

Town of Sandwich

THE OLDEST TOWN ON CAPE COD

130 MAIN STREET
SANDWICH, MA 02563

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BOARD OF
SELECTMEN

TOWN
MANAGER

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BOARD OF SELECTMEN AGENDA

January 25, 2018 – 7:00 P.M.
Sandwich Town Hall – 130 Main Street

1. Convene Open Session in Auditorium
2. Pledge of Allegiance
3. Review & Approval of Minutes – 11/16/17, 1/18/18
4. Public Forum (*15 Minutes*)
5. Town Manager Report
6. Correspondence / Statements / Announcements / Future Items / Follow-up (*10 Minutes*)
7. Staff Meeting
 - Town Manager – Presentation of Recommended FY'19 Budget & Associated Issues
8. Old Business
 - Baksis Road Easement with NRG Canal LLC – 5/2/16 ATM, Article 21
 - Other Matters Not Reasonably Anticipated by the Chairman
9. New Business
 - Reappointments to Old King's Highway Historic District Committee: Architect Representative Amanda Sawyer & Alternate Ross Vanderpyl
 - Report on Any Approved Vendor & Payroll Warrants
 - Other Matters Not Reasonably Anticipated by the Chairman
10. Public Forum (*15 Minutes*)
11. Closing Remarks
12. Adjournment

Next Meeting: Thursday, February 1, 2018, 7:00 P.M., Sandwich Town Hall

**TOWN MANAGER
RECOMMENDED FY'19 BUDGET
PRESENTATION TO BOARD OF SELECTMEN**

January 25, 2018

FY'19 Budget Overview

- Selectmen Budget Instructions = Level-Service Budget = 2.50%
- No New Positions, No New Funding Initiatives
- With 2.50% Increase, Substantive In-Roads in IT Department Which Would Benefit All
- Retaining 8 Fire Department SAFER Grant Positions Requires Additional \$210,000 for FY'19 = 1.26% Above Level Service for Total of 3.76% Above FY'18
- FY'19 Capital Budget = \$1.0 Million within Current Budget Projections...May Need Future Adjustment

FY'19 Budget Presentation Overview

- Explain FY'19 Budget Binders
- “Financial Encyclopedia” Overview & Additions
- Recommended FY'19 Capital Budget
- Recommended FY'19 General Government Budget at 2.50%; 3.76% with SAFER Positions
- IT Improvements within 2.50%
- Overall Budget Trends, Recent In-Roads, Future Issues & Concerns

FY'19 Budget Binders

- FY'19 Budget Binders
 - Tab 1: Summary Information – Subject to Regular Changes
 - Tab 2: Financial History, Projections, & Analysis = “Town of Sandwich Financial Encyclopedia”
 - Tab 3: FY'19 Capital Budget
 - Tab 4: FY'19 General Government Budget
 - Tab 5: FY'19 School Department Budget
 - Tab 6: FY'19 UCCRVTS Budget
 - Tab 7: Miscellaneous Budget Information
- Entire Binder on www.sandwichmass.org with Direct Link on Homepage
- Reminder: Please Bring Your Budget Binder to All Upcoming Meetings

FY'19 Budget Binders

Financial History, Projections & Analysis – Tab 2

- Key Summary Information – Tab 2 of Budget Binders
 - 56 Different Worksheets with Over 75 Pages of Information
 - Executive Summary in Words – Updated for FY'19
 - Full Explanation of Revenues & Expenses
 - 9+ Years of Financial, Demographic, & Historic Data
 - Focused Documentation on FY'2010 – Present Unless Data Warranted Additional Years
 - Future Budget Projections
 - Explanation of Important Issues That Impact Budget the Most
 - How Tightly Sandwich Budgets Compared to Neighboring Communities
 - How Lean Sandwich Operations are Compared to Similar Communities
 - Where Each Dollar Comes From & Where Each Dollar Goes
 - Updated Annually with New Issues Highlighted Each Year
 - Best Resource to Increase Knowledge of Sandwich's Finances & Demographics

