




FY10 Budget Presentation

***DIFFICULT TIMES
REQUIRE DIFFICULT DECISIONS***



Background

- For several years the budget process has been one of reduction and shifting resources.
- We are at the end of ability to maintain services with current resources.
- The nature of our problems are such that we either accept a reduction in services or seek additional revenue.
- This view was reviewed and validated by the Financial Planning Committee Report in September.

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- This is the most challenging budget environment since the passage of Proposition 2.5
 - General economy weak
 - Our citizens are concerned about their future
 - State Government is in poor fiscal condition
 - Short-term outlook is clouded



Financial Approach

- Recognize situation is worsening
- State Aid Reductions certain
- Weaker Local Receipts
- Will need to utilize non-traditional revenue sources
- Will need to depend on Stabilization Fund to a greater extent than preferred



REVENUES SOURCES

- PROPERTY TAXES
- STATE AID
- LOCAL RECEIPTS



Property Taxes

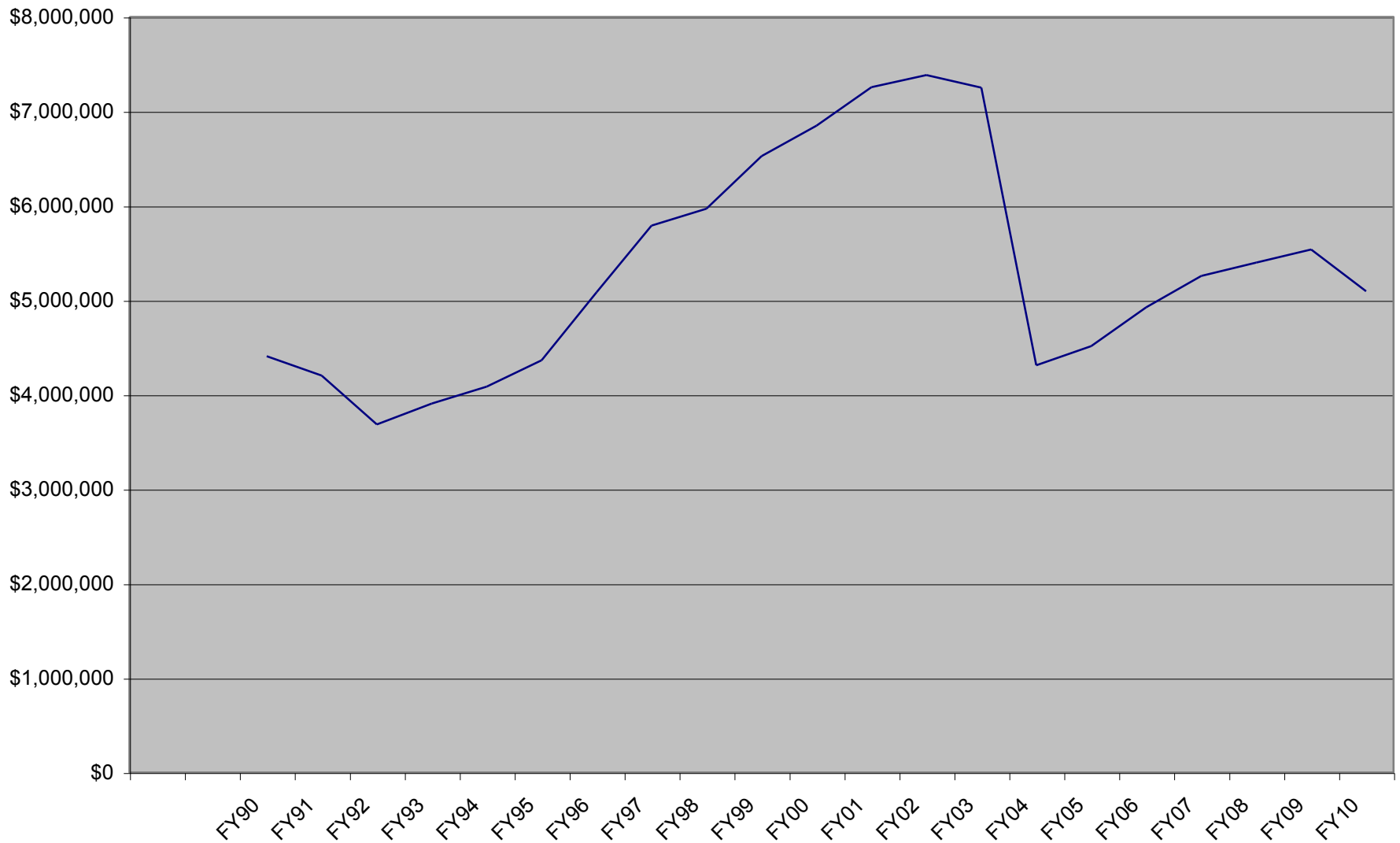
- Base Tax Levy
- 2 ½ Percent Increase
- New Growth
- Debt Exclusion



