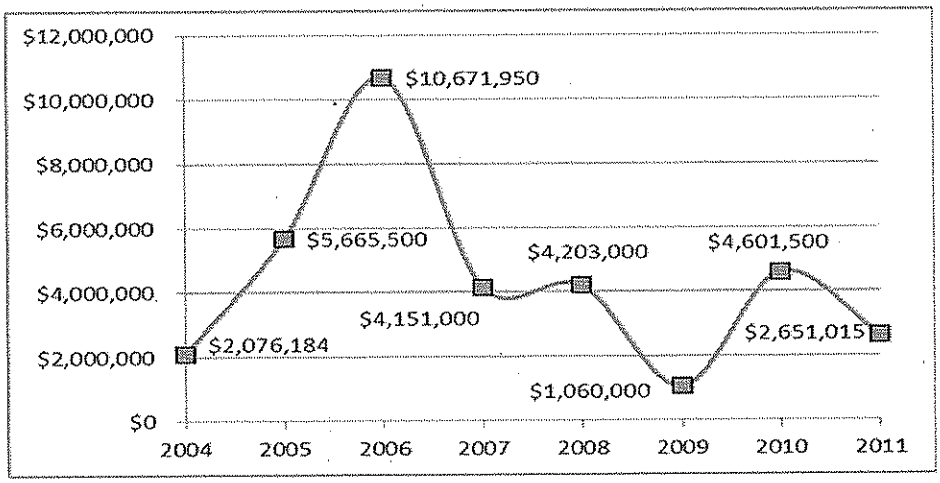
Table 2: Commercial Building Activity 2004 – 2011

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 establishment of the new Economic Development 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	$578,975
New Growth	221,300
Total	$800,275

Levy limit – it is proposed to use excess levy capacity towards funding the Capital Plan. Items which cost over $10,000 for non-reoccurring 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 (4/17/12). There are a number of evolving factors.

The preliminary FY2013 forecast reflects the following:

- New Growth is estimated at $221,300; as FY2013 is a revaluation year. This estimate is similar to the amount for 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 due to previously approved debt/projects. The forecasted interest rate is 3.5%, but it may be lower depending on the bond sale in late June 2012. We have developed a multi-year debt schedule for financial planning purposes as well as adhered to investment and reserve policies. This line item in the operating budget accounts for an 11% increase to the tax rate or $0.47.

- Local receipts have been estimated at slightly lower than the FY2012, 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 – as updated April 13, 2012

SUMMARY	FY11 Actual	FY12 Voted	FY13 January Presentation	Proposed FY13	% to FY12
Operating Budgets - Expenses		-	-	-	-
General Government	$ 1,942,883	$ 1,843,121	$ 1,929,316	$ 1,929,316	4.68%
Public Safety	5,190,333	5,227,690	5,451,500	5,446,243	4.19%
Community Development	732,593	661,100	778,359	695,823	5.25%
Health & Environment	763,644	815,635	824,060	823,039	0.91%
Public Works & Facilities	3,868,257	3,913,246	4,181,348	4,068,848	3.98%
Community & Social Services	928,621	961,523	970,688	962,162	0.07%
Education	9,699,661	10,261,778	9,007,709	8,434,323	-17.81%
Employee Benefits	3,664,989	3,854,468	4,100,000	4,100,000	6.37%
Undistributed Ins. & FinCom Reserve Fund	351,097	351,097	401,135	401,135	14.25%

Debt Service	5,216,532	5,740,691	7,450,668	7,450,668	29.79%
Operating Budget Total	$ 32,358,610	$ 33,630,349	$ 35,094,782	$ 34,311,557	**2.03%**

Operating expenditures minus Debt Service amounts to $26,860,889 – lower than the previous year's FY2012 "level funded" of $27,889,658.

Budget Busters

Each year there are "budget busters"- nondiscretionary items which consume the allowable growth.

Nondiscretionary (Fixed) or Other Budgets Restrictions:

- Retirements/Pensions continue to impact expenses. The Retirement Assessment increased by 28%. 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. The establishment of the Trust Fund is Article 32 - Local Option; Other Post Employment Health Insurance Liability Trust Fund. It is anticipated that funds will be appropriated in FY2014.

- 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 show an increase of 6.8% in the Employee Benefits budget for the costs for school retirees that has shifted from the School budget back to the Town budget, offsetting any savings from municipal health reform.

- Liability and Workers Compensation insurance has been increased by 63%. This is premium based. We continually monitor this and although we received quotations this year to monitor the market, the lowest bidder quoted this rate increase.

- 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. 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 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 are targeted to be saved – i.e. not used, and carried forward to build up the Town's reserves in the Unreserved Fund Balance (UFB) as a one year departure from the Town's practice of funding the capital plan.

The following represent increase amounts over the FY2012 budget for FY2013:

Health Insurance	$ 0
Pension Assessment	$215,000
Unemployment Compensation	$ 50,000
Liability Insurance	$ 50,000
Worker's Compensation	$ 30,000
Technology Contracts	$115,000
Step Increases	$ 75,000
Sewer Operating Costs	$163,200
	$698,200

This means of the $798,686 of increases in the proposed FY2013, only $100,000+ was 'discretionary'. 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.

Monomoy Regional School Budget:

The Monomoy Regional School Committee voted its budget on April 11, 2012. Chatham's assessment for the Monomoy Regional School District is 28% of the total Regional School budget in FY2013.

Fiscal 2013 is the first year of fully integrated budgets, resulting in a savings of $1,827,455 to Chatham compared to the FY2012 Chatham Schools budget. The savings in the regional school budget as forecasted enabled us to fund capital items in Articles 9 and 10.

Wastewater Treatment/Collection Facility:

The Plant is will be operating in FY2013. As such, the increase in operating costs of 25% 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.

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 (Articles 14 and 15). Having separate articles 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.

	FY07	FY08	FY09	FY10	FY11	FY12
• POLICE	3%	3%	3%	2%	0%	0%
• FIRE	3%	3%	3%	3%	3%	0%
• CMEA	3%	3%	3%	2%	0%	0%

- DISPATCH 3% 3% 3% 3% 0% 0%

For FY2013, all four union contracts are under negotiation as of the publication of this message, and any adjustment will occur via a motion for Articles 14 and/or 15 at Town Meeting.

Debt Exclusions - "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, 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 3.5% interest rate which results in an increase of $1.7 million.

Previously Approved Debt:

• PD Annex	0.24 (exempt debt)
• Wastewater	0.21 (exempt debt)
• Roads/Sidewalks	0.02 (in debt service)
	$0.47 = $4.92 = approximately 11 % increase to Tax Rate

An upcoming project providing for debt exclusions is the Fire Station Project (Article 16). This article is seeking approval of $9,521,407 which would result in a tax impact of $0.14 for the first year's debt service in later half of FY2014.

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, $154,180 is recommended for funding. Such is enumerated below:

General Government	$81,800 due to Reorganization

Public Safety	$29,250 for increases in technology contracts, medical supplies and fitness tests
Community Development	$109,190 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, reorganization via Administrative Order has been approved by the BOS 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, available on the Town's website.

Staffing Levels

There has been a decrease of 18 positions during the five year period from 2009 until 2012 and this was achieved through a combination of layoffs, attrition/not filling vacant positions and the Early Retirement Incentive. In 2012, we are currently at the 2003 staffing levels. In the FY2013 budget there are no net staff reductions as we continue to assess the level of service delivery and once again reflects the Town's policy of shifting resources towards areas of need and gaining efficiencies in existing departments.

Five Year Capital Plan (Article 9)

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.

The FY2013 Capital recommendations are included in Appendix G. Requests are detailed by Department, and highlighted below including proposed funding sources.

CAPITAL PROGRAM & BUDGET SUMMARY:	FY 13	FY 13
Article 9	**Request**	**Approved**
General Government	144,300	139,300
Public Safety	306,539	135,000
Community Development	12,500	12,500
Health & Environment	536,000	134,000
Public Works (without Water)	1,486,000	363,000
Equipment	1,435,000	290,500
Total Town Funded Capital Budget	3,920,839	1,074,300
Funding Sources:		
Free Cash		0
Waterways Improvement Funds		38,000
Cemetery Sale of Lots		1,000
Shellfish Revolving		0
Prior Articles		0
Raise & Appropriate (Article 9 only)		1,035,300
Total Funding Sources		1,074,300
Article 10	**Request**	**Approved**
Quint – R&A (Article 10)	$850,000	$850,000

The five year capital budget has been funded from Free Cash and prior 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 FY2013 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. As previously stated, in an effort to strengthen the Town's bond rate, we have proposed a one year departure of using Free Cash, to save it and carry forward to build up reserves for the upcoming bond sale/rating review by S&P. As also mentioned, it is proposed to use a portion of the School budget savings to fund the previously underfunded Capital Plan for FY2013. With such, items will be paid in full with no further

obligations in future years. Moving forward, we will we continue to explore alternative funding sources and establish a policy for such.

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 systematically replace and expand its water infrastructure. This year the Town proposed $2,350,000 for three 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, and $1,000,000 replacement of water mains 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 difficult funding and policy decisions, we remain committed to looking outside the box for cost saving strategies or ways to expand management capacity. Departments are also examining revenue sources by reviewing fees and charges compared 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 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.

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* of 2009 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. As such, I am committed to our sound fiscal strategies and to review policies regularly, prepare a multi-year budget strategy in consultation with the BOS soon after Town Meeting, and seek innovation and efficiencies in the delivery of Town services.

I want to acknowledge and express my sincere appreciation to the Board of Selectmen, Finance Committee, and Town Departments for their time, cooperation, and comments 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. As this is the first Budget transmittal/recommendations, I welcome your comments on how to make the Budget review process and summary more user-friendly.

Thank you in advance for your thoughtful consideration.