FY'19 Budget Binders – Tab 2

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EXECUTIVE SUMMARY	
1.	<p>Decreasing Debt Payments Despite Major, Long-Standing Capital Needs - Pages 18-29</p> <p>By FY'18, the Town's total annual outstanding exempt debt service obligations will have decreased by \$2.9 million since FY'06 and will decrease by \$4.5 million by FY'23 compared to FY'06. A detailed Long Range Capital Plan was presented to the Board of Selectmen in November 2012 providing recommendations on issuing future exempt debt to address significant capital needs that have put off for many years. Progress is being made on this list, but the lack of funding major capital needs for many years is not looked favorably upon by municipal bond rating agencies. The public safety building project is expected to impact debt service in FY'20. See chart of exempt debt on p. 29.</p>
2.	<p>Tuition Assessment Increase Impacts & Shortfalls - Pages 36-38</p> <p>Since FY'04, Tuition Assessments have increased from \$262,373 to \$3,658,051 in FY'18, a staggering 1,294%. Even over the last 5 years, we have still experienced an average increase of more than 8%. This pattern has meant that more and more of Sandwich's overall budget is being sent out of town. Local municipal and educational services have been reduced to fund students attending public educational opportunities outside of Sandwich. Most tellingly, in FY'18 State Tuition Assessments alone exceeded the total Discretionary Aid amount the Town received by \$1,358,651, making us a State Aid debtor community for the 6th consecutive year. See chart of this comparison on p. 38.</p>
3.	<p>Declining School Enrollment - Pages 67-69</p> <p>Since January 1, 2002, Sandwich Public School enrollment has declined substantially, losing 1,760 students from Sandwich. This represents a 42% decline in enrollment since the peak of the 2002-03 school year. Students taking advantage of other public, private, and home educational opportunities outside of Sandwich have increased significantly, totalling 680 students in the current school year, which represents 21% of Sandwich's Pre-K - 12 population. In addition, since the School Committee first voted to accept School Choice students from other towns in 2010, there are now 132 non-Sandwich students in the Sandwich Public Schools.</p>
4.	<p>Sandwich Budget Culture of "Cutting It Close" - Pages 52-54</p> <p>For many years Sandwich has budgeted its total expenses extremely close to its estimated revenues. This is reflected in our low Free Cash certifications, our modest Stabilization Fund balance, and the fact that we have had no Excess Levy Capacity for more than a decade. Compared to our 3 closest neighbors, our Free Cash certification is \$6.8 million below and our Stabilization Fund is more than \$5.5 million below their averages. See chart on p. 54.</p>
5.	<p>Average Tax Bill - Page 60</p> <p>Since FY'2010, the Town's average tax bill has increased by a total of \$1,367, or 32.27%. This reflects an annual average increase of 4.03% over those 8 years. For comparison purposes, Sandwich is \$341 dollars below the average tax bill in the Commonwealth and has been below the State average for 21 of the last 23 years. We have the second highest average tax bill on Cape Cod and the highest median household income. Demographically, Sandwich is much more similar to towns on the South Shore than Cape Cod.</p>
6.	<p>Stable, Aging Town Population - Pages 66 & 70</p> <p>The Town population has generally increased since the early 1990s, but the rate of increase has slowed significantly the last few years, with some annual decreases. The largest growing segment of our population continues to be those residents over-60, which now makes up 32% of our total</p>
7.	<p>Where Our Money Comes From & Goes - Pages 71-76</p> <p>Approximately 77% Sandwich's income comes from taxes, with 13% coming from State Aid, and 9% from other sources. Two-thirds (65%) of every dollar spent goes for educational costs and expenses, 30% for general government services, and 5% for overall expenses. See charts on pp. 72, 74, & 76.</p>

FY'19 General Government Budget Overview

Capital Budget – Tab 3

- FY'19 Capital Budget – Finalized Internally
 - Current Balance = \$1,006,610 in Net Capital Improvements
 - Continued Commitment to Annually Fund \$125,000 in Building Maintenance for Both Town & School
 - \$150K DPW Asphalt Paver for In-House Smaller Projects
 - \$50K School Demolition of HTW Portables
 - \$100K IT Inspections Software...with Hope of Leveraging Additional \$200K State Grant for Digitization of JSD Offices
 - Presented Capital Budget to CIPC Earlier This Week
 - Complete Copy of All Capital Submissions & Back-up Material on Town Website...Including Requests Not Funded

FY'19 General Government Operating Budget Overview – Tab 4

- FY'19 Budget Totals by Departmental Account
- FY'19 Budget Reflects:
 - 2.50% Increase Over FY'18...3.76% with Fire SAFER Positions
 - Purely a Level-Service Budget – No New Positions Included
 - Constantly Considering New Ways of Providing Services & Addressing Problems
 - Always Take Advantage of Reorganization Opportunities When Presented...Provided Sufficient Funding Exists
- Summary of Significant Budget Changes (+/- \$10,000) 2.50% Budget: Results in Substantive IT Improvements to Help All General Government Departments
- Retaining 8 SAFER Grant Positions Increases Budget 1.26%
- Needs Budget Summary
- Overall Budget Issues & Concerns

FY'19 General Government Budget Overview

Summary of Significant Budget Changes at 2.50%

<u>Acct.</u>	<u>Budget - Description</u>		<u>Change</u>
162	Elections & Registrations - Up Year in Normal Two-Year Cycle		10,500
197	IT - Software Improvements & MS Hosting Office 365 & E-Mail		75,000

- Shows No New Positions & Funding Initiatives Added
- IT Efforts:
 - Pays for Annual Recurring Costs for Added Software Packages
 - Supports Migration of Microsoft E-Mail & Office 365 Hosting to Cloud
 - Lays Groundwork for Future Town & School Financial Software Change
 - IT Improvements Benefit All Town Departments