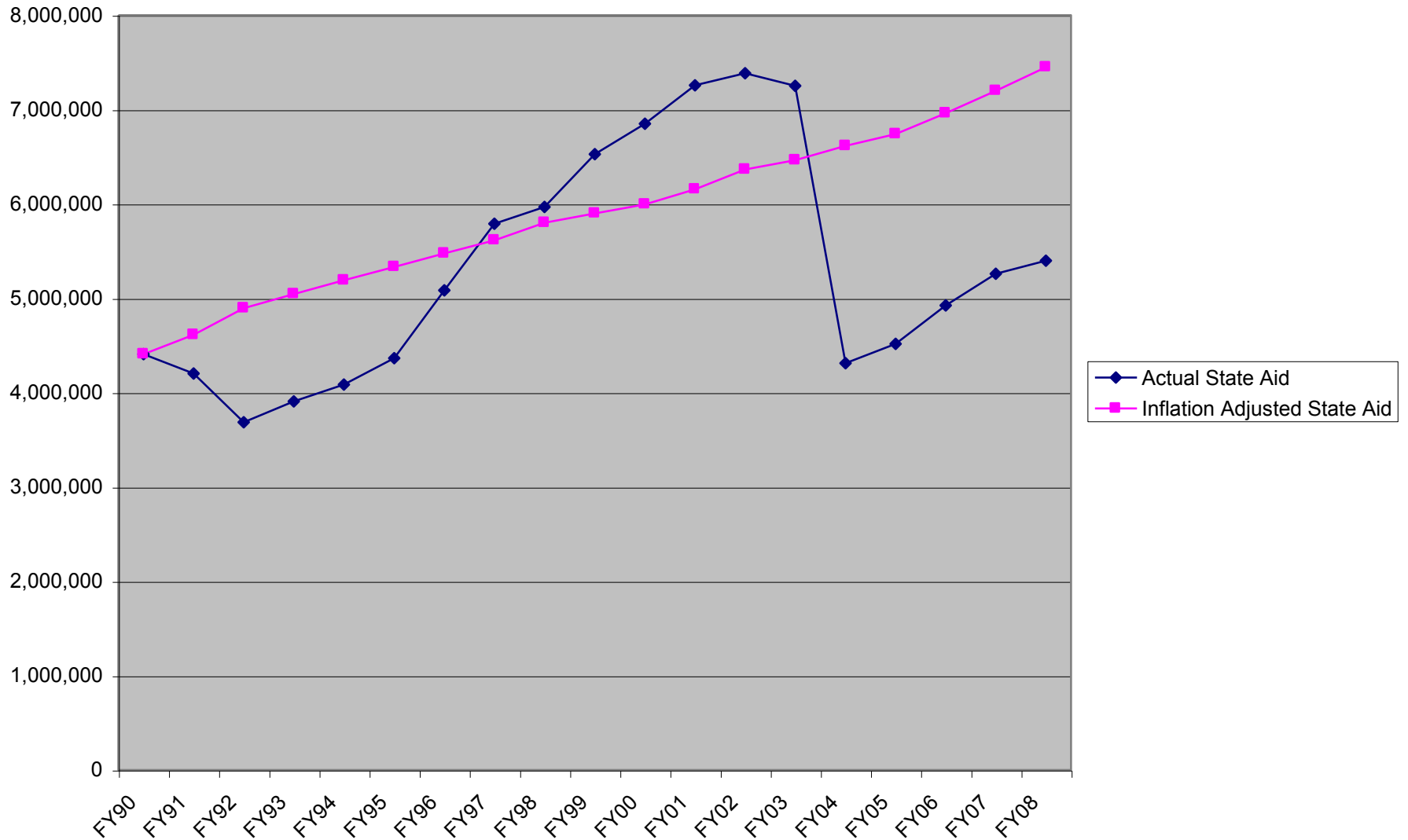
State Aid (Cherry Sheet)

- Education Items
- General Government Assistance
- Less School & Library Off-Sets