Attachments:

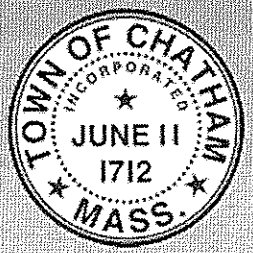
FY2013 Pro Forma Fiscal Overview
FY2013 Budget Slide Summary Presentation

Description	11 Actual	12 Approp	13 Dept Req	Proposed Budget FY13
Local Revenue				
Motor Vehicle Excise	967,763	935,000	935,000	935,000
Hotel/Motel Excise	1,132,217	1,035,000	1,035,000	1,035,000
Other Excise: Boat, etc.	36,370	200,000	220,000	220,000
Penalties & Interest	125,914	80,000	80,000	80,000
Payments in Lieu	23,468	20,000	20,000	20,000
Chg's for Services: Sewer	331,088	330,000	330,000	330,000
Chg's for Services: Trash	897,039	890,000	890,000	890,000
Other Charges - Includes Ambulance	547,522	540,000	540,000	540,000
Fees	164,276	150,000	150,000	150,000
Rentals	129,357	90,000	90,000	90,000
Recreation Revenue	434,551	390,000	390,000	390,000
Other Dept'al Revenue	57,192	50,000	50,000	50,000
Licenses & Permits	619,628	620,000	620,000	620,000
Special Assessments	126,134	120,000	120,000	120,000
Fines & Forfeits	55,912	50,000	50,000	50,000
Interest Earnings	50,060	45,000	45,000	45,000
Misc.	5,227	6,200	6,200	6,200
Misc. non-recurring	626,598	486,161	63,051	63,051
Sub-Total Local Revenue	6,330,316	6,037,361	5,634,251	5,634,251
Available Funds				
Free Cash	1,051,336	814,300	582,327	0
Overlay Surplus	0	0	50,000	50,000
Stabilization Fund	135,000	0	0	0
Retirement Fund	0	0	0	0
Enterprise Funds	25,000	25,000	25,000	25,000
Other :				
Land Bank Receipts Reserved	1,695,801	903,019	886,544	886,544
Community Preservation Fund	1,680,090	886,354	743,992	743,992
Water Overhead	333,893	341,695	222,339	222,339
Cemetery Perpetual Care	0	10,000	1,000	10,000
Sale Of Lots & Graves Trust	5,000	1,000	5,000	1,000
Wetland Protection Fund	10,000	10,000	10,000	10,000
Waterway Imp. Fund	292,540	170,000	208,000	208,000
Prior Articles	46,310	64,300	45,200	10,000
Railroad Museum	3,000	3,000	3,000	3,000
Shellfish revolving	0	8,000	0	0
Sub-Total Available Funds	5,277,970	3,236,668	2,782,402	2,169,875

Description	11 Actual	12 Approp	13 Dept Req	Proposed Budget FY13
Expenses				
Operating Budgets				
General Government	$ 1,942,883	$ 1,843,121	$ 1,929,316	$ 1,929,316
Public Safety	5,190,333	5,227,690	5,451,500	5,446,243
Community Development	732,593	661,100	778,359	695,823
Health & Environment	763,644	815,635	824,060	823,039
Public Works & Facilities	3,868,257	3,913,246	4,181,348	4,068,848
Community & Social Services	928,621	961,523	970,688	962,162
Education	9,699,661	10,261,778	9,007,709	8,434,323
Employee Benefits	3,664,989	3,854,468	4,100,000	4,100,000
Undistributed Ins. & Reserve Fund	351,097	351,097	401,135	401,135
Debt Service	5,216,532	5,740,691	7,450,668	7,450,668
Operating Budget Total	$ 32,358,610	$ 33,630,349	$ 35,094,783	$ 34,311,557
Capital Budget				
Town (no water)	1,160,183	994,500	1,477,327	1,074,300
Water w/ Bonding	1,000,000	0	2,350,000	2,350,000
Bonding/Other Avail Fds	100,000	0	0	0
Capital Budget Total	2,260,183	994,500	3,827,327	3,424,300
Water Operating Budget	2,761,486	2,735,107	2,749,746	2,749,746
Articles-Routine at ATM	50,000	50,000	135,000	135,000
LandBank	797,500	0	0	173,250
Community Preservation	1,375,215	754,720	753,992	753,992
Library Supplemental	35,000	0	0	0
Enterprise Fund	25,000	25,000	25,000	25,000
Stabilization Fund	0	0	50,000	50,000
Total Town Meeting Approp	5,044,201	3,564,827	3,713,738	3,886,988
Overlay for Abatements	256,391	245,374	300,000	300,000
Charges: State & County	991,296	1,203,111	697,694	697,818
Other Articles	59,910	15,000	0	850,000
Court Judgements & Other Deficits	233,155	138,939	407	407
State Aid - Offsets (Lunch & Libr'y)	1,319,179	1,427,897	8,960	8,960
Total Expenses	42,522,925	41,219,997	43,642,909	43,480,030
Sources of Funding (Summary)				
Property Tax	24,991,873	26,121,917	29,721,492	29,650,313
State Revenue	3,279,252	3,361,894	1,144,779	1,152,599
Local Receipts	6,330,316	6,037,361	5,634,251	5,634,251
Available Funds	5,277,970	3,236,668	2,782,402	2,169,875
Sub-Total Sources of Funding	39,879,411	38,757,840	39,282,923	38,607,037

Description	11 Actual	12 Approp	13 Dept Req	Proposed Budget FY13
Other Funds	25,000	25,000	0	0
Bonding (w/o Water)	0	0	0	173,250
Transfers	0	0	0	0
Water Revenue, Direct	2,361,487	2,329,518	2,349,746	2,349,746
Water Bonding/Surplus	1,000,000	375,000	2,350,000	2,350,000
Sub-Total	3,386,487	2,729,518	4,699,746	4,872,996
Total Revenue	43,265,898	41,487,358	43,982,669	43,480,033
Over/(Under)	**742,973**	**267,360**	**339,760**	**3**
Tax Levy				
Base	21,598,507	22,377,880	23,159,125	23,159,125
x2.5%	539,963	559,447	578,978	578,978
Growth	239,410	221,798	221,300	221,300
Overrides	0	0	0	0
Capital Exclusions	0	0	0	0
Debt Exclusions - Form DE-1	3,422,043	4,109,389	*6,490,400*	*6,490,391*
Less: Free Cash/SBAB - School Debt	-951,612	-951,612	-951,612	-1,022,782
Estimated exempt short term interest		0	-92,470	-21,300
Barnstable County Tax	217,246	238,635	244,601	244,601
Excess Levy Capacity - Not Used	-73,684	-433,620	0	0
Total Est. Tax Levy	24,991,873	26,121,917	29,721,492	29,650,313
State Revenue				
Education				
School Aid (Ed Reform)	645,100	648,563	0	0
Sch. Transportation	0	0	0	0
Sch. Const. Reimbursement	951,612	951,612	951,612	951,612
Charter School Assessment Reimb	66,726	150,471	0	0
Charter School Capital Fac Reimb	0	0	0	0
Medicaid Reimbursements	54,949	0	0	0
School Lunch	3,174	3,431	2,890	2,890
Sub-Total Education	1,721,561	1,754,077	954,502	954,502
General Government				
Unresstricted General Government Aid	127,294	127,294	118,090	127,294
Quinn Bill Reimbursement	6,448	0	0	0
Veterans' Benefits	25,199	25,263	34,850	33,466
Exemptions Vets/Blind/Etc	57,095	30,794	31,267	31,267
Exemptions Elderly	0	0	0	0
Public Libraries	6,513	6,556	6,070	6,070
School Choice	1,335,142	1,417,910	0	0
Subtotal General Government	1,557,691	1,607,817	190,277	198,097
Total State Revenue	3,279,252	3,361,894	1,144,779	1,152,599

Town Manager's FY2013 Budget Message 5/14/2012



FY2013 Tax Rate Impact; Debt Service

* Tax Rate FY2012	4.45
* PD Annex	0.22 (exempt)
* Wastewater	0.23 (exempt)
* Roads/Sidewalks	0.02 (in debt service)
	$0.47 = $4.92

Percentage Increase to the Tax Rate:

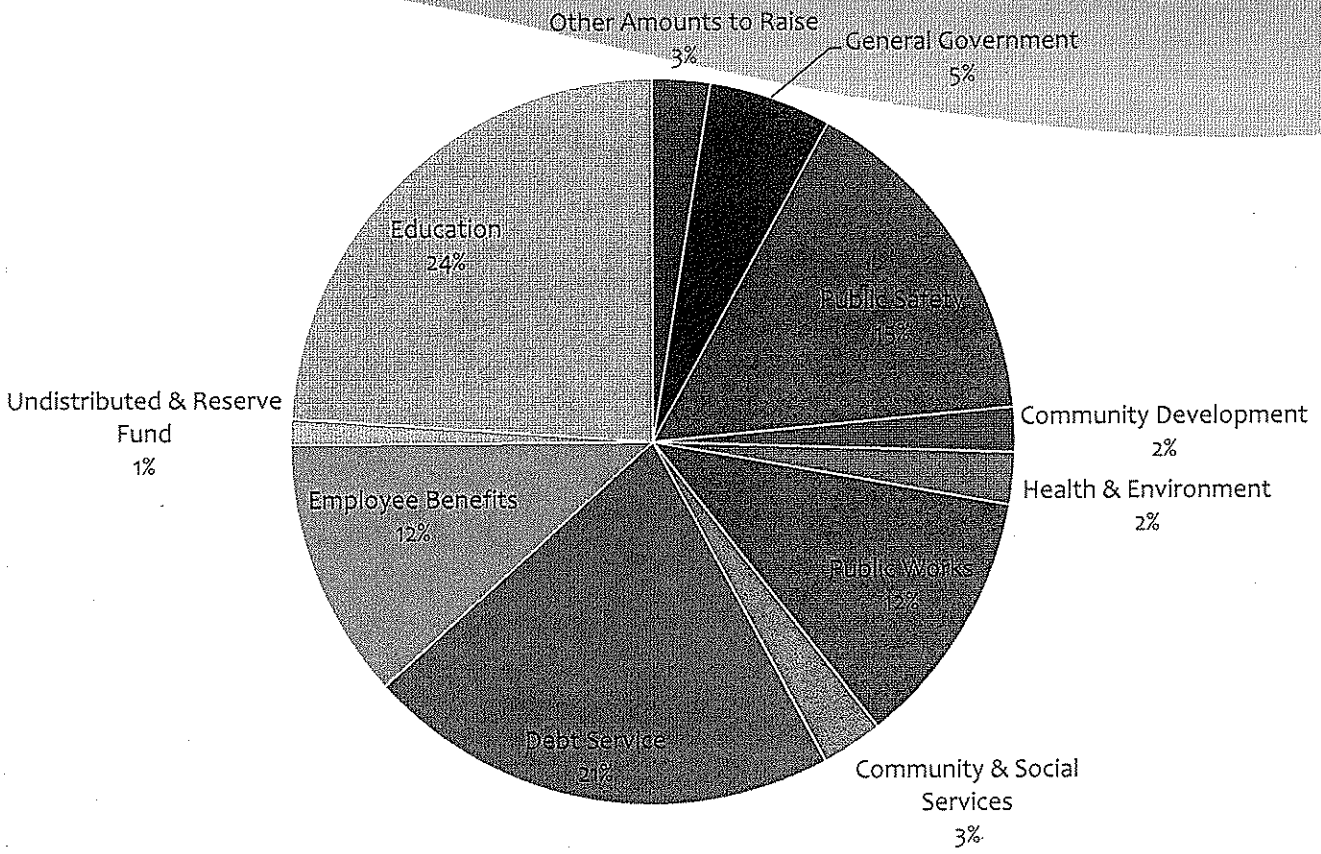
approximately 11 %

Operating Budget

* General Government	4.68%
* Public Safety	4.18%
* Community Development	5.25%
* Health & Environment	0.91%
* Public Works	3.98%
* Community/Social Services	0.07%
* Debt Service	29.79%
* Employee Benefits	6.37%
* Undistributed & Reserve fund	14.25%
* Education	-17.81%
* TOTAL	2.00%