FY'19 General Government Budget Overview

Summary of Significant Budget Changes at 3.76%

Summary of Only Budget Change Between 2.50% & 3.76%			
220	Fire - Expiration of Federal SAFER Grant in February 2019		210,000

- Reduces Post-Grant “Exposure” from \$750,000 to +/- \$250,000 in FY'20
- Addresses Only Major Public Service Not Equally Provided Throughout Town & Better Protects Most Important Site for Potential Public Safety Incident = Sandwich High School
- Ultimate Goal of Fully Funding SAFER Positions in FY'20 & Beyond Without Using Override or NRG PILOT Funding

FY'19 General Government Budget Overview

Long-Term Prioritized Needs Budget List

<u>Acct.</u>	<u>Budget - Description</u>	<u>Amount</u>
197	IT - Increased Annual Costs for IT Improvements & Windows 365 <i>(In Recommended FY'19 Budget)</i>	75,000
Multiple	Streamline Town Organizational Structure & Various Positions	440,000
420	DPW - Add'l Road & Infrastructure Maint. Funds Post-Road Bond	300,000
420	DPW - Add'l Parks Staff & Money for HTW School Fields	100,000
171 & 630	DNR & Recreation - Reduce Dependency on Beach Parking Acct.	150,000
		<u>1,065,000</u>

- Recommended 2.50% Budget Includes Top IT Priority
- Needs of the “The Big 3” Substantially Addressed Since FY’15 – Now Need to Focus on Smaller Department Needs
- Recognize No Funding Exists for Additional Needs Listed Above BUT Don’t Want Board to Forget Our Consistent, Multi-Year Priorities (August 2016 Material)

FY'19 General Government Budget Overview

Long-Term Needs Budget List – Public Safety Planning

<u>Acct.</u>	<u>Budget - Description</u>			<u>Amount</u>
221	Fire - (8) Fire/EMS to Staff 3rd Station - Post Fed. Grant Expiration (<u>Note</u> : Total Original Amount of \$750,000 down to +/- \$250,000)			250,000

- Recommended FY'19 Budget Reduces Post-Grant “Exposure” from \$750,000 to +/- \$250,000 in FY'20 = VERY Positive
- Will Strive to Not Use Any NRG PILOT Funds or Override to Retain Positions & Service
- Potential to Consider Increasing Ambulance Fund Operating Budget Transfer to Help Cover Remaining Cost

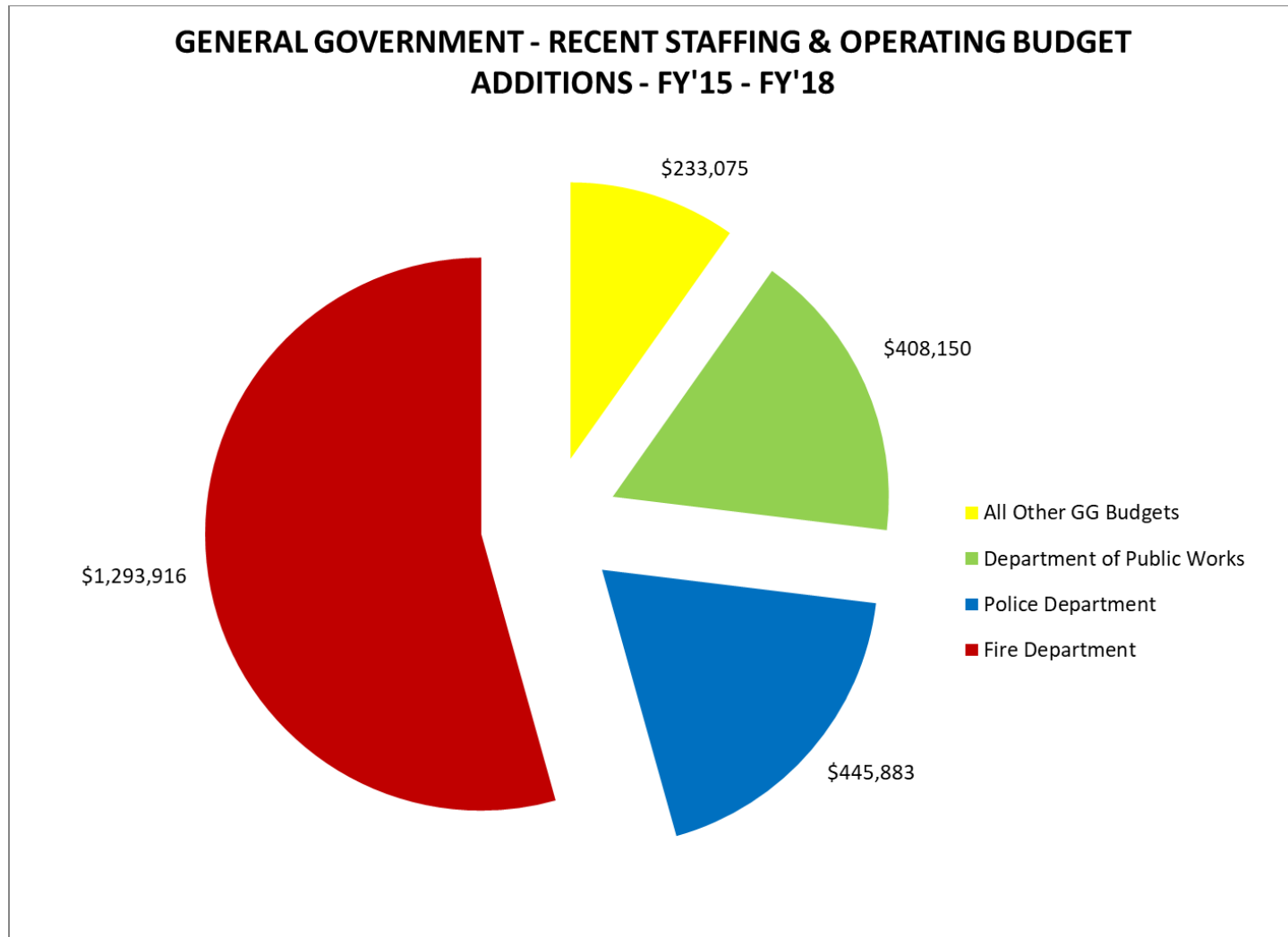
FY'19 General Government Budget Overview

