

Chatham Finance Committee

To: Chatham Board Of Selectmen

From: Chatham Finance Committee

Re: Recommendations For FY12 and Future Budgets

In regard to the FY12 and Future Budgets, we recommend the following:

1. That the Education Line Item be presented as a separate article, and that the School deficit of \$144,616 be solved by the use of School Choice Funds, the balance of which is estimated to be \$506,933 on 6/30/11.
2. That the Early Retirement Program be used as a prudent framework for a long-term program of achieving sustainable wage and benefit costs for the taxpayer.
3. That \$25,000 be added to the line item for the new town manager's salary, and that the additional expenditure be funded by using the excess tax levy.
4. That \$75,464 be added to the town manager's proposed \$14,000 funding for Lighthouse Beach in order to provide for the public's safety with a full patrol and two persons in the life-saving boat, and that the additional money be raised through the excess tax levy.
5. That \$5,100 be added to the town manager's proposed \$409,128 for the Eldredge Library line item in order to meet the state's minimum required funding of \$414,238 and that the additional money be raised through the excess tax levy.
6. That stipends, except for elected officials, be eliminated from FY12 and future budgets, providing a recurring savings of \$14,500.
7. That the Selectmen require the town manager to formulate a plan which reflects actual spending and revenues over the most recent 3 year period and projected revenues and expenses for the next 3 year period.
8. That the Selectmen require the town manager to annually provide the details of total debt for the next 3- year period based on commitments made by Town Meeting votes.
9. That the Selectmen, in conjunction with the Finance Committee, examine the components of Chatham's retirement plan for employees in order to better understand the plan and in order to address the town's unfunded pension and health care liability.
10. That the Selectmen review the current budget policy that places repairs and maintenance, consultant contracts, and legal fees into the 5 Year Capital Budget, and adopt a policy for future budgets that places these kinds of expenses in the Operating Budget.

11. That wage negotiations with union and non-union employees should be coordinated under the responsibility of the town manager with the goal of having contracts operative in the same calendar cycle, and that Selectmen issue specific guidance on COLA's, step increases, longevity and benefits.
12. That the Selectmen avoid the use of annuity and long -term disability benefits in all employee contracts.