Increase to FY2012 Budget

FY2013 Budget



Change FY2012 to FY2013 Tax Rate

* **FY2012 Tax Rate**	$4.45
* Operating Budget	$0.14
* Educational Budget	($0.32+)
* Debt Service	$0.47
* Total	$0.29
* Quint (Article 10)	$0.14
* Capital Budget (Article 9)	$0.18
* FY2013 **Estimated** Tax Rate	**$5.06 (or less)**

With Expected Revenue Offsets

FY2013 Budget

* Debt Service Increase:
  * Tax Rate $0.47 = 10.5%;
  * Compared to FY12 *Budget* = 29.8%

* School Savings = $1,827,455 -$0.32 decrease
  Compared to FY12 *Budget* = (17.8%)

* Capital Articles = approx 2% Increase to the Tax Rate $0.32
  * Article 9 5yr Cap Plan= $0.18
  * Article 10 Quint Fire Apparatus =$0.14
    * Total =12.7% Increase to the Tax Rate

Tax Rate - FY2013 School Savings "Impact" Proposed for Capital Items

"Savings" ($0.32+)

* Savings are not a surplus, have to raise it on the Tax Levy as revenue.
* Not used for FY2013 Operating Budget (Article 6)
* Raise on the Tax Levy by Separate Articles for Town Meeting to Decide:
  * Article 9 - Capital Budget 0.18
  * Article 10 - "Quint" Purchase 0.14
    * *Additional savings of $257,600 per vote of MRSD on 4/11/12*

Financial Health

	FY2009	FY2012
* Unreserved Fund Balance	$2,099,262	$893,134
* (of the above) Free Cash	$1,606,285	$582,327

* FY2009 = 6.61% of operating budget
* FY2012 = 2.66% of operating budget

* This slide shows the need to build up reserves as recommended by the Independent Auditors, Financial Advisors and Bond Rating Companies.

How FY2013 Preserves our AAA Bond Credit Rating

* Ratings review scheduled in **May 2012** following ATM for June Bond Sale of $43.9m
* Unreserved Fund Balance (See Town Annual Report Balance Sheet pages)
  * Carry forward FY12 Free Cash ($582,327) to build fund balance for FY13
* Recurring/Available Revenues to Fund Operating Budget
* Fund Capital Items with school "savings". Similar in practice to "debt drop off"
* Return to using Free Cash to fund Capital Budget in FY2014

Undesignated Fund Balance

* "Standard and Poor's considers an adequate fund balance and policies determining fund balance goals to be credit strengths. A common ratio used to evaluate fund balance is the unreserved fund balance expressed as a percent of the operating expenditures."

* Source: Standard & Poor's Public Finance Criteria 2007 Edition

APPENDIX C

TOWN OPERATING BUDGET DETAIL

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
General Government					
Legislative					
Moderator/Town Meeting					
Salaries	$ 600	$ 600	$ 600	$ 600	0.0%
Expenses	$ 45	$ 50	$ 50	$ 50	0.0%
Total	$ 645	$ 650	$ 650	$ 650	0.0%
Finance Committee					
Salaries	$ 1,922	$ 2,000	$ 2,000	$ 2,000	0.0%
Expenses	$ 284	$ 600	$ 600	$ 600	0.0%
Total	$ 2,206	$ 2,600	$ 2,600	$ 2,600	0.0%
Executive					
Board of Selectmen					
Salaries	$ 10,545	$ 10,500	$ 10,500	$ 10,500	0.0%
Expenses	$ 12,143	$ 1,000	$ 1,000	$ 1,000	0.0%
Total	$ 22,688	$ 11,500	$ 11,500	$ 11,500	0.0%
Town Manager					
Salaries	$ 365,009	$ 223,306	$ 196,975	$ 196,975	-11.8%
Expenses	$ 127,281	$ 157,706	$ 158,250	$ 158,250	0.3%
Total	$ 492,290	$ 381,012	$ 355,225	$ 355,225	-6.8%
Staff					
Human Resources/Personnel Services					
Salaries	$ 165,983	$ 165,668	$ 169,070	$ 169,070	2.1%
Expenses	$ 10,595	$ 11,100	$ 8,900	$ 8,900	-19.8%
Total	$ 176,578	$ 176,768	$ 177,970	$ 177,970	0.7%
Legal Services					
Expenses	$ 92,098	$ 95,000	$ 95,000	$ 95,000	0.0%
Total	$ 92,098	$ 95,000	$ 95,000	$ 95,000	0.0%
Audit Services					
Expenses	$ 33,250	$ 29,000	$ 30,000	$ 30,000	3.4%
Total	$ 33,250	$ 29,000	$ 30,000	$ 30,000	3.4%
Town Accountant					
Salaries	$ 200,532	$ 206,293	$ 211,542	$ 211,542	2.5%
Expenses	$ 6,123	$ 4,850	$ 4,850	$ 4,850	0.0%
Total	$ 206,655	$ 211,143	$ 216,392	$ 216,392	2.5%
Assessors					
Salaries	$ 211,532	$ 216,406	$ 221,264	$ 221,264	2.2%
Expenses	$ 49,059	$ 52,000	$ 52,000	$ 52,000	0.0%
Total	$ 260,591	$ 268,406	$ 273,264	$ 273,264	1.8%
Treasurer/Collector					
Salaries	$ 170,466	$ 170,960	$ 171,260	$ 171,260	0.2%
Expenses	$ 21,674	$ 21,550	$ 21,550	$ 21,550	0.0%
Total	$ 192,140	$ 192,510	$ 192,810	$ 192,810	0.2%
Information Systems					
Salaries	$ 167,214	$ 168,292	$ 170,935	$ 170,935	1.6%
Expenses	$ 116,027	$ 118,680	$ 110,200	$ 110,200	-7.1%
Total	$ 283,241	$ 286,972	$ 281,135	$ 281,135	-2.0%
Town Clerk					
Salaries	$ 123,334	$ 122,069	$ 122,269	$ 122,269	0.2%
Expenses	$ 9,612	$ 13,565	$ 13,565	$ 13,565	0.0%
Total	$ 132,946	$ 135,634	$ 135,834	$ 135,834	0.1%
Elections					
Salaries	$ 625	$ 1,275	$ 1,275	$ 1,275	0.0%

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
Expenses	$ 26,092	$ 20,050	$ 20,050	$ 33,325	66.2%
Total	$ 26,717	$ 21,325	$ 21,325	$ 34,600	62.3%
Summer Residents Advisory Comm					
Expenses	$ 2,185	$ 2,300	$ 2,300	$ 2,300	0.0%
Total	$ 2,185	$ 2,300	$ 2,300	$ 2,300	0.0%
Parking Clerk					
Salaries	$ 3,500	$ 3,500	$ 3,500	$ 3,500	0.0%
Expenses	$ 928	$ 3,000	$ 3,000	$ 3,000	0.0%
Total	$ 4,428	$ 6,500	$ 6,500	$ 6,500	0.0%
Permit Office					
Salaries	$ 18,944	$ 17,901	$ 17,901	$ 17,901	0.0%
Expenses	$ 5,329	$ 3,900	$ 3,900	$ 3,900	0.0%
Total	$ 24,273	$ 21,801	$ 21,801	$ 21,801	0.0%
Projects Operation & Administration					
Salaries	$ -	$ -	$ 88,385	$ 88,385	
Expenses	$ -	$ -	$ 3,350	$ 3,350	
Total	$ -	$ -	$ 91,735	$ 91,735	
General Government Totals					
Salaries	$ 1,440,206	$ 1,308,770	$ 1,387,476	$ 1,387,476	6.0%
Expenses	$ 512,725	$ 534,351	$ 528,565	$ 541,840	1.4%
Subtotal General Gov't	$ 1,952,931	$ 1,843,121	$ 1,916,041	$ 1,929,316	4.7%
Public Safety					
Police					
Salaries	$ 1,863,350	$ 1,876,250	$ 1,950,501	$ 1,948,167	3.8%
Expenses	$ 118,700	$ 124,229	$ 138,932	$ 138,932	11.8%
Total	$ 1,982,050	$ 2,000,479	$ 2,089,433	$ 2,087,099	4.3%
Emergency Management					
Salaries	$ 2,320	$ 2,500	$ 2,500	$ 2,500	0.0%
Expenses	$ 4,998	$ 6,600	$ 6,600	$ 6,600	0.0%
Total	$ 7,318	$ 9,100	$ 9,100	$ 9,100	0.0%
Animal Control					
Salaries	$ 50,748	$ 52,784	$ 54,868	$ 54,868	3.9%
Expenses	$ 2,320	$ 1,900	$ 1,900	$ 1,900	0.0%
Total	$ 53,068	$ 54,684	$ 56,768	$ 56,768	3.8%
North Beach					
Salaries	$ -	$ -	$ -	$ -	
Expenses	$ -	$ -	$ -	$ -	
Total	$ -	$ -	$ -	$ -	
Fire					
Salaries	$ 2,455,411	$ 2,462,494	$ 2,502,771	$ 2,500,336	1.5%
Expenses	$ 165,858	$ 167,315	$ 260,948	$ 263,755	57.6%
Total	$ 2,621,269	$ 2,629,809	$ 2,763,719	$ 2,764,091	5.1%
Cape & Islands EMS					
Expenses	$ 5,385	$ 5,385	$ 5,385	$ 5,385	0.0%
Total	$ 5,385	$ 5,385	$ 5,385	$ 5,385	0.0%
Oil Pollution Control					
Expenses	$ 1,006	$ 1,030	$ 1,030	$ 1,030	0.0%
Total	$ 1,006	$ 1,030	$ 1,030	$ 1,030	0.0%
Harbormaster/Pier/Harbor Patrol					
Salaries	$ 336,098	$ 352,756	$ 355,704	$ 347,640	-1.5%
Expenses	$ 89,593	$ 83,047	$ 84,182	$ 83,730	0.8%