Recent Progress on Prioritized Needs: FY'15 – FY'18

	<u>Budget - Description</u>	<u>FY Funded</u>	<u>Amount:</u>
All Other GG Budgets			
	175 - Assistant Town Planner	FY'15	45,000
	410 - GIS Analyst / Engineering Assistant (Net of Existing P-T Clerk Position)	FY'15	31,150
	197 - Add'l. Funds to Cover IT Software Maintenance & Equipment Costs	FY'15	50,000
	610 - Reduce Library Dependence on Donation Funds & Weston Fund Uncertainties	FY'15	29,500
	171 - DNR Assistance & Conversion to F-T Animal Control Officer (\$50,000 Needed)	FY'15	10,000
	630 - Recreation Department Program Coordinator	FY'16	41,600
	541 - Increase Funded Hours of Council on Aging Drivers	FY'16	12,500
	197 - Add'l Maintenance Coverage for Town Buildings	FY'18	13,325
	Total All Other GG Departments		<u>233,075</u>
Department of Public Works			
	420 - (2) DPW Laborers & Reorganize Positions	FY'15	108,150
	421 - More Realistically Fund DPW Snow & Ice Budget	FY'17	150,000
	420 - Add DPW Lease / Purchase of Capital Equipment Line Item to Operating Budget	FY'17	150,000
	Total DPW		<u>408,150</u>
Police Department			
	210 - General Operating Budget Increases	FY'15 & FY'16	40,000
	210 - Police Detective	FY'16	65,500
	210 - Net Cost Joint Civilian Dispatch: 5 Dispatchers = 1 Add'l Officer per Shift (6 Officers Total)	FY'16	172,214
	210 - More Realistically Fund Police Department Overtime	FY'17	150,000
	210 - Dispatch & Police Related OT Coverage	FY'18	18,169
	Total Police Department		<u>445,883</u>
Fire Department			
	220 - 3rd Ambulance Crew - (4) Fire / EMS Staff (\$1,100,000 & 12 Needed Total)	FY'16	326,000
	220 - More Realistically Fund Fire Department Overtime	FY'17	50,000
	220 - 3rd Ambulance Crew - (8) Fire / EMS Staff - <i>Post Federal SAFER Grant Cost</i>	FY'17	750,000
	220 - Increase OT & Holiday Comp Due to (8) Fire / EMS Staff	FY'18	167,916
	Total Fire Department		<u>1,293,916</u>