STATE AID HISTORY FY90-FY2010



FY90-FY2008 Actual vs. Inflation Adjusted State Aid





Local Receipts Types

- Estimated Receipts
- Overlay Surplus
- Available Funds (Free Cash)
- Stabilization Account
- Payment In-Lieu of Taxes (Pilot)
- Teacher's Deferral
- Other Funds



Revenue Assumptions

- Assume **(10%)** reduction in State Aid
- Assume **(15%)** reduction in Estimated Receipts
- Anticipate using an additional \$350,000 dollars from Stabilization Account . This action would bring our Stabilization Account to approximately 1.1 million dollars
- Increase Payment –In Lieu of Taxes from the Light Department by \$200,000

I	Revenue Summary	FY09	FY10	Dollar Change	Percent Change
1	Real Estate/Property Taxes				
2	Base Tax Levy	20,373,534	21,107,872	734,338	3.60%
3	Statutory 2 1/2 Increase	509,338	527,697	18,358	3.60%
4	Growth in Tax Base	225,000	150,000	(75,000)	-33.33%
5	Debt Exclusion-High School	465,723	486,275	20,552	4.41%
6	Total Tax Levy	21,573,595	22,271,844	698,249	3.24%
7	Intergovernmental Revenues				
8	State Revenue Sharing	6,811,246	6,130,121	(681,125)	-10.00%
9	Less School & Library Offsets	(19,066)	(19,257)	(191)	1.00%
10	Projected Net State Aid	6,792,180	6,110,865	(681,315)	-10.03%
11	Local Receipts				
12	Estimated Receipts	3,290,400	2,796,840	(493,560)	-15.00%
13	Overlay Surplus	225,000	0	(225,000)	-100.00%
14	Available Funds (Free Cash)	705,805	340,379	(365,426)	-51.77%
15	Stabilization Fund	234,874	281,553	46,679	19.87%
16	Additional Stabilization Usage	0	375,000	375,000	
17	Additional PILOT-Light	0	200,000	200,000	
18	Additional PILOT-Sewer	0	150,000	150,000	
19	Teachers Deferral	48,778	0	(48,778)	-100.00%
20	Receipts Reserved-Parking Meters	20,000	10,000	(10,000)	-50.00%
21	Sale of Cemetery Grave Account	30,000	15,000	(15,000)	-50.00%
22	Total Local Receipts	4,554,857	4,168,772	(386,085)	-8.48%
23	Enterprise Funds				
24	Sewer Operating Budget	2,305,645	2,305,645	0	0.00%
25	Sewer Debt	392,160	388,001	(4,159)	-1.06%
26	Harbormaster	148,137	159,000	10,863	7.33%
27	Total Enterprise Fund Revenue	2,845,942	2,852,646	6,704	0.24%
28	TOTAL RECEIPTS	35,766,574	35,404,127	(362,447)	-1.01%



EXPENDITURE SUMMARY

- Operating Budget
- Insurances
- Pension
- Debt & Interest
- Reserve Fund
- Capital Improvements
- Enterprise Funds
- Other Charges & State Assessments



Operating Budget

- Covers the day-to day expenses of each departments operations
 - General Government Departments
 - School Department
 - Public Works
 - Public Safety
 - All Other Departments



Insurances

- Health Insurance
- Property Insurance
 - Covers exposure of all Town owned property
- Workers Compensation
 - Used for employees who have claim
- Unemployment Insurance



Pension System

■ Contributory Retirement

- Covers all municipal employees (except Teachers)
- Funding schedule based on investment return and actuarial study

■ Non-Contributory Retirement

- Covers a few former employees who worked for Town prior to establishment of current retirement system



Debt & Interest

- Payments for large infrastructure projects and Equipment such as:
 - Town buildings new and renovated
 - Equipment purchases



Capital Improvements

- Used to replace equipment and vehicles
- Used to replace critical infrastructure



Enterprise Funds

- Budget for operating and capital expenditures
- Department fully supported by user fees

- Sewer Enterprise
- Harbormaster Enterprise



Other Expenditure Items

- Teacher's Deferral
- Overlay
- Snow Removal Deficit
- Debt & Interest Deficit
- State & County Assessments
- Charter School Assessment

Expenditure Side Assumptions

- General Government/School Operational Split remains at 10 year historical split of 42% / 58%

TARGET	Total Operational Budget	General Gov't	School Dept
FY09	\$ 21,998,419	\$ 9,228,419 41.95%	\$ 12,770,000 58.05%
FY10 (-10%)	\$ 19,872,753	\$ 8,379,753 42.17%	\$ 11,493,000 57.83%