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
Total	$ 425,691	$ 435,803	$ 439,886	$ 431,370	-1.0%
Lighthouse Beach					
Salaries	$ 70,277	$ 67,400	$ 67,400	$ 67,400	0.0%
Expenses	$ 16,977	$ 14,000	$ 14,000	$ 14,000	0.0%
Total	$ 87,254	$ 81,400	$ 81,400	$ 81,400	0.0%
Town Floats					
Expenses	$ 9,010	$ 8,000	$ 8,000	$ 8,000	0.0%
Total	$ 9,010	$ 8,000	$ 8,000	$ 8,000	0.0%
Mitchell River Bridge					
Expenses	$ 45	$ 2,000	$ 2,000	$ 2,000	0.0%
Total	$ 45	$ 2,000	$ 2,000	$ 2,000	0.0%
Public Safety Totals					
Salaries	$ 4,778,204	$ 4,814,184	$ 4,933,744	$ 4,920,911	2.2%
Expenses	$ 413,892	$ 413,506	$ 522,977	$ 525,332	27.0%
Subtotal Public Safety	$ 5,192,096	$ 5,227,690	$ 5,456,721	$ 5,446,243	4.2%
Community Development					
Community Development					
Salaries	$ 635,698	$ 560,625	$ 595,698	$ 595,698	6.3%
Expenses	$ 51,395	$ 54,975	$ 54,625	$ 54,625	-0.6%
Total	$ 687,093	$ 615,600	$ 650,323	$ 650,323	5.6%
Ec Development (CC Chamber)					
Expenses	$ 45,500	$ 45,500	$ 45,500	$ 45,500	0.0%
Total	$ 45,500	$ 45,500	$ 45,500	$ 45,500	0.0%
Community Development					
Salaries	$ 635,698	$ 560,625	$ 595,698	$ 595,698	6.3%
Expenses	$ 96,895	$ 100,475	$ 100,125	$ 100,125	-0.3%
Subtotal Community Devel'mt	$ 732,593	$ 661,100	$ 695,823	$ 695,823	5.3%
Health & Environment					
Water Quality Laboratory					
Salaries	$ 133,272	$ 135,629	$ 139,047	$ 139,047	2.5%
Expenses	$ 57,536	$ 70,100	$ 70,100	$ 70,100	0.0%
Total	$ 190,808	$ 205,729	$ 209,147	$ 209,147	1.7%
Health Department					
Salaries	$ 134,180	$ 146,004	$ 146,812	$ 146,812	0.6%
Expenses	$ 11,897	$ 15,400	$ 15,400	$ 15,400	0.0%
Total	$ 146,077	$ 161,404	$ 162,212	$ 162,212	0.5%
Conservation Department					
Salaries	$ 147,562	$ 165,721	$ 157,600	$ 157,600	-4.9%
Expenses	$ 8,995	$ 10,300	$ 20,300	$ 20,300	97.1%
Total	$ 156,557	$ 176,021	$ 177,900	$ 177,900	1.1%
Pleasant Bay Management Plan					
Expenses	$ 32,774	$ 32,774	$ 32,774	$ 32,774	0.0%
Total	$ 32,774	$ 32,774	$ 32,774	$ 32,774	0.0%
Green Head Fly Control					
Expenses	$ 1,550	$ 1,550	$ 1,550	$ 1,550	0.0%
Total	$ 1,550	$ 1,550	$ 1,550	$ 1,550	0.0%
Coastal Resources					
Salaries	$ 71,883	$ 72,619	$ 72,719	$ 80,519	10.9%

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
Expenses	$ 3,288	$ 4,050	$ 4,050	$ 4,050	0.0%
Total	$ 75,171	$ 76,669	$ 76,769	$ 84,569	10.3%
Shellfish Constable					
Salaries	$ 151,291	$ 146,408	$ 139,807	$ 139,807	-4.5%
Expenses	$ 10,905	$ 9,890	$ 9,890	$ 9,890	0.0%
Total	$ 162,196	$ 156,298	$ 149,697	$ 149,697	-4.2%
Leases & Herring Run					
Expenses	$ 1,237	$ 1,490	$ 1,490	$ 1,490	0.0%
Total	$ 1,237	$ 1,490	$ 1,490	$ 1,490	0.0%
South Coastal					
Salaries	$ 380	$ 1,000	$ 1,000	$ 1,000	0.0%
Expenses	$ 500	$ 500	$ 500	$ 500	0.0%
Total	$ 880	$ 1,500	$ 1,500	$ 1,500	0.0%
Shellfish Advisory Committee					
Salaries	$ 521	$ 800	$ 800	$ 800	0.0%
Expenses	$ -	$ 200	$ 200	$ 200	0.0%
Total	$ 521	$ 1,000	$ 1,000	$ 1,000	0.0%
Waterways Committee					
Salaries	$ 144	$ 400	$ 400	$ 400	0.0%
Expenses	$ 647	$ 800	$ 800	$ 800	0.0%
Total	$ 791	$ 1,200	$ 1,200	$ 1,200	0.0%
Health & Environment					
Salaries	$ 639,233	$ 668,581	$ 658,185	$ 665,985	-0.4%
Expenses	$ 129,329	$ 147,054	$ 157,054	$ 157,054	6.8%
Subtotal Health & Environment w/ Coastal Resource	$ 768,562	$ 815,635	$ 815,239	$ 823,039	0.9%
Public Works & Facilities					
Park & Recreation					
Salaries	$ 782,928	$ 837,871	$ 861,451	$ 861,451	2.8%
Expenses	$ 154,085	$ 159,860	$ 164,860	$ 163,860	2.5%
Total	$ 937,013	$ 997,731	$ 1,026,311	$ 1,025,311	2.8%
Highway					
Salaries	$ 394,318	$ 336,682	$ 349,773	$ 349,773	3.9%
Expenses	$ 63,513	$ 62,200	$ 62,200	$ 62,200	0.0%
Total	$ 457,831	$ 398,882	$ 411,973	$ 411,973	3.3%
Snow & Ice					
Salaries	$ 15,109	$ 16,000	$ 16,000	$ 16,000	0.0%
Expenses	$ 92,740	$ 55,000	$ 55,000	$ 55,000	0.0%
Total	$ 107,849	$ 71,000	$ 71,000	$ 71,000	0.0%
Street Lights					
Expenses	$ 41,783	$ 46,000	$ 46,000	$ 46,000	0.0%
Total	$ 41,783	$ 46,000	$ 46,000	$ 46,000	0.0%
Transfer Station					
Salaries	$ 363,905	$ 316,188	$ 330,735	$ 330,735	4.6%
Expenses	$ 173,600	$ 173,600	$ 173,600	$ 173,600	0.0%
Expenses - Hauling & Disposal	$ 345,000	$ 345,000	$ 345,000	$ 345,000	0.0%
Total	$ 882,505	$ 834,788	$ 849,335	$ 849,335	1.7%
Central Fuel Depot					
Expenses	$ 164,028	$ 186,000	$ 186,000	$ 186,000	0.0%
Total	$ 164,028	$ 186,000	$ 186,000	$ 186,000	0.0%
Buildings					

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
Salaries	$ 334,365	$ 322,204	$ 238,695	$ 238,695	-25.9%
Expenses	$ 323,292	$ 304,022	$ 324,200	$ 324,200	6.6%
Total	$ 657,657	$ 626,226	$ 562,895	$ 562,895	-10.1%
Sewer					
Salaries	$ 46,065	$ 20,820	$ 21,335	$ 21,335	2.5%
Expenses (w/o Debt)	$ 520,078	$ 652,800	$ 958,500	$ 816,000	25.0%
Total	$ 566,143	$ 673,620	$ 979,835	$ 837,335	24.3%
Informational Only:					
Sewer Debt (Principal)	$ 42,313	$ 38,817	$ 48,531	$ 48,531	25.0%
Sewer Debt (Interest)	$ 5,611	$ 3,824	$ 12,833	$ 12,833	235.6%
Sewer Debt (Short term interest)	$ -				
Sewer Debt Total	$ 47,924	$ 42,641	$ 61,364	$ 61,364	43.9%
Total Sewer Costs	$ 614,067	$ 716,261	$ 1,041,199	$ 898,699	25.5%
Cemetery					
Salaries	$ 11,682	$ 17,799	$ 17,799	$ 17,799	0.0%
Expenses	$ 41,766	$ 61,200	$ 61,200	$ 61,200	0.0%
Total	$ 53,448	$ 78,999	$ 78,999	$ 78,999	0.0%
Public Works & Facilities					
Salaries	$ 1,948,372	$ 1,867,564	$ 1,835,788	$ 1,835,788	-1.7%
Expenses	$ 1,919,885	$ 2,045,682	$ 2,376,560	$ 2,233,060	9.2%
Subtotal Public Works	$ 3,868,257	$ 3,913,246	$ 4,212,348	$ 4,068,848	4.0%
Community & Social Services					
Council on Aging					
Salaries	$ 202,580	$ 211,420	$ 203,880	$ 203,880	-3.6%
Expenses	$ 17,742	$ 15,150	$ 15,150	$ 15,150	0.0%
Total	$ 220,322	$ 226,570	$ 219,030	$ 219,030	-3.3%
Veterans' Services District					
Expenses	$ 69,471	$ 78,065	$ 76,265	$ 76,265	-2.3%
Total	$ 69,471	$ 78,065	$ 76,265	$ 76,265	-2.3%
Contractual Services					
Expenses					
VNA of Cape Cod	$ 22,500	$ 22,500	$ 22,500	$ 22,500	0.0%
Monomoy Community Services	$ 111,000	$ 111,000	$ 111,000	$ 111,000	0.0%
Nauset Workshop/Capeabilities	$ 6,425	$ 6,000	$ 6,000	$ 6,000	0.0%
C.C. Child Development	$ 5,500	$ 5,500	$ 5,500	$ 5,500	0.0%
Independence House	$ 4,200	$ 4,200	$ 4,200	$ 4,200	0.0%
South Coast Legal Services	$ 5,000	$ 5,000	$ 5,000	$ 5,000	0.0%
Sight Loss Services	$ 900	$ 900	$ 900	$ 900	0.0%
Big Brothers/Big Sisters	$ 6,000	$ 6,000	$ 6,000	$ 6,000	0.0%
Lower Cape Outreach	$ 8,500	$ 9,000	$ 9,000	$ 9,000	0.0%
Eldredge Public Library, Inc.	$ 396,000	$ 414,238	$ 444,200	$ 424,217	2.4%
So. Chatham Public Library, Inc.	$ 5,100	$ 5,100	$ 5,100	$ 5,100	0.0%
Homeless Prevention Council	$ 6,000	$ 6,000	$ 6,000	$ 6,000	0.0%
Aids Council (CARES)	$ 2,000	$ 2,000	$ 2,000	$ 2,000	0.0%
Elder Services of Cape Cod	$ 8,200	$ 8,200	$ 8,200	$ 8,200	0.0%
Consumer Assistance	$ 250	$ 250	$ 250	$ 250	0.0%
Chatham Athletic Booster Club	$ 2,500	$ 2,500	$ -	$ -	-100.0%
Operation in from the Streets	$ 3,000	$ 3,000	$ 3,000	$ 3,000	0.0%
Tooth Tutoring	$ 2,000	$ 2,000	$ 2,000	$ 2,000	0.0%
Gosnold	$ 8,000	$ 8,000	$ 8,000	$ 8,000	0.0%
Cultural Council	$ 4,000	$ 4,000	$ 4,000	$ 4,000	0.0%