FY'19 General Government Budget Overview

Recent Progress on Prioritized Needs: FY'15 – FY'18



Overall Budget Issues & Concerns

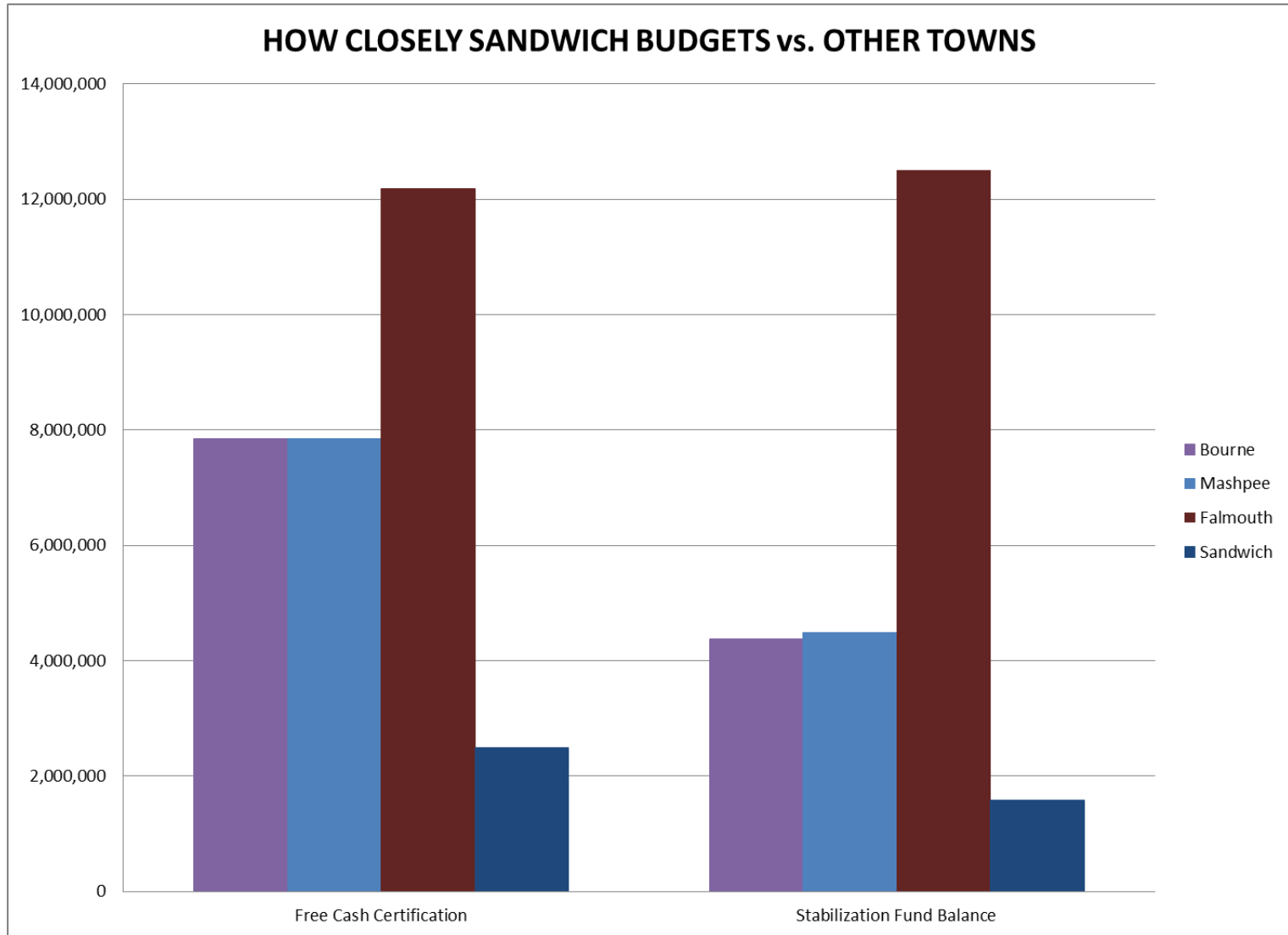
Emergency Reserves:			
.	General Stabilization Fund Needs to be Increased - compared to similar communities our size, Sandwich does not have a high enough Stabilization Fund; positive bond rating implications by increasing balance; 5-year goal = \$2.5 million; long-term goal = \$TBD; excellent source = Future Year 1 NRG PILOT Payment (<i>FY'19</i> = Adding \$ for 4th Consecutive Year)		

How Closely Sandwich Budgets vs. Other Towns

	FY'14		FY'15		FY'16		FY'17	
Town	Free Cash Certification	Stabilization Fund Balance	Free Cash Certification	Stabilization Fund Balance	Free Cash Certification	Stabilization Fund Balance	Free Cash Certification	Stabilization Fund Balance
Bourne	4,897,346	3,517,265	3,538,836	3,740,543	6,714,795	3,545,542	7,847,739	4,376,512
Mashpee	6,387,569	4,120,378	6,285,457	4,225,025	6,285,457	4,483,947	7,843,582	4,483,946
Falmouth	7,117,947	4,006,263	8,930,163	4,500,000	10,728,544	11,564,924	12,172,944	12,505,190
5-Town Ave.	6,134,287	3,881,302	6,251,485	4,155,189	7,909,599	6,531,471	9,288,088	7,121,883
Sandwich	2,016,440	1,025,000	1,763,451	1,224,369	2,721,373	1,329,329	2,485,339	1,576,393
Sandwich v. Ave.	-4,117,847	-2,856,302	-4,488,034	-2,930,820	-5,188,226	-5,202,142	-6,802,749	-5,545,490
	-204.21%	-278.66%	-254.50%	-239.37%	-190.65%	-391.34%	-273.72%	-351.78%

- Free Cash Certification: Reflection of How Closely A Town Budgets Each Year vs. Actuals
- Stabilization Fund Balance: Reflection of How Much Emergency Financial Reserves a Town Has if Something Goes Wrong