LONG TERM SHARE OF OPERATIONAL BUDGET

<u>Fiscal Year</u>		<u>Total Operational Appropriated</u>	<u>School Department Budget</u>	<u>General Government Services</u>
FY99		\$ 16,937,447	\$ 9,165,199	\$ 7,772,248
	Percentage Share of Gross		54.11%	45.89%
FY00		\$ 18,207,032	\$ 9,684,776	\$ 8,522,256
	Change Yr to Yr	\$ 1,269,585	\$ 519,577	\$ 750,008
	Percentage Share of Gross		53.19%	46.81%
FY01		\$ 17,934,052	\$ 10,220,776	\$ 7,713,276
	Change Yr to Yr	\$ (272,980)	\$ 536,000	\$ (808,980)
	Percentage Share of Gross		56.99%	43.01%
FY02		\$ 19,073,216	\$ 10,820,770	\$ 8,252,446
	Change Yr to Yr	\$ 1,139,164	\$ 599,994	\$ 539,170
	Percentage Share of Gross		56.73%	43.27%
FY03		\$ 20,036,832	\$ 11,420,776	\$ 8,616,056
	Change Yr to Yr	\$ 963,616	\$ 600,006	\$ 363,610
	Percentage Share of Gross		57.00%	43.00%
FY04		\$ 20,354,553	\$ 11,736,601	\$ 8,617,952
	Change Yr to Yr	\$ 317,721	\$ 315,825	\$ 1,896
	Percentage Share of Gross		57.66%	42.34%
FY05		\$ 21,138,092	\$ 12,204,347	\$ 8,933,745
	Change Yr to Yr	\$ 783,539	\$ 467,746	\$ 315,793
	Percentage Share of Gross		57.74%	42.26%
FY06		\$ 21,723,894	\$ 12,647,251	\$ 9,076,643
	Change Yr to Yr	\$ 585,802	\$ 442,904	\$ 142,898
	Percentage Share of Gross		58.22%	41.78%
FY07		\$ 22,593,478	\$ 13,105,919	\$ 9,487,559
	Change Yr to Yr	\$ 869,584	\$ 458,668	\$ 410,916
	Percentage Share of Gross		58.01%	41.99%
FY08		\$ 22,583,404	\$ 13,105,919	\$ 9,477,485
	Change Yr to Yr	\$ (10,074)	\$ -	\$ (10,074)
	Percentage Share of Gross		58.03%	41.97%
FY09		\$ 21,996,419	\$ 12,770,000	\$ 9,226,419
	Change Yr to Yr		\$ (335,919)	\$ (251,066)
	Percentage Share of Gross		58.05%	41.95%
FY10		\$ 19,872,753	\$ 11,493,000	\$ 8,379,753
	Change Yr to Yr		\$ (1,277,000)	\$ (846,666)
	Percentage Share of Gross		57.83%	42.17%