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
Child Care Network Voucher Scholarship	$ 5,000	$ 5,000	$ 7,500	$ 7,500	50.0%
ARC of Cape Cod	$ 1,000	$ 1,000	$ 1,000	$ 1,000	0.0%
Subtotal: Contract Services	$ 613,075	$ 631,388	$ 661,350	$ 641,367	1.6%
Public Ceremonies Committee					
Maritime Festival	$ -	$ -	$ -	$ -	
Public Ceremonies Committee	$ 15,000	$ 15,000	$ 15,000	$ 15,000	0.0%
Total	$ 15,000	$ 15,000	$ 15,000	$ 15,000	0.0%
Other Public Events					
Chatham Band	$ 7,500	$ 7,500	$ 7,500	$ 7,500	0.0%
Chatham A's Baseball	$ -	$ -	$ -	$ -	
Total	$ 7,500	$ 7,500	$ 7,500	$ 7,500	0.0%
Railroad Museum					
Expenses	$ 3,253	$ 3,000	$ 3,000	$ 3,000	0.0%
Total	$ 3,253	$ 3,000	$ 3,000	$ 3,000	0.0%
Community & Social Services					
Salaries	$ 202,580	$ 211,420	$ 203,880	$ 203,880	-3.6%
Expenses	$ 726,041	$ 750,103	$ 778,265	$ 758,282	1.1%
Subtotal Comm. & Social Services	$ 928,621	$ 961,523	$ 982,145	$ 962,162	0.1%
Education					
Chatham Public Schools/Monomoy RSD.					
Salaries & Expenses	$ 9,710,595	$ 9,974,126	$ 8,404,032	$ 8,119,685	-18.6%
Subtotal Chatham/Monomoy Schools	$ 9,710,595	$ 9,974,126	$ 8,404,032	$ 8,119,685	-18.6%
CC Tech. Regional High School					
Expenses	$ 278,874	$ 287,652	$ 300,000	$ 314,638	9.4%
Total	$ 278,874	$ 287,652	$ 300,000	$ 314,638	9.4%
Education					
Salaries	$ 9,710,595	$ 9,974,126	$ 8,404,032	$ 8,119,685	-18.6%
Expenses	$ 278,874	$ 287,652	$ 314,638	$ 314,638	9.4%
Total Education	$ 9,989,469	$ 10,261,778	$ 8,718,670	$ 8,434,323	-17.8%
Employee Benefits					
Workers Compensation Insurance	$ 54,211	$ 78,717	$ 91,409	$ 91,409	16.1%
Medicare/Social Security	$ 129,614	$ 122,030	$ 125,000	$ 125,000	2.4%
Unemployment Insurance	$ 64,542	$ 25,000	$ 40,000	$ 40,000	60.0%
Public Safety Inj. Ins.	$ 14,111	$ 14,111	$ 20,000	$ 20,000	41.7%
Barn's County Retirement	$ 1,490,464	$ 1,452,550	$ 1,860,903	$ 1,860,903	28.1%
Group Health Insurance	$ 1,912,047	$ 2,162,060	$ 1,962,688	$ 1,962,688	-9.2%
Total Employee Benefits	$ 3,664,989	$ 3,854,468	$ 4,100,000	$ 4,100,000	6.4%
Undistributed Costs					
Insurance					
Watercraft	$ 19,460	$ 19,460	$ 19,460	$ 19,460	0.0%
Fleet Motor Vehicle	$ 57,750	$ 43,518	$ 45,000	$ 45,000	3.4%
Moorings	$ 1,772	$ 1,772	$ 1,772	$ 1,772	0.0%

EXPENSES	Budget 11 Actual	Budget 12 Voted	Budget 13 Dept Req	Proposed Budget FY13	% change to FY12
Flood	$ 9,115	$ 9,115	$ 9,115	$ 9,115	0.0%
Public Officials' Liability	$ 10,500	$ 19,506	$ 10,500	$ 10,500	-46.2%
General Liability & Bldg. Ins.	$ 137,500	$ 217,950	$ 225,475	$ 225,475	3.5%
Uninsured Damages	$ 15,000	$ 15,000	$ 15,000	$ 15,000	0.0%
Total Insurance	$ 251,097	$ 326,321	$ 326,322	$ 326,322	0.0%
(FinCom) Reserve Fund (05 Distributed)	$ 100,000	$ 100,000	$ 100,000	$ 100,000	0.0%
Total Undistributed Costs	$ 351,097	$ 426,321	$ 401,135	$ 401,135	-5.9%
Debt Service (non-water)					
Principal	$ 3,483,834	$ 3,793,383	$ 4,904,720	$ 4,904,720	29.3%
Interest - Long-term	$ 1,186,362	$ 1,129,308	$ 2,295,948	$ 2,295,948	103.3%
Interest - Short-term & Bond Costs	$ 546,336	$ 818,000	$ 250,000	$ 250,000	-69.4%
Total Debt Service Costs	$ 5,216,532	$ 5,740,691	$ 7,450,668	$ 7,450,668	29.8%

APPENDIX D

MONOMOY REGIONAL SCHOOL DISTRICT
OPERATING BUDGET DETAIL

Monomoy Regional School District
FY13

			TOTAL
OPERATING (total budget less capital and debt)			33,663,544
Less:			
Revenues	HARWICH	CHATHAM	
CHAPTER 70	1,735,977	648,563	2,384,540
CHARTER SCHOOL REIMBURSEMENT	133,658	150,471	284,129
SCHOOL CHOICE RECEIPTS	812,880	755,762	1,568,642
REGIONAL BONUS AID	53,080	23,160	76,240
CIRCUIT BREAKER	268,119	56,157	324,276
MEDICAID RECEIPTS	120,000	50,000	170,000
BALANCE FORWARD SCHOOL CHOICE	864,000	336,000	1,200,000
TOTAL GENERAL FUND REVENUE	3,987,714	2,020,113	6,007,827
TOTAL OPERATING BUDGET LESS REVENUES			27,655,717
less Regular Day Transportation			676,931
OPERATING BUDGET TO BE ASSESSED			26,978,786
	HARWICH	CHATHAM	
Less: Required Minimum Contribution	11,444,862	4,696,121	16,140,983
Cost Above State Minimum ---------->			10,837,803
	HARWICH	CHATHAM	
	72%	28%	
Excess Assessed based on Foundation Enrollment	7,803,218	3,034,585	10,837,803
TOTAL OPERATING ASSESSMENT PER MEMBER	19,248,080	7,730,706	26,978,786
TRANSPORTATION BUDGET			
Regular Transportation Only			676,931
Less: State Transportation Aid			-340,317
Transportation Assessment			336,614
	HARWICH	CHATHAM	
	72%	28%	
TOTAL TRANSPORTATION ASSESSMENT PER MEMBER	242,362	94,252	336,614
TOTAL CAPITAL ASSESSMENT PER MEMBER	128,958	72,354	201,312
DEBT	45,881	216,773	
INTEREST SHORT TERM	14,400	5,600	
TOTAL DEBT ASSESSMENT PER MEMBER	60,281	222,373	282,654
GRAND TOTALS	**19,679,681**	**8,119,685**	**27,799,367**

BUDGET SUMMARY ALL SCHOOLS	Budget 2011-2012	PROPOSED Budget 2012-2013	Difference	Percent
SCHOOL				
DISTRICTWIDE	10,117,970	9,692,336	-425,634	-4.21%
ELEMENTARY SCHOOL	8,577,978	7,662,045	-915,932	-10.68%
MIDDLE SCHOOL	7,052,367	6,140,501	-911,866	-12.93%
HIGH SCHOOL	8,281,597	7,162,953	-1,118,644	-13.51%
SPECIAL EDUCATION	2,530,096	3,005,709	475,613	18.80%
OPERATING BUDGET	**36,560,007**	**33,663,544**	**-2,896,463**	**-7.92%**
Less: Regular Transportation (separate assessment)		676,931		
OPERATING BUDGET TO BE ASSESSED		32,986,613		

Less:			
Revenues			
CHAPTER 70		2,384,540	
CHARTER SCHOOL REIMBURSEMENT		284,129	
SCHOOL CHOICE RECEIPTS		1,568,642	
REGIONAL BONUS AID		76,240	
CIRCUIT BREAKER		324,276	
MEDICAID RECEIPTS		170,000	
BALANCE FORWARD SCHOOL CHOICE		1,200,000	
TOTAL GENERAL FUND REVENUE		**6,007,827**	
TOTAL OPERTAING BUDGET LESS REVENUES		**26,978,786**	
	Harwich	Chatham	
Less: Required Minimum Contribution	**11,444,862**	**4,696,121**	16,140,983
Excess Costs Needed to support the district budget---------->			10,837,803
	Harwich	Chatham	
	72%	28%	
Excess Assessed Based on Foundation Enrollment	**7,803,218**	**3,034,585**	10,837,803
			26,978,786
TOTAL OPERATING ASSESSMENT PER MEMBER	**19,248,080**	**7,730,706**	**26,978,786**
TRANSPORTATION BUDGET			676,931
Less: State Transportaiton Aid			-340,317
Transportation Assessment			336,614
	Harwich	Chatham	
	72%	28%	
TOTAL TRANSPORTATION ASSESSMENT PER MEMBER	**242,362**	**94,252**	**336,614**
	Harwich	Chatham	
TOTAL DEBT ASSESSMENT	**60,281**	**222,373**	**282,654**
	Harwich	Chatham	
TOTAL CAPITAL ASSESSMENT	**128,958**	**72,354**	**201,312**
	Harwich	Chatham	
TOTAL ASSESSMENTS	**19,679,681**	**8,119,685**	**27,799,366**