How Closely Sandwich Budgets vs. Other Towns



Overall Budget Issues & Concerns

<u>Tuition Assessments:</u>			
·	Tuition Assessments Largest Budget Impact over Last Decade - State Tuition Assessments have impacted Sandwich tremendously since FY'04; during the same period, local enrollments have dropped by more than 41% and Charter School reimbursement formulas & commitments from the State have been significantly underfunded and ignored; in FY18 Tuition Assessments topped \$3.65 million & exceeded the Town's Discretionary Aid by \$1.36 million		

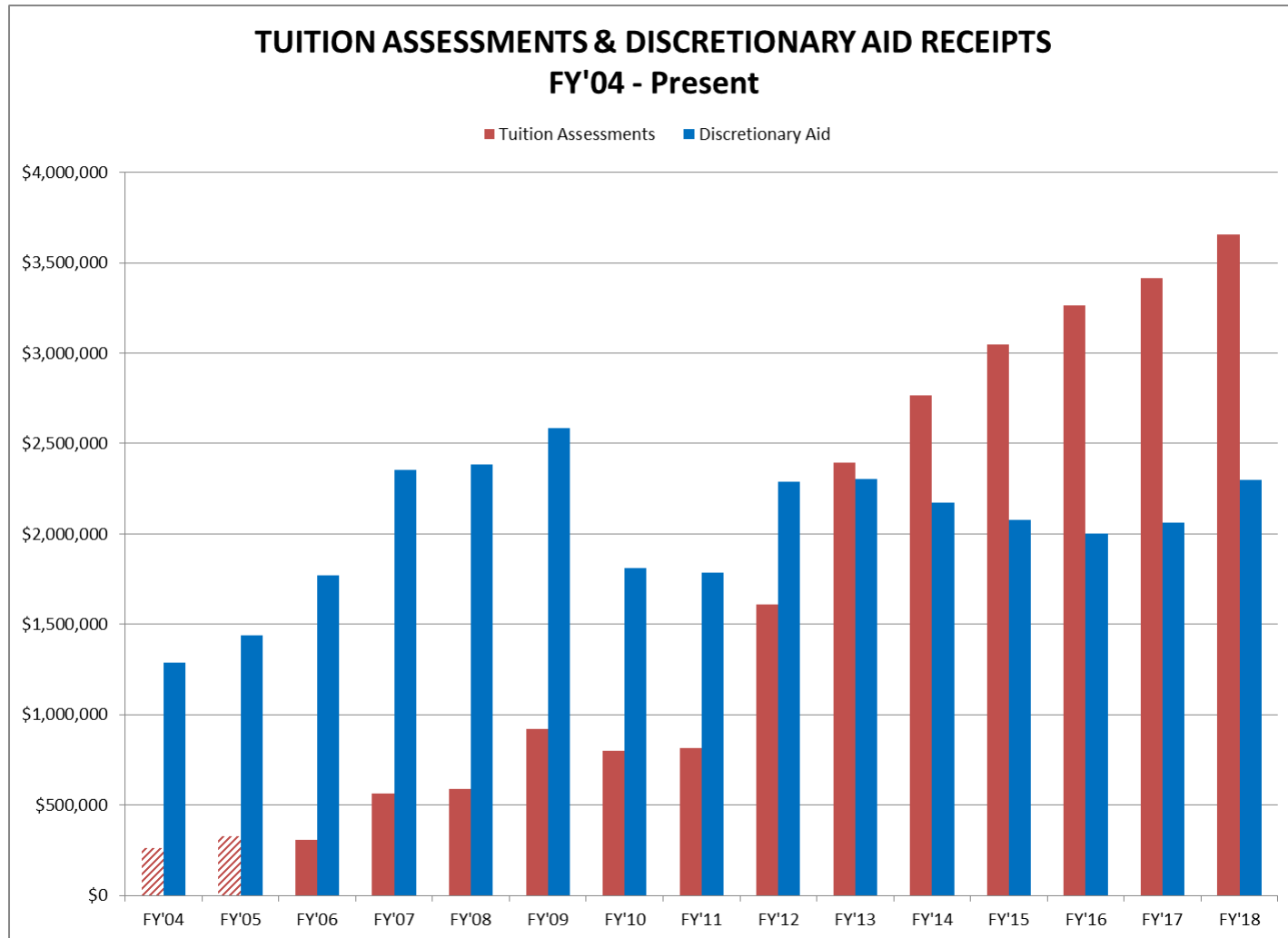
Tuition Assessments Budget History

THE Largest Budget Impact over Last Decade

- Tuition Assessments – Sandwich History = pp. 36-38 of Tab 2
- FY'18 Tuition Assessments = \$3.66 Million
 - 11.7% of Total Sandwich Public Educational Funding
 - Last Override in FY'06 = \$2.62 Million
