

Town Manager's FY2013 Budget Recommendation

January 17, 2012

FY 2013 (Cal 2012) BOS Goals

Protect and Enhance the Financial Health of the Town:

In collaboration with the Town Manager, Finance Director, and Finance Committee, create a value-based budget for FY 2013 that:

- begins with a review of the current year appropriations and service delivery in relation to policies and economic conditions to determine if any adjustments need to be made in the next budget year cycle
- develops fiscal and program priorities to guide strategies for budgeting and collective bargaining
- provides for a level funded budget, and consider any consequences of a level funded budget in conjunction with the service delivery as communicated and expected by our citizenry and Advisory Boards
- considers how to utilize/direct cost-savings resulting from anticipated educational budget *savings*
- provides for salaries and benefits of Town employees to reflect current economic and market conditions, and takes advantage of any new State laws or municipal reform opportunities relating to stabilizing or reducing operational and personnel costs

Budget Items Still Pending

The Budget as presented relied on projections in key categories also due to the timing of this transmittal:

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

FY2013 Budget

OPERATING BUDGET SUMMARY - FY 11		FY 12 Appropriated	FY13 Dept. Requested	FY13 Proposed	%
I. General Government	\$1,952,414	\$1,813,121	\$1,929,316	\$1,929,316	6.4%
II. Public Safety	5,192,066	5,227,245	5,456,721	5,451,500	4.3%
III. Community Development	732,593	661,100	668,987	695,823	5.3%
IV. Health & Environment	787,802	815,635	824,060	824,060	1.0%
V. Public Works	3,779,353	3,913,246	4,222,170	4,181,348	6.85%
VI. Human & Public Services	929,132	961,523	1,008,870	970,688	0.95%
VII. Debt Service	5,216,532	5,740,691	7,450,668	7,450,668	29.8%
VIII. Employee Benefits	3,629,389	3,840,390	4,302,212	4,100,000	6.8%
IX. Undistributed/Reserve	300,703	351,097	401,135	401,135	14.3%
X. Public Schools	<u>11,420,498</u>	<u>11,814,189</u>	<u>9,007,708</u>	<u>9,007,708</u>	-23.8%
Total, I-X	\$ 33,940,482	\$ 35,138,237	\$ 35,271,847	\$ 35,012,246	-0.4%

Financial Summary

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

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

Operating Revenues

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

Revenues: Estimated Receipts

LOCAL ESTIMATED RECEIPTS

TOWN OF CHATHAM

	Estimated	Actual
FY2003	4,578,597	6,046,449
FY2004	5,004,643	5,893,847
FY2005	5,269,343	5,839,605
FY2006	5,136,343	6,313,626
FY2007	5,351,052	6,224,616
FY2008	5,298,200	6,461,804
FY2009	5,409,033	6,404,599
FY2010	5,608,200	6,205,588
FY2011	5,868,137	6,115,959
FY2012	5,378,500	6,037,361
FY2013	6,000,000	

Education

PUBLIC SCHOOLS	FY11	FY12	FY13	
Chatham Public Schools			<i>Proposed</i>	28%
Direct Costs-Town	9,710,595	9,974,126	8,707,708	-12%
Capital School	134,733	0		
School Choice	1,302,411	1,552,411	0	-100.0%
Cape Cod Regional Tech High				
Expense	272,759	287,652	300,000	4.3%
IX. Public Schools	\$11,420,498	\$11,814,189	\$9,007,708	-23.8%

Budget Busters – Snap Shot

- Retirements/Pensions : 6%; Early Retirement Initiative (ERI) in FY11 = additional \$102,000.
- Liability and Workers Compensation Insurance: 63%.
- Elections budget, up 66% due to the Presidential Primary and General Elections both of which occur in FY2013.
- The County Sheriff instituted a new charge for dispatch services and CMED calls which impacted the Fire Department budget in FY2013 even as we explore Regional Dispatching which may be 2-3 years out.
- Utilities: 42% increase. Solar Projects in FY14
- WWTF: Fully Operational at an increase of 41% to FY12

Budget Busters – Snap Shot

Non-discretionary Increases to “Level-Funded” Directive:

• Health Insurance	\$ 0
• Pension Assessment	\$215,000
• Unemployment Compensation	\$ 50,000
• Liability Insurance	\$ 50,000
• Worker’s Compensation	\$ 30,000
• Fire Overtime	\$ 0
[\$100,000 level FY2012 also in FY2013]	
• Technical Contracts	\$ 115,000
• Step Increases	\$ 75,000
• Sewer Operating Costs	\$305,000
	<u>\$840,000</u>

Cost of Living Adjustments (Wages)

	FY07	FY08	FY09	FY10	FY11	FY12	Fy13
● 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%	

Water Department Operating Budget

Supplemental Funding Requests

\$600,160 in supplemental requests

\$79,713 is recommended

- General Government: \$81,800 - Reorganization
- Public Safety: \$29,250 - Technology contracts, medical supplies and fitness tests
- Community Development: \$34,723 - Reorganization
- Health & Environment: \$7,800 - Landing Officer
- Public Assistance Grants: \$12,480 - Library and Child Care Network increase
- Public Works (Facilities) reduction of (\$86,340) - Reorganization

Reorganization

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

Staffing Levels

- Staffing levels have reduced from a high of 141 in 2009 to 125 in 2012.
- The FY2013 staffing level once again reflects the Town's policy of shifting resources towards areas of need and gaining efficiencies in existing departments.