MONOMOY REGIONAL SCHOOL DISTRICT

PROPOSED BUDGET

YEAR ENDING JUNE 30, 2013

ASSUMPTIONS

Salaries:	**FY13 based on on FY12 Salaries plus steps** **MGL Chapter 71 , Section 42B**
Benefits	**Same benefit % as currently in Chatham and Harwich** **Chatham 70/30 includes dental** **Harwich 75/25 NO dental**
Transportation	**Based on bids received March 9, 2012**
Special Education	**Increase in placements and transportation**
Community Innovation Challenge Grant	**No revenue projections included**
Revenues	**Regional Transportation @ 50% reimbursement on prior year actual cost** **Anticipated Bonus Aid $40 per student** **School Choice and Charter based on FY12 actual, less intradistrict** **Chapter 70 is level (per Governor's budget)** **Circuit Breaker @ 50% reimbursement** **Adjust School Choice to 72/28 split of $1,200,000**

APPENDIX E

DEBT AMORTIZATION SCHEDULE

Town of Chatham

Master Debt Amortization Schedule

Outstanding Principal & Interest

ESTIMATED Debt Schedule with New Issuance (June 2012)

Fiscal Year	General Fund Principal	General Fund Interest	General Fund Total	Water Fund Principal (w/o Betterments)	Water Fund Interest (w/o Betterments)	Water Fund Total (w/o Betterments)	Water Fund Principal	Water Fund Total	Total Interest	Grand Total
2013	5,018,289.00	2,480,664.91	7,498,953.91	811,442.68	286,342.57	1,097,785.25	5,829,731.68		2,767,007.48	8,596,739.16
2014	4,985,460.00	2,302,832.32	7,288,292.32	749,039.40	255,998.36	1,005,037.76	5,734,499.40		2,558,830.68	8,293,330.08
2015	4,638,162.00	2,132,297.09	6,770,459.09	659,177.72	228,410.27	887,587.99	5,297,339.72		2,360,707.36	7,658,047.08
2016	4,526,060.00	1,962,671.86	6,488,731.86	544,177.72	204,881.91	749,059.63	5,070,237.72		2,167,553.77	7,237,791.49
2017	4,519,017.00	1,781,198.63	6,300,215.63	544,177.72	182,972.30	727,150.02	5,063,194.72		1,964,170.93	7,027,365.65
2018	4,168,712.00	1,606,228.40	5,774,940.40	417,500.00	163,455.00	580,955.00	4,586,212.00		1,769,683.40	6,355,895.40
2019	3,631,789.00	1,452,684.17	5,084,473.17	417,500.00	146,536.25	564,036.25	4,049,289.00		1,599,220.42	5,648,509.42
2020	3,014,929.00	1,326,419.94	4,341,348.94	367,500.00	130,967.50	498,467.50	3,382,429.00		1,457,387.44	4,839,816.44
2021	2,658,353.00	1,227,415.71	3,885,768.71	362,500.00	116,830.00	479,330.00	3,020,853.00		1,344,245.71	4,365,098.71
2022	2,370,571.00	1,141,156.48	3,511,727.48	357,500.00	102,811.25	460,311.25	2,728,071.00		1,243,967.73	3,972,038.73
2023	2,328,905.00	1,060,431.25	3,389,336.25	332,500.00	89,661.25	422,161.25	2,661,405.00		1,150,092.50	3,811,497.50
2024	2,332,306.00	981,214.02	3,313,520.02	332,500.00	76,905.00	409,405.00	2,664,806.00		1,058,119.02	3,722,925.02
2025	2,290,777.00	902,827.79	3,193,604.79	332,500.00	64,248.75	396,748.75	2,623,277.00		967,076.54	3,590,353.54
2026	2,079,317.00	827,472.56	2,906,789.56	332,500.00	51,515.00	384,015.00	2,411,817.00		878,987.56	3,290,804.56
2027	1,960,428.00	759,970.33	2,720,398.33	167,500.00	41,956.25	209,456.25	2,127,928.00		801,926.58	2,929,854.58
2028	1,629,113.00	701,367.10	2,330,480.10	167,500.00	35,818.75	203,318.75	1,796,613.00		737,185.85	2,533,798.85
2029	1,627,872.00	649,898.87	2,277,770.87	162,500.00	29,781.25	192,281.25	1,790,372.00		679,680.12	2,470,052.12
2030	1,616,707.00	598,778.86	2,215,485.86	162,500.00	25,231.25	187,731.25	1,779,207.00		624,010.11	2,403,217.11
2031	1,620,619.00	547,900.19	2,168,519.19	162,500.00	20,681.25	183,181.25	1,783,119.00		568,581.44	2,351,700.44
2032-2052	12,957,574.00	4,499,542.61	17,457,116.61	315,000.00	92,950.00	407,950.00	13,272,574.00		4,592,492.61	17,865,066.61
	$ 69,974,960.00	$ 28,942,973.09	$ 98,917,933.09	$ 7,698,015.24	$ 2,347,954.16	$ 10,045,969.40	$ 77,672,975.24	$ 31,290,927.25		$ 108,963,902.49

DISCLAIMER: The above schedules are illustrative only. They are estimates on debt service payments for Wastwater, PD/Annex Building, Roads/Sidewalks, Land Acquisition for bonds that have yet to be issued. The actual principal and interest payments will be calculated upon sale of the bonds in June 2012 and may change from the above listing depending upon length of repayment and interest rate at date of sale.

APPENDIX F

WATER DEPARTMENT
OPERATING BUDGET DETAIL

Description	11 Actual	12 Voted	FY13 Dept Req	Proposed Water Budget FY 13	Notes
WATER FUND					
Water Costs					
Operating					
Salaries	192,273	187,723	225,095	225,095	
Expenses	1,082,861	1,115,550	1,179,000	1,179,000	
Sub-total Operating	1,275,134	1,303,273	1,404,095	1,404,095	
Debt					
Principal	793,174	765,297	720,350	720,350	
Interest - Long-term	249,984	219,253	236,012	236,012	
Interest - Short-term	20,250	100,000	50,000	50,000	
Subtotal Debt	1,063,408	1,084,550	1,006,362	1,006,362	
Total Water Direct Costs	2,338,542	2,387,823	2,410,457	2,410,457	
Overhead - Indirect Costs	201,325	215,316	222,339	222,339	
Overhead - GF Loan Repayment	0	0	0	0	
Overhead - Rate payback for Bett	132,568	126,379	116,950	116,950	
Overhead - Deficit payback					
Subtotal Overhead	333,893	341,695	339,289	339,289	
Water Operating Budget	2,672,435	2,729,518	2,749,746	2,749,746	
Water Capital - Cash Basis					
Various Projects - See Capital	0	0	0		
Total Water Costs (no bonds)	2,672,435	2,729,518	2,749,746	2,749,746	
Water Capital - Bonding Basis					
Various Projects - See Capital	0	0	0		
Total Water Costs (with bonds)	2,672,435	2,729,518	2,749,746	2,749,746	
Water Revenue					
Rate Charges	2,361,487	2,329,518	2,349,746	2,491,170	
Water Surplus	0	0	0	0	
Water Bonds	0	0	0	0	
Variance:					
Revenues over(under) Costs	-310,948	-400,000	-400,000	-258,576	
Town Subsidy-Fire Protection	-400,000	-400,000	-400,000	-400,000	
Town Subsidy-Debt Prepay					
Town Subsidy-Additional	0	0	0		
Transfer from Gen.Fund	400,000	400,000	400,000	400,000	
Surplus (Shortfall)	89,052	0	0	141,424	