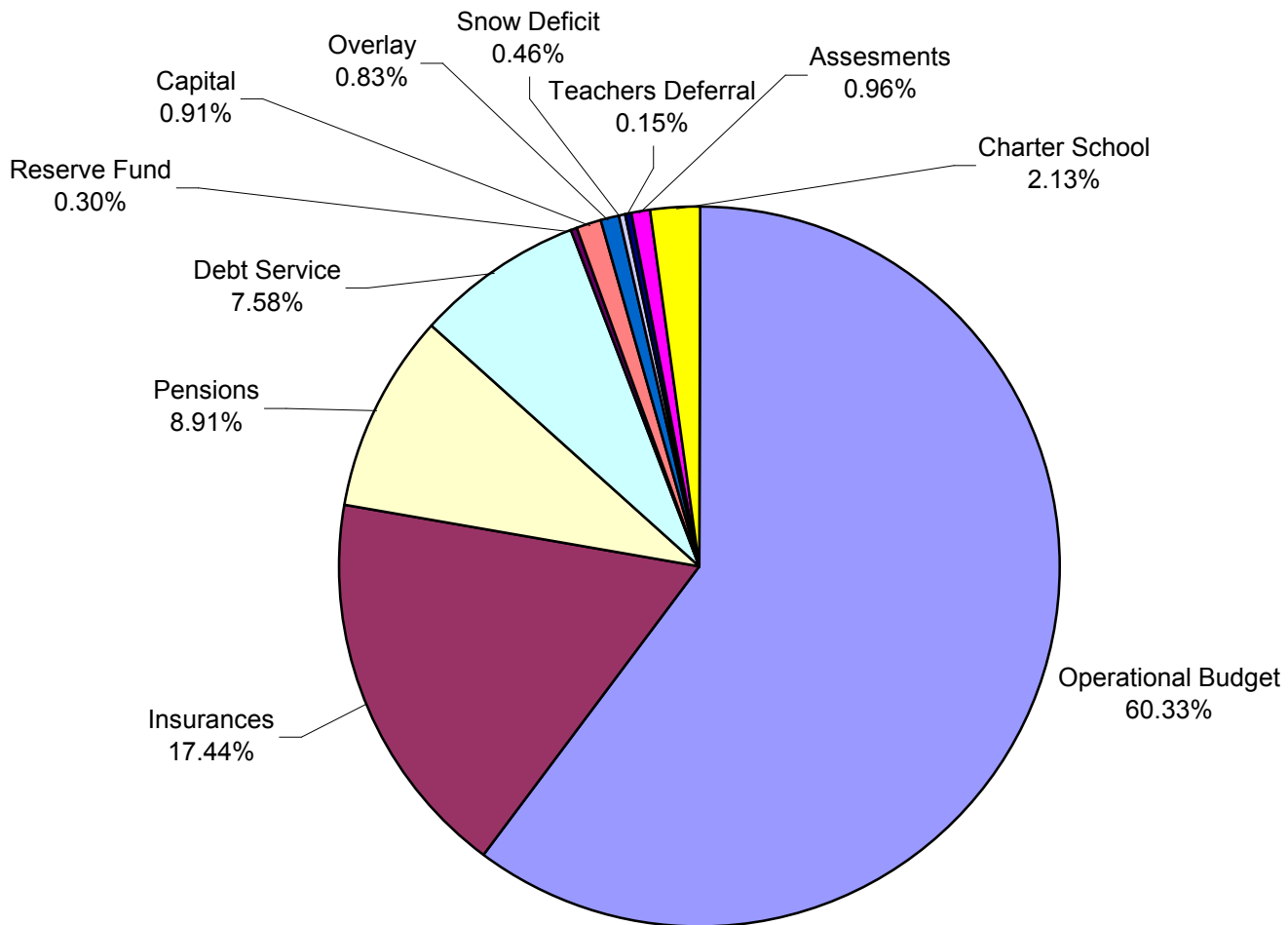


Expenditure Assumptions (cont.)

- **Reserve Fund Increased to reflect uncertainty of times**
- **Health Insurance Increases by 12% to reflect trend**
- **Unemployment Insurance increased to cover increased costs**
- **Charter School Assessment has been reduced to reflect current enrollment**

II	Expenditure Summary	FY09	FY10	Dollar Change	Percent Change
29	General Government	9,228,419	8,379,850 (2)	(848,569)	-9.20%
30	School Department	12,770,000	11,493,000 (2A)	(1,277,000)	-10.00%
31	General Reserve	30,000	100,000	70,000	233.33%
32	Health Insurance	4,080,950	4,570,664 (3)	489,714	12.00%
33	Other Insurances	705,364	740,632 (4)	35,268	5.00%
34	Unemployment	80,000	435,000 (5)	355,000	443.75%
35	Pension Total	2,845,025	2,935,000 (6)	89,975	3.16%
36	Debt & Interest	1,236,283	2,108,634	872,351	70.56%
37	Sewer Debt	392,160	388,001	(4,159)	-1.06%
38	Capital Improvements-General	229,404	300,000	70,596	30.77%
39	Capital Improvements-Major	0	0	0	
40	Total Services Costs	31,597,605	31,450,781	(146,824)	-0.46%
41	Enterprise Funds				
42	Sewer Operating Budget	2,305,645	2,305,645	0	0.00%
43	Harbormaster Operating Budget	148,137	158,367	10,230	6.91%
44	Enterprise Fund Expenditures	2,453,782	2,464,012	10,230	0.42%
45	Other				
46	Teachers Deferral	94,555	48,778	(45,778)	-48.41%
47	Overlay	250,000	275,000	25,000	10.00%
48	Snow Removal Deficit	150,000	150,000	0	0.00%
49	Debt Interest Deficit	0	0	0	
50	Other Total:	494,555	473,778	(20,778)	-4.20%
51	Intergovernmental Charges				
52	State County Assessments	312,432	315,556	3,124	1.00%
53	Charter School Assessment	941,100	700,000 (7)	(241,100)	-25.62%
54	Intergovernmental Total	1,253,532	1,015,556	(237,976)	-18.98%
55	TOTAL EXPENDITURES	35,799,474	35,404,127	(395,347)	-1.10%
	NET EXCESS/(DEFICIT)	(32,900)	(0)		