 - FY'06 Tuition Assessments = \$300,000
 - \$3.36 Million Increase Since Last Override = Staggering
 - Average Annual Increase Last 5 Years = 8.14%
 - More Than \$1.5 Million Above UCCRVTs Assessment
 - 42% Local Enrollment Decrease Since Peak in FY'02
 - 21% of Pre-K – 12 Students Seek Non-Sandwich Educational Opportunities
- “Debtor” Community: Tuition Assessments vs. Discretionary Aid
 - “Debtor” Status First Occurred in FY'13, Now \$1.36 Million Difference
 - Charter Costs Up, Charter Reimbursements Down = Counterintuitive, But True
 - State Underfunding Charter Reimbursement Commitment More Than 50%
- State Budget Process History – Won't Know Final Assessment Estimate Until After July 1

Tuition Assessments Budget History

THE Largest Budget Impact over Last Decade

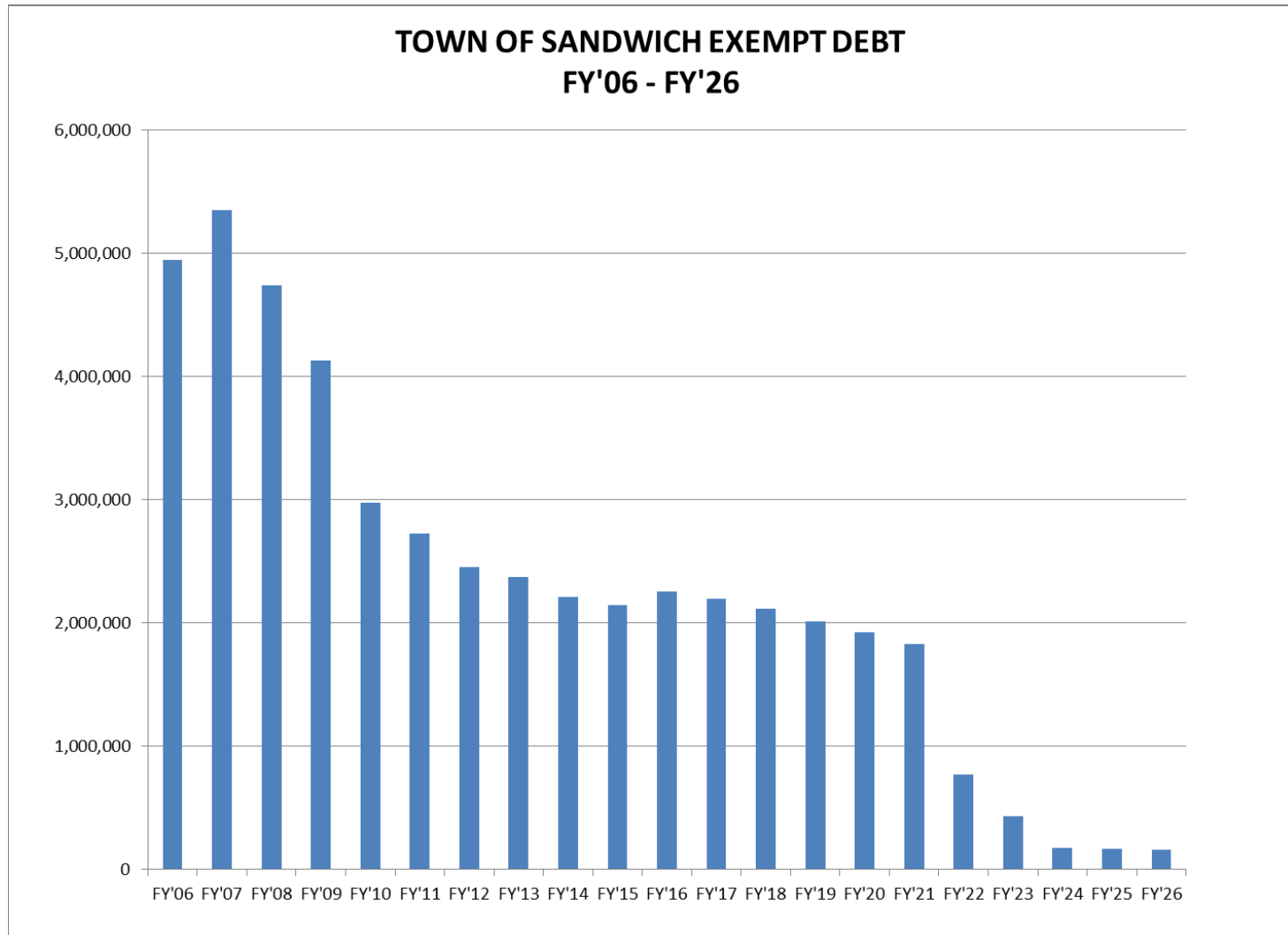


- FY'04 & FY'05: Tuition Assessments Paid From School Budget Per State Requirements