APPENDIX G

FIVE YEAR CAPITAL DETAIL

Town of Chatham
FY2013 Capital Plan

Department	Description	Dept	FY 12	FY 13	FY 13	FY 14	FY 15	FY 16
Priority #	ARTICLE 9 - CAPITAL BUDGET		Actual	Request	Approved	Program	Program	Program
	CAPITAL PROGRAM & BUDGET SUMMARY:		**FY 12**	**FY 13**	**FY 13**			
			Actual	**Request**	**Approved**			
	General Government		$ 60,000	$ 144,300	$ 139,300	$ 77,500	$ 115,000	$ 115,000
	Public Safety		$ 65,100	$ 306,539	$ 135,000	$ 363,039	$ 233,000	$ 53,500
	Community Development		$ -	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500
	Health & Environment		$ 124,000	$ 536,000	$ 134,000	$ 756,000	$ 1,454,000	$ 621,000
	Public Works (without Water)		$ 286,000	$ 1,486,000	$ 363,000	$ 1,848,000	$ 718,000	$ 743,000
	Equipment		$ 352,500	$ 1,435,500	$ 1,140,500	$ 836,000	$ 1,030,000	$ 752,000
	Total Town Funded Capital Budget		$ 887,600	$ 3,920,839	$ 1,924,300	$ 3,893,039	$ 3,562,500	$ 2,297,000
	Funding Sources:							
	Free Cash		$ 814,300		$ -			
	Waterways Improvement Funds		$ -	$ 38,000	$ 38,000			
	Cemetery Sale of Lots		$ 1,000	$ 1,000	$ 1,000			
	Shellfish Revolving		$ 8,000		$ -			
	Prior Articles		$ 64,300	$ 45,200	$ -			
	Raise & Appropriate				$ 1,035,300			
	R&A Quint - Request listed under Article 10			$ 850,000	$ 850,000			
	Total Funding Sources		$ 887,600	$ 934,200	$ 1,924,300	$ -	$ -	$ -
				$ (2,986,639)	$ -			
	General Government							
Annual #1	Land Management, Assessment & GIS	IT	$ 40,000	$ 12,500	$ 12,500	$ 12,500	$ 50,000	$ 50,000
Annual #2	MIS Training, Website	IT	$ 10,000	$ -		$ -	$ -	$ -
Annual #3	Hardware replacement & upgrade	IT	$ 10,000	$ 26,800	$ 26,800	$ 10,000	$ 10,000	$ 10,000
13-1	Ch 18 Equipment			$ 5,000		$ 5,000	$ 5,000	$ 5,000
13-2	Consulting & Engineering	TM	$ -	$ 100,000	$ 100,000	$ 50,000	$ 50,000	$ 50,000
12-2	Tri-Centenial Celebration	TM	$ -					
10-1	Business Machines	FIN/TM		$ -				
	Total General Government		**$ 60,000**	**$ 144,300**	**$ 139,300**	**$ 77,500**	**$ 115,000**	**$ 115,000**
	Public Safety							
	Police Department							
11	Tactical Equipment	PD						
10	Accident Reconstruction Equipment	PD						
13	Replace Computers	PD		$ 3,500		$ 3,500		
13-1	Speed Control Display Trailer	PD	$ -	$ 10,000		$ 10,000		
14-1	Animal Control Shelter Trailer	PD		$ -	$ -	$ 3,000		
14-2	Command Post Trailer	PD		$ -	$ -	$ 35,000		
14-3	Replacement of Portable Radios	PD			$ -	$ 75,000		
	Subtotal Police		**$ -**	**$ 13,500**	**$ -**	**$ 126,500**	**$ -**	**$ -**
	Fire/Rescue Department							
12-2	Thermal Imaging Camera	FD	$ 12,500	$ -				
12-3	CO-Oximeter	FD	$ 4,600	$ -				
12-5,14-1,16	Ambulance Stretcher	FD	$ 10,000	$ -		$ 12,500		$ 12,500
13-1,15-2	Protective Clothing	FD		$ 15,000	$ 15,000		$ 15,000	
13-3	Stabilization Kit	FD		$ 10,039	$ -	$ 10,039		
13-4	Fire Nozzles, Appliances & Adapters	FD		$ -				
14-3, 15-1	Mobile Data Terminals	FD				$ 12,000	$ 12,000	
14-4	Radio Equipment	FD				$ 12,000		
15-3	800 MHZ portable Radios	FD					$ -	
17-1	Heart Monitors	FD						
	Subtotal Fire/Rescue		**$ 27,100**	**$ 25,039**	**$ 15,000**	**$ 46,539**	**$ 27,000**	**$ 12,500**
	Emergency Management							
11-01;13-01	Emergency Management Brochures	CD		$ 4,000		$ 4,000		
13-1	Generator Cables			$ 12,000	$ 12,000			
14-1	Trailer Tires					$ 1,000		
	Subtotal Other Pub Safety		**$ -**	**$ 16,000**	**$ 12,000**	**$ 4,000**	**$ -**	**$ -**
	Harbormaster/Wharfinger							

Town of Chatham
FY2013 Capital Plan

Department	Description	Dept	FY 12	FY 13	FY 13	FY 14	FY 15	FY 16
Priority #	ARTICLE 9 - CAPITAL BUDGET		Actual	Request	Approved	Program	Program	Program
11-7	Fuel Dispenser Replacement	HBR						
Annual 13-1;1	Aids to Navigation	HBR	$ 10,000	$ 10,000	$ 5,000	$ 10,000	$ 10,000	$ 10,000
	$5,000 per year proposed from Waterways Impr Fund							
Annual 13-2;	Mooring Management	HBR	$ 8,000	$ 8,000	$ 4,000	$ 8,000	$ 8,000	$ 8,000
	$4,000 per year proposed from Waterways Impr Fund	HBR						
Annual 13-3	Town Landing Maintenance	HBR	$ 4,000	$ 4,000	$ 4,000	$ 8,000	$ 8,000	$ 8,000
	$4000 in '12 & '13 proposed from Waterways Impr Fund	HBR						
Annual 13-4	Boat Maintenance & Equipment	HBR	$ 6,000	$ 6,000	$ 5,000	$ 6,000	$ 5,000	$ 5,000
Annual 13-6	Mitchell River Drawbridge Repairs & Maintenance	HBR	$ 10,000	$ 25,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
13-7	Fish Pier Repairs	HBR	$ -	$ 160,000	$ 80,000	$ 80,000		
	Boathouse/Shed	HBR						
13-8	On-line Mooring Renewal Program	HBR		$ 14,000		$ 14,000		
	$14,000 per year proposed from Waterways Impr Fund							
13-9	Little Mill Pond Re-decking	HBR		$ 25,000		$ 25,000		
14-8, 15-2	Barge Rental	HBR				$ 25,000	$ 25,000	
10-9	Wind Generator	HBR						
15-1	Fish Pier Diesel & Gas Tank Replacement	HBR					$ 140,000	
	Subtotal Harbor/Pier		**$ 38,000**	**$ 252,000**	**$ 108,000**	**$ 186,000**	**$ 206,000**	**$ 41,000**
	Lighthouse Beach							
12-1	Buoys	LT	$ -					
	Total Public Safety		**$ 65,100**	**$ 306,539**	**$ 135,000**	**$ 363,039**	**$ 233,000**	**$ 53,500**
	Community Development							
13-1, 14-1	GIS Flyover	CD	$ -	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500
11-01	GPS Data Collection Device	CD						
	Subtotal Community Development		**$ -**	**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 12,500**
	Total Community Development		$ -	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500
	Health & Environment							
	Stormwater Management							
Annual #1	Drainage/Stormwater Management	STW	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
13-1	Conservation Lands Management/Forest Mgmt Plan	H & E	$ -	$ 20,000	$ 10,000	$ 20,000	$ 20,000	$ 20,000
13-2	Trail Guide - Conservation Lands	H&E		$ 12,000		$ 2,000	$ -	$ 2,000
	Subtotal Stormwater		**$ 20,000**	**$ 52,000**	**$ 30,000**	**$ 42,000**	**$ 40,000**	**$ 42,000**
	Coastal Resources							
Annual #1	Dredging Program	CR	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 200,000
Annual #2	Aerial Shoreline Condition Photo Survey	CR	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
Annual #3	Town Landing Infrastructure Improvements	CR	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
	$10,000 from waterways improvement							
13-1	OMBY Pier & Float Replacement	CR		$ 330,000		$ 330,000	$ -	$ -
13-2	Muddy Creek Culvert Replacement	HE		$ -	$ -	$ -		
13-3	Chatham Harbor Public Access	CR		$ 50,000		$ 50,000		$ -
14-1	Ryder's Cove Bulkhead Replacement	CR				$ 180,000		
14-2	Bassing Harbor Dredging Permits	CR		$ -		$ 50,000		
15-1	South Chatham Nourishment	CR					$ 1,200,000	
15-2	Scatteree Landing Erosion Protection	CR				$ -	$ 65,000	
15-3	Barn Hill Ramp Walkway	CR				$ -	$ 15,000	
16-1	Ryder's Cove Ramp Replacement	CR						$ 350,000
17-1	Town Landing Comprehensive Survey	CR					$ 30,000	
	Subtotal Coastal Resources		**$ 104,000**	**$ 484,000**	**$ 104,000**	**$ 714,000**	**$ 1,414,000**	**$ 579,000**
	Total Health & Environment		$ 124,000	$ 536,000	$ 134,000	$ 756,000	$ 1,454,000	$ 621,000
	Public Works (without Water)							

Town of Chatham
FY2013 Capital Plan

Department	Description	Dept	FY 12	FY 13	FY 13	FY 14	FY 15	FY 16
Priority #	ARTICLE 9 - CAPITAL BUDGET		Actual	Request	Approved	Program	Program	Program
	Parks & Recreation & Cemetery							
11-4	Concession Stand - Volunteer Park	P&R						
13-1	Relocate Skate Park & Add Walking Track	P&R	$ -	$ 60,000	$ -			
	$45,200 repurposed article Volunteer Park							
13-2	New Cardio Equipment for CCC Fitness Room	P&R		$ 6,000	$ -	$ 6,000	$ 6,000	$ 6,000
13-4	Ryders Cove Park Construction	P&R		$ 10,000		$ 10,000	$ 10,000	$ 10,000
16-1	Sandblast & Repaint Vet's Field Bleachers	P&R						$ 50,000
15-1	Handicap Access Path Volunteer Park	P&R					$ 25,000	
16-1	Outdoor Basketball Court	P&R					$ 35,000	$ -
16-2	Picnic Pavillion -Volunteer Park	P&R						$ 30,000
	Subtotal - Park & Recreation		**$ -**	**$ 76,000**	**$ -**	**$ 16,000**	**$ 76,000**	**$ 96,000**
	Highway Department							
Annual #1	Road Resurfacing	HWY	$ 112,500	$ 210,000	$ 125,000	$ 220,000	$ 230,000	$ 240,000
Annual #2	Emergency Road Repair	HWY	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Annual #3	Catch Basins	HWY	$ 30,500	$ 50,000	$ 25,000	$ 60,000	$ 60,000	$ 60,000
Annual #4	Road Maintenance Projects	HWY	$ 12,000	$ 28,000	$ 12,000	$ 30,000	$ 30,000	$ 30,000
Annual #6	Sidewalk Construction	HWY	$ 25,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Annual #7	Bike Trail Maintenance	HWY	$ 10,000	$ 25,000	$ 10,000	$ 25,000	$ 25,000	$ 25,000
Annual #8	Street Signs	HWY	$ 5,000	$ 6,000	$ 5,000	$ 6,000	$ 6,000	$ 6,000
	Subtotal Highway		**$ 205,000**	**$ 379,000**	**$ 237,000**	**$ 401,000**	**$ 411,000**	**$ 421,000**
	Landfill (Transfer Station)							
12-01	Building Maintenance	HWY		$ 300,000		$ 300,000		
13-01	Recycling - Phase 1	HWY		$ 500,000		$ 500,000		
14-01	Recycling - Phase 2	HWY				$ 400,000		
	Subtotal Landfill		**$ -**	**$ 800,000**	**$ -**	**$1,200,000**	**$ -**	**$ -**
	Building & Grounds							
Annual	ADA Compliance	BG		$ 5,000		$ 5,000	$ 5,000	
Annual #1	Property Management/Building Maintenance Projects	TM	$ 80,000	$ 200,000	$ 100,000	$ 200,000	$ 200,000	$ 200,000
	Subtotal Building & Grounds Projects		**$ 80,000**	**$ 205,000**	**$ 100,000**	**$ 205,000**	**$ 205,000**	**$ 200,000**
	Cemetery Department							
12-1	Clean & Repair Head Stones	CEM	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
12-2	Cemetery Expansion	CEM		$ 10,000		$ 10,000		
	Subtotal Cemetery		**$ 1,000**	**$ 1,000**	**$ 1,000**	**$ 1,000**	**$ 1,000**	**$ 1,000**
	Airport Commission							
Annual #1	Continuing Modernization	TM/AIR	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
	Subtotal Airport		**$ -**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**
	Total Public Works		**$ 286,000**	**$ 1,486,000**	**$ 363,000**	**$1,848,000**	**$ 718,000**	**$ 743,000**
	Equipment - All Departments							
Annual #1	Annual Cruisers (2) Replacement	PD/TM	$ 66,500	$ 68,000	$ 68,000	$ 99,000	$ 69,000	$ 69,000
12-01	Replace Chief's Unmarked Admin. Vehicle	PD/TM		$ 32,000	$ 32,000	$ -	$ -	$ -
13-2	Replace Animal Control Vehicle	PD/TM	$ -	$ 28,000	$ 28,000			
13-5	Purchase of Police Motorcycle	PD/TM		$ 4,000	$ 4,000	$ 18,000	$ -	$ -
14, 15	Replace Vehicle - Pick-up Truck/SUV	PD/TM				$ -	$ -	$ 33,000
14-3	Replace ATV	PD/TM		$ -		$ 6,000		$ -
16-2	Replace Unmarked Police Detective Vehicle	PD/TM		$ -		$ -	$ 28,000	$ -
12-1,14,16	Replace Ambulance/Rescue	FD/TM	$ 180,000			$ 190,000		$ 195,000
13-1	Purchase of Quint Apparatus **(SEE ARTICLE 10)**	FD/TM		$ 850,000	$ 850,000	$ -		
13-2	Service Chief Vehicle	FD/TM		$ 38,500	$ 38,500	$ -	$ -	
14-2	Engine Repair/Paint	FD/TM				$ 15,000		
15-1	Replace Fire Engine/Pumper - Purchase	FD/TM		$ -			$ 525,000	$ -
15-2	Replace Staff Vehicle	FD/TM						$ 30,000
Annual	Inspections Vehicle	CD/TM	$ -	$ 5,000		$ 10,000	$ 5,000	$ 10,000