FY10 Expenditure Share of Budget





BUDGET A

- DEPARTMENTAL LEVEL



General Approach

- Determine Strategy for Reductions
 - Equal percentage to all departments; or
 - Selected reductions to maintain operations
 - Recognize some departments cannot be reduced due to limited size



Departmental Impacts

- There is little to like about this budget
- This budget is a step backwards regarding services
- There is demand for every service we offer
- Significant impact to quality of services and citizen satisfaction
- **Difficult times require difficult decisions**



Departmental Impacts

Town-wide Accounts

- Anticipated increase in water costs account for the change

Assessors

- Staff reduction from 2 full-time clerical positions to 1.5 positions
- Likely close office to public one day per week
- Delivery of abutters lists to take 4-7 days from current standard of 1 day
- Motor Vehicle and Boat Excise processed on weekly basis as opposed to daily

Tax Collector

- Staff reduction from full time Treasurer to Part-time (35 hours per week to 28 hours per week- loss of 1 day per week)
- Eliminate part-time Clerical Position
- Slower retrieval of information, issuance of ML Certificates, etc
- Some days office closed to general public when bills being prepared for mailings



Parking Clerk

- Reduce Parking Clerk from 17.5 hrs/week to 12 hrs per week
- Less availability for public. Will only address tickets on a pre-determined schedule

Boards and Commissions

- Elimination of Domestic Violence Grant that assists those in need

IT Department

- Will off-line a portion of this budget to the Cable Department as part of the Town's communication efforts

Conservation

- Reduction of full-time agent to 28 hours (loss of 1 day)
- Applying for and administering FEMA elevation grants. (If the current grants in process are received, administration of the grants will need to be assigned to another employee).
- CRS, it will not be possible to lead an effort to reach a 15% discount rate. The Conservation Administrator will not be able to serve as CRS Coordinator for the 5-year re-application
- Not possible to maintain the current level of involvement in beach management activities
- Longer issuance time for permit application



Police Department

- **Loss of 2 positions**
- **Increased perception in the fear of crime**
- **Loss of a full time detective**
- **Reduction in patrol strength**
- **Reduction in directed patrols**
- **Reduction in community policing**
- **Removal of full time prosecutor**
- **K-9 officer reduction or elimination of same**
- **Delayed response times**
- **Impact to officer safety**

Dispatch

- **Reduction in training funds. Off-set by grant**

Animal control

- **Reduce animal control officer to part-time position 17.5 hrs per week**
- **Fewer hours for enforcement**
- **Diminished ability to respond to complaints**



Fire Department

- Decreasing of staffing levels jeopardizes safe firefighting practices and capabilities and recognized national standards.
- The loss of two highly trained firefighter paramedics in which the town has recently invested over \$28,000.00 in training and personnel protective equipment.
- The elimination of the two (2) firefighter/paramedic positions
 - The further reduction in the overall staffing level of the department has a direct effect on overtime requirements
 - Increase in overtime usage will draw down the department's overtime account potentially months earlier.
 - Overtime shortfall will require the closure of the Village Fire Station during "routine" winter and coastal storms.
 - There will be the potential for the random closing of the Greenhill station during the later months of the fiscal year. This closure will impact response times from Water Street south. This could be further predicated by any unforeseen injuries or long term absences.
 - Reduction of callback personnel for major fires and emergencies.
- Reduction in state mandated training and re-certification programs potentially further increasing the town's liability.



Building Department

- Reduce assistant building inspector to part-time
- Longer application review
- Times when office closed-lunch hours, etc
- Less availability to respond to complaints

Shellfish Warden

- Salary reduction.
- Slightly less availability to public

Highway Department

- Reduction in clerical position to part-time
- Less availability for public to reach department

Landfill

- Close Recycling Center
- Citizens will have to contract with private company
- May be an opportunity to outsource operation

Midge Control

- Reduced to reflect annual anticipated costs



Board of Health

- Reduce Department to Health Agent and part-time clerical support and 10hrs per week of Public Health Nurse
- Eliminates Social Service Coordinator position
- Those in need will have to find alternate services
- Flu clinics curtailed
- Slower complaint resolution