Five Year Capital Plan

CAPITAL PROGRAM & BUDGET SUMMARY:	FY 12	FY 12	FY 13	FY 13
	Request	Actual	Request	Approved
General Government	190,000	60,000	94,300	89,300
Public Safety	259,100	65,100	294,539	40,039
Community Development	60,000	-	12,500	12,500
Health & Environment	156,000	124,000	786,000	374,000
Public Works (without Water)	735,000	286,000	1,486,000	278,000
Equipment	547,188	352,500	1,373,202	1,018,154
Total Capital Budget	1,947,288	887,600	4,046,541	1,811,993

Five Year Capital Plan

CIP - Project	Dept	FY13 Req	FY13 TMGR Rec
Land Management, Assessment & GIS	IT	\$ 12,500	\$ 12,500
Hardware replacement & upgrade	IT	\$ 26,800	\$ 26,800
Consulting & Engineering	TM	\$ 50,000	\$ 50,000
Stabilization Kit	FD	\$ 10,039	\$ 10,039
Generator Cables	EMGT		\$ 12,000
Aids to Navigation	HBR	\$ 10,000	\$ 5,000
\$5,000 per year proposed from Waterways Impr Fund			
Mooring Management	HBR	\$ 8,000	\$ 4,000
\$4,000 per year proposed from Waterways Impr Fund			
Town Landing Maintenance	HBR	\$ 4,000	\$ 4,000
\$4000 in '12 & '13 proposed from Waterways Impr Fund			
Boat Maintenance & Equipment	HBR	\$ 6,000	\$ 5,000
GIS Flyover	CD	\$ 12,500	\$ 12,500
Drainage/Stormwater Management	STW	\$ 20,000	\$ 20,000
Dredging Program	CR	\$ 75,000	\$ 75,000
Aerial Shoreline Condition Photo Survey	CR	\$ 9,000	\$ 9,000
Town Landing Infrastructure Improvements	CR	\$ 20,000	\$ 20,000
\$10,000 from waterways improvement			

Five Year Capital Plan-Cont'd

CIP - Project	Dept	FY13 Req	FY13 TMGR Rec
Relocate Skate Park & Add Walking Track \$45,200 repurposed article Volunteer Park	P&R	\$ 60,000	\$ 60,000
Road Resurfacing	HWY	\$ 210,000	\$ 100,000
Emergency Road Repair	HWY	\$ 10,000	\$ 10,000
Catch Basins	HWY	\$ 50,000	\$ 25,000
Road Maintenance Projects	HWY	\$ 28,000	\$ 12,000
Street Signs	HWY	\$ 6,000	\$ 5,000
Property Management/Building Maintenance Projects	TM	\$ 200,000	\$ 40,000
Cemetery -Clean & Repair Head Stones	CEM	\$ 1,000	\$ 1,000
Airport -Continuing Modernization	TM/AIR	\$ 25,000	\$ 25,000
Annual Cruisers (2) Replacement	PD/TM	\$ 34,998	\$ 23,332
Replace Chief's Unmarked Admin. Vehicle	PD/TM	\$ 10,940	\$ 10,940
Replace Animal Control Vehicle	PD/TM	\$ 9,882	\$ 9,882
Purchase of Police Motorcycle	PD/TM	\$ 4,000	\$ 4,000
Purchase of Quint Apparatus	FD/TM	\$ 850,000	\$ 850,000
Shellfish Truck Replacement	CR/TM	\$ 28,000	\$ 28,000
Replace H&E Vehicle	H&E/TM	\$ 27,000	\$ 27,000
Flat Bed Truck, Plow & Crane	SEW/TM	\$ 65,000	\$ 65,000
		\$ 2,133,659	\$ 1,811,993

CIP Funding Sources

	FY12	FY 13	FY 13
	Approved	Request	Proposed
Free Cash	814,300	582,327	582,327
Waterways Improvement Funds	-		38,000
Cemetery Sale of Lots	1,000		1,000
Shellfish Revolving	8,000		8,000
Prior Articles	64,300		45,200
Capital Exclusion		850,000	850,000
Raise & Appropriate			287,466
Total Funding Sources	887,600	1,432,327	1,811,993
		(\$2,614,214)	\$0

Water Department Capital Requests

- \$650,000 for the construction of the Mill Pond Wells' pumps and pump houses
- \$770,000 design costs for an Iron Removal Treatment Facility

Use of Proposed “Savings” from School Regionalization

- Fund the Capital Budget which is necessary due to the decrease in free cash
- Offset the increase in the operating expenses for the Wastewater Treatment Facility Plant
- Offset increases in employee benefits and non-discretionary items (“budget busters”)
- Offset the decrease in local receipts



Next Steps...