Town of Chatham
FY2013 Capital Plan

Department	Description	Dept	FY 12	FY 13	FY 13	FY 14	FY 15	FY 16
Priority #	ARTICLE 9 - CAPITAL BUDGET		Actual	Request	Approved	Program	Program	Program
11-1	Rigid Hull Boat	HBR/TM						
12-1,13-6	Engine Replacement - Harbormaster (H-21/H-24)	HBR/TM	$ 18,000	$ 28,000		$ 20,000		
13-5	Firefighting/Dewatering Pump	HBR/TM		$ 8,000		$ 8,000		
14-7	Utility Truck	HBR/TM				$ 10,000		
16-6	Boat Replacement (H-26)	HBR/TM						$ 110,000
12-1	Shellfish Outboard Engine Replacement	CR/TM	$ 8,000					
13-1	Shellfish Truck Replacement	CR/TM		$ 28,000	$ 28,000			
10-06	Front End Loader	HWY/TM		$ -				
14-02	Small DumpRecycling Truck	LDF/TM				$ 55,000		
15-01	Front End Loader	LDF/TM					$ 150,000	
16-01	Container Roll Off Truck	LDF/TM						$ 130,000
12-1	Replace H&E Vehicle	H&E/TM	$ 25,000	$ 27,000	$ 27,000	$ 28,000	$ 28,000	
13-1	Replace Park & Rec 1 Ton Dump Truck 2003	P&R/TM		$ 44,000		$ 44,000		
13-5	Top Dressing Machine	P&R/TM		$ 10,000		$ 10,000		
14-01	Replace Park & Rec 1 Ton Dump Truck 2004	P&R/TM				$ 50,000		
14-02	Replace Existing Utility Trailer	P&R/TM				$ 10,000		
14-03	Grounds Debris Removal Equipment	P&R/TM				$ 18,000		
14-04	New Van for driving participants to programs/events	P&R/TM				$ 35,000		
17-1	Replace Park & Rec Dump Truck 2007	P&R/TM				$ -		
12-1	Replace Small Truck-	SEW/TM	$ 55,000					
13-1	Flat Bed Truck, Plow & Crane	SEW/TM		$ 65,000	$ 65,000			
13-5	Replace Small Truck-	HWY/TM		$ 55,000		$ 55,000		
13-5,14-7	Large Dump Truck w/ Plow & Sander 1994	HWY/TM		$ 105,000		$ 110,000		
13-7,14-8,16	Replace Small Truck with Plow	HWY/TM		$ 40,000		$ 45,000		$ 45,000
15-1	Replace Front End Loader	HWY/TM					$ 150,000	
15-8	Woodchipper	HWY/TM					$ 40,000	
15-9	Forklift	HWY/TM					$ 35,000	
16-1	Replace Containter Roll-off Truck	HWY/TM						$ 130,000
	Total Equipment		**$ 352,500**	**$ 1,435,500**	**$ 1,140,500**	**$ 836,000**	**$1,030,000**	**$ 752,000**
	Subtotal Capital (General Fund)		**$ 887,600**	**$ 3,920,839**	**$ 1,924,300**	**$3,893,039**	**$3,562,500**	**$2,297,000**

APPENDIX H

DEFINITIONS

TERMS USED IN MUNICIPAL FINANCE

APPROPRIATION: An authorization granted by a town meeting to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

AVAILABLE FUNDS: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other onetime costs. Examples of available funds include free cash, stabilization fund, overlay surplus, waterways account, cemetery funds and continued appropriations left in Articles voted at previous Town Meetings.

BOND RATING (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. State otherwise, a rating help prospective investor determine the level of frisk associated with a given fixed-income investment. Rating agencies, such a Moody's and Standards and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

CHERRY SHEET: Named for the cherry colored paper on which they were originally printed, the Cherry Sheet is the official notification to the town of the next fiscal year's state aid and assessments. The aid is in the form of distributions, which provide funds based on formulas and reimbursements that provide funds for costs incurred during a prior period for certain programs or services.

ESTIMATED RECEIPTS: A term that typically refers to anticipated local revenues listed on page three of the Tax Recapitulation Sheet. Projections of local revenues are often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (also Local Receipts)

FREE CASH: Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the Town Accountant. Important: free cash is not available for appropriation until certified by the Director of Accounts at the Department of Revenue. Once certified, Town Meeting may appropriate Free Cash for any lawful purpose.

OVERLAY: (ALSO CALLED ALLOWANCE FOR ABATEMENTS AND EXEMPTIONS): The amount raised by the Assessors to be used for potential abatement of property taxes. The Overlay Surplus is the portion of each year's Overlay Account no longer required to cover the property abatements. Overlay surplus may be appropriated for any lawful purpose.

RAISE AND APPROPRIATE: A phrase used to identify a funding source for an expenditure or expenditures, which refers to money generated by the tax levy or other local receipt.

RESERVE FUND: An amount set aside annually within the budget of a town by the voters at an Annual Town Meeting. Transfers from the Reserve Fund are within the exclusive control of the Finance Committee and are for "extraordinary and unforeseen" expenditures.

STABILIZATION FUND: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). A two-thirds vote of town meeting is required to establish, amend the purpose of, or appropriate money into or from the stabilization fund.

TAX RATE RECAPITULATION SHEET (Recap Sheet): A document submitted by the Town do the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate.

TRANSFER: The authorization to use an appropriation for a different purpose; in most cases only the Town meeting may authorize a transfer.

PROPOSITION 2 ½ TERMS

Chapter 59, §21C of the Massachusetts General Laws commonly referred to as Proposition 2 ½ (Prop 2 ½) or the Tax Limiting Law for Cities and Towns in Massachusetts.

LEVY: The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2 ½ provisions. The levy is the largest source of revenue for the Town.

LEVY CEILING: This is the maximum amount of the levy limit. It states that, in any year, the real and personal property taxes imposed may not exceed 2.5% of the total full and fair cash value of all taxable property.

LEVY LIMIT: A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2 ½). It states that the real and personal property tax imposed by a city or town may only grow each year by 2 ½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion or special exclusion. The limit based on the previous year's levy plus certain allowable increases.

NEW GROWTH: The increase in the levy limit attributable to new construction, renovations and new parcel subdivisions. It does not include value increase caused by normal market forces or by revaluations.

OVERRIDE: A community can increase its levy limit by voted at a referendum to exceed the limit. There are three types of overrides; general override, debt exclusion and capital outlay expenditure exclusion.

GENERAL OVERRIDE: A general override ballot question can be placed on a referendum if a majority of the Board of Selectmen vote to do so. If the ballot question is approved by a majority of the voters, the Town's levy limit is permanently increased by the amount voted at the referendum. The levy limit increases may not exceed the Town's levy ceiling.

DEBT EXCLUSION: The additional amount necessary to pay debt service costs for a particular project is added to the levy limit or levy ceiling for the life of the debt only. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated for future years.

CAPITAL OUTLAY EXPENDITURE EXCLUSION: A temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling.

APPENDIX I

TAX RATE INFORMATION

TAX RATE INFORMATION
Estimated for Fiscal Year 2013

Per tax rate increment Tax Rate Increase	Municipal Revenue Raised	Tax Impact on $750,000 Property
$ 0.01	$ 58,701	7.50
$ 0.05	$ 293,505	37.50
$ 0.10	$ 587,009	75.00
$ 0.15	$ 880,514	112.50
$ 0.20	$ 1,174,019	150.00
$ 0.25	$ 1,467,523	187.50
$ 0.30	$ 1,761,028	225.00
$ 0.35	$ 2,054,533	262.50
$ 0.40	$ 2,348,038	300.00
$ 0.45	$ 2,641,542	337.50
$ 0.50	$ 2,935,047	375.00
$ 0.55	$ 3,228,552	412.50
$ 0.60	$ 3,522,056	450.00
$ 0.65	$ 3,815,561	487.50
$ 0.70	$ 4,109,066	525.00
$ 0.75	$ 4,402,570	562.50
$ 0.80	$ 4,696,075	600.00
$ 0.85	$ 4,989,580	637.50
$ 0.90	$ 5,283,084	675.00
$ 0.95	$ 5,576,589	712.50
$ 1.00	$ 5,870,094	750.00

The above calculations are based on the Town's valuation for Fiscal Year 2012.
As valuations change annually these are to be considered estimates only.

Board of Selectmen
549 Main St.
Chatham, MA 02633

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ANNUAL TOWN MEETING WARRANT – MAY 14, 2012