Library

- Department services severely curtailed
- Loss of service for residents
- No service access to libraries in Old Colony Network

Park and Recreation

- Funding slashed.
- All services will have to be fee based

War Memorial

- Funding slashed
- Landscaping service assumed by DPW
- Donations will need to be generated for other event related activities

Department/Description		FY07 Actual	FY08 Actual	FY09 Approp	TM FY10 Budget	%% Budget	Dollar Change	%% Change
Elections	113	11,679	7,153	10,000	10,000	0.03%	0	0.00%
Town Moderator	114	420	420	425	425	0.00%	0	0.00%
Town Manager	121	197,606	208,659	213,325	213,325	0.68%	0	0.00%
Selectmen	122	124,001	126,171	131,880	131,880	0.42%	0	0.00%
Town Wide Accounts	124	282,300	257,510	261,198	282,094	0.90%	20,896	8.00%
Advisory Board	131	7,551	4,884	7,600	7,600	0.02%	0	0.00%
Accountant	135	103,826	111,943	119,191	119,191	0.38%	0	0.00%
Assessors	141	183,667	194,726	195,231	165,166	0.53%	(30,065)	-15.40%
Treasurer	145	100,144	90,968	96,724	96,724	0.31%	0	0.00%
Tax Collector	146	169,155	180,676	182,945	151,381	0.48%	(31,564)	-17.25%
Parking Clerk	147	21,027	26,005	25,113	17,990	0.06%	(7,123)	-28.36%
Law Department	151	109,603	151,303	113,777	113,777	0.36%	0	0.00%
Boards & Commissioners	152	12,742	5,750	5,250	1,750	0.01%	(3,500)	-66.67%
IT	155	177,951	169,906	163,443	130,754	0.42%	(32,689)	-20.00%
Town Clerk	161	22,159	20,417	23,795	23,795	0.08%	0	0.00%
Board of Registrars	163	6,171	7,306	7,475	7,475	0.02%	0	0.00%
Conservation	171	68,209	61,345	68,191	57,906	0.18%	(10,285)	-15.08%
Planning Board	175	25,249	25,534	48,094	48,094	0.15%	0	0.00%
Board of Appeals	176	10,608	10,882	11,163	11,163	0.04%	0	0.00%
Town Buildings	192	125,892	149,546	117,104	117,104	0.37%	0	0.00%
Town Reports	195	4,500	4,500	4,500	4,500	0.01%	0	0.00%
Police Department	210	2,326,236	2,327,969	2,300,156	2,185,148	6.95%	(115,008)	-5.00%
Public Safety/Dispatch	215	384,802	391,319	429,473	407,999	1.30%	(21,474)	-5.00%
Fire Department	220	2,453,593	2,572,001	2,629,346	2,497,879	7.94%	(131,467)	-5.00%
Building Department	241	171,837	155,103	134,583	114,396	0.36%	(20,187)	-15.00%
Emergency Preparedness	291	4,375	4,500	4,500	4,500	0.01%	0	0.00%
Animal Control	292	35,559	38,265	44,037	26,203	0.08%	(17,834)	-40.50%
Shellfish	297	11,257	11,116	12,104	10,288	0.03%	(1,816)	-15.00%
School	301	13,099,412	13,105,919	12,770,000	11,493,000	36.54%	(1,277,000)	-10.00%
Highway	421	786,519	756,227	782,752	759,590	2.42%	(23,162)	-2.96%
Snow Removal	423	100,608	221,722	74,830	74,830	0.24%	0	0.00%
Landfill	430	121,502	95,806	124,094	64,400	0.20%	(59,694)	-48.10%
Grounds Maintenance	491	131,664	34,550	73,949	73,949	0.24%	0	0.00%
Midge Control	495	12,877	9,309	14,200	12,700	0.04%	(1,500)	-10.56%
Park Maintenance	496	53,111	57,711	54,680	54,680	0.17%	0	0.00%
Board of Health	511	196,541	201,936	192,668	106,176	0.34%	(86,492)	-44.89%
Council on Aging	541	112,140	133,993	119,257	119,257	0.38%	0	0.00%
Veterans' Services	543	76,557	175,408	80,663	80,663	0.26%	0	0.00%
Library	610	292,137	291,647	275,029	50,000	0.16%	(225,029)	-81.82%
Park and Recreation	650	70,976	64,070	61,808	20,000	0.06%	(41,808)	-67.64%
War Memorial	692	13,984	14,397	13,775	5,000	0.02%	(8,775)	-63.70%
Department Budgets		22,220,147	22,478,573	21,998,328	19,872,753	63.19%	(2,125,575)	-9.66%



Other Expenditure Adjustments

Reserve Fund

- Increase fund from \$30,000 dollars to \$100,000 in recognition of fiscal volatility and how tightly cast operational budgets are

Unemployment Insurance

- Increase Unemployment Insurance by \$335,000 in anticipation of costs from both Schools and General Government

Charter School Assessment

- Decrease assessment from \$941,000 dollars to \$700,000 to reflect drop in Charter School enrollment

11-13-08

Department/Description		FY07 Actual	FY08 Actual	FY09 Approp	TM FY10 Budget	%% Budget	Dollar Change	%% Change
Workers' Compensation		84,526	3,700	26,250	27,563	0.09%	1,313	5.00%
Unemployment Insurance		89,818	56,185	80,000	435,000	1.38%	355,000	443.75%
Life/Health Insurance		3,371,360	3,720,786	4,080,950	4,570,664	14.53%	489,714	12.00%
General Town Insurance		298,292	300,880	315,000	330,750	1.05%	15,750	5.00%
Medicare/FICA		213,544	216,348	225,000	251,375	0.80%	26,375	11.72%
Un-Insured Medical		31,783	38,301	52,500	40,000	0.13%	(12,500)	-23.81%
Fuel Reserve		0	0	86,614	90,945	0.29%	4,331	0.00%
Insurance Total	960	4,089,322	4,336,199	4,866,314	5,746,296	18.27%	879,982	18.08%
Contributory Retirement	918	2,545,053	2,651,887	2,739,825	2,863,117	9.10%	123,292	4.50%
Pension Non-Contributory		121,594	103,015	105,200	71,883	0.23%	(33,317)	-31.67%
Pension Total	970	2,666,647	2,754,902	2,845,025	2,935,000	9.33%	89,975	3.16%
General Government Principal		219,000	215,000	185,000	816,882	2.60%	631,882	341.56%
Debt Exclusion Principal		265,000	265,000	265,000	265,610	0.84%	610	0.23%
General Government Interest		208,896	141,281	123,081	701,059	2.23%	577,978	469.59%
Debt Exclusion Interest		386,082	186,700	177,094	193,005	0.61%	15,911	8.98%
Temporary Borrowings		571,865		486,108	104,417	0.33%	(381,691)	-78.52%
within levy							0	
outside levy (High School)					27,661	0.09%	27,661	
Sewer Debt Principal				305,369	308,097	0.98%	2,728	0.89%
Sewer Interest				86,791	79,904	0.25%	(6,887)	-7.94%
Debt Service Total	980	1,650,843	807,981	1,628,443	2,496,634	7.94%	868,191	53.31%
Reserve Fund	132	29,988	16,522	30,000	100,000	0.32%	70,000	233.33%
Capital Improvements	780	170,155	0	229,404	300,000	0.95%	70,596	0.00%
Total Budget		30,827,101	30,394,178	31,597,514	31,450,683	100.00%	(146,831)	-0.46%



Likely Outcomes With This Budget

- Broad reduction of services
- Increase reliance on fees
- Lower employee morale
- Continue slide of quality
- Reduced pride in community
- Reduced property values

FY10

Total Budget A:	\$	35,404,127	
Less Enterprise Funds	\$	(2,464,012)	\$ 32,940,115
Less Unclassified			
Debt	\$	(2,496,635)	
Insurances	\$	(5,746,296)	
Reserve Fund	\$	(100,000)	
Retirement	\$	(2,935,000)	
Capital Improvements	\$	(300,000)	
	\$	(11,577,931)	\$ 21,362,184
Less Other Assessments			
Overlay Reserve	\$	(275,000)	
State Assessments	\$	(1,015,556)	
Cherry Sheet Off-Sets	\$	(19,257)	
Teachers Deferral	\$	(48,778)	
Snow Supplement	\$	(150,000)	
	\$	(1,508,591)	\$ 19,853,593
Less Operating Budget			
Less School	\$	(11,493,000)	
Police/Dispatch/animal Control	\$	(2,619,351)	
Fire	\$	(2,502,379)	
Public Works	\$	(965,319)	
Town Wide Accounts	\$	(282,094)	
	\$	(17,862,143)	\$ 1,991,450
Balance Remaining For All Other Functions:	\$	1,991,450	