Overall Budget Issues & Concerns

Capital & Maintenance Needs:			
·	Annual Capital Needs Typically Exceed Available Funding...But Stronger Focus Last 5+ Years (<i>FY'19</i> = Funding more than \$1.0 million total and future years look better)		
·	School Needs More Funding for Capital & Maintenance (<i>FY'19</i> = Request for additional \$125,000 in School operating budget; \$125,000 already added to annual capital funding starting in FY'18; transfer HTW \$ from School to Town when appropriate)		
·	Large-Scale Projects Needing Exclusions or Alternative Means to Fund (<u>ex.</u> = Roads & Infrastructure incl. School & Town Facilities = <i>THIS IS BECOMING CRITICAL</i> ; Wastewater; HTW School; Senior Community Center; Library; Beach; Etc.)		
·	Existing Municipal Buildings - no place to combine appropriate departments; nowhere to put new staff; lack of modern office features & building code issues (<u>ex.</u> = financial departments & central administration; Annex; etc.)		

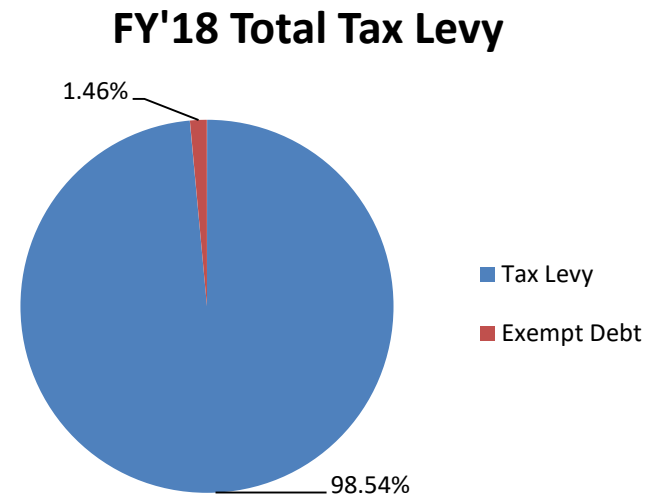
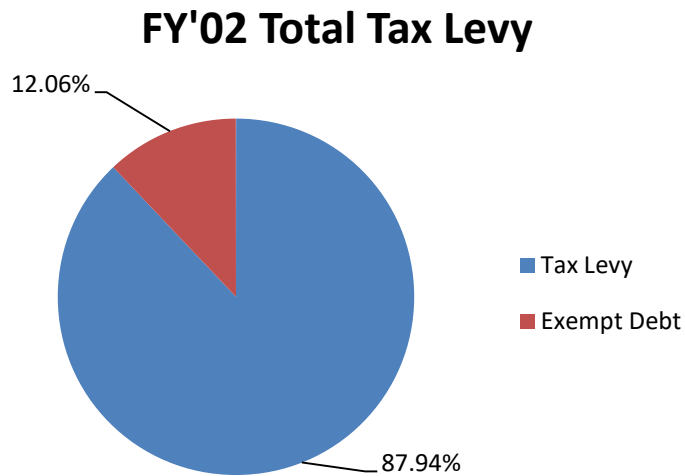
Large Scale Capital Needs



Note: Public Safety Debt Not Yet Bonded

Exempt Debt vs. Total Tax Levy

FY'02 vs. FY'18



Note: Public Safety Debt Not Yet Bonded

Overall Budget Issues & Concerns

<u>Employee-Related Costs & Employee / Debt Requirements:</u>	
·	Retaining 8 EMS/FF Positions from Federal SAFER Grant upon Expiration - need to continue to plan for expiration of federal hiring grant and cover full cost of retaining 8 EMS/Fire personnel by FY'20; (<i>FY'19</i> = Covering additional \$210,000 total annual cost thereby reducing final amount needed to cover full expense in FY'20 to +/- \$250,000)
·	Increased Cost of Town & School Employee & Liability Programs (<u>ex.</u> = health insurance = #1 focus area ; so-called "Cadillac Tax" costs which may take effect...or go away...in the future; retirement assessment; OPEB, Etc.)

FY'19 Budget Overview

FY'19 Projected General Fund Revenues & Expenses

- Changes Since Initial December 2017 FY'19 Projection
 - Less Overlay Release Funds Available (Bad)
 - Final County Retirement Assessment Slightly Lower (Good)
 - Lower Health Insurance Rate Increases...Not Voted (Good)
 - Transfer to Stabilization Fund Retained (Good)
 - Transfer to OPEB Trust Fund Retained (Good)
 - Showing a Lower Overall Deficit, But Still a Deficit (Good)
- Outside of Our Control & Awaiting Greater Clarification
 - State Cherry Sheets: Discretionary Aid, Ch. 70 Aid, Tuition Assessments, Other Assessments
 - FY'18 Snow & Ice Deficit...So Far, So Good
 - UCCRVTS Budget Assessment...Current Estimate “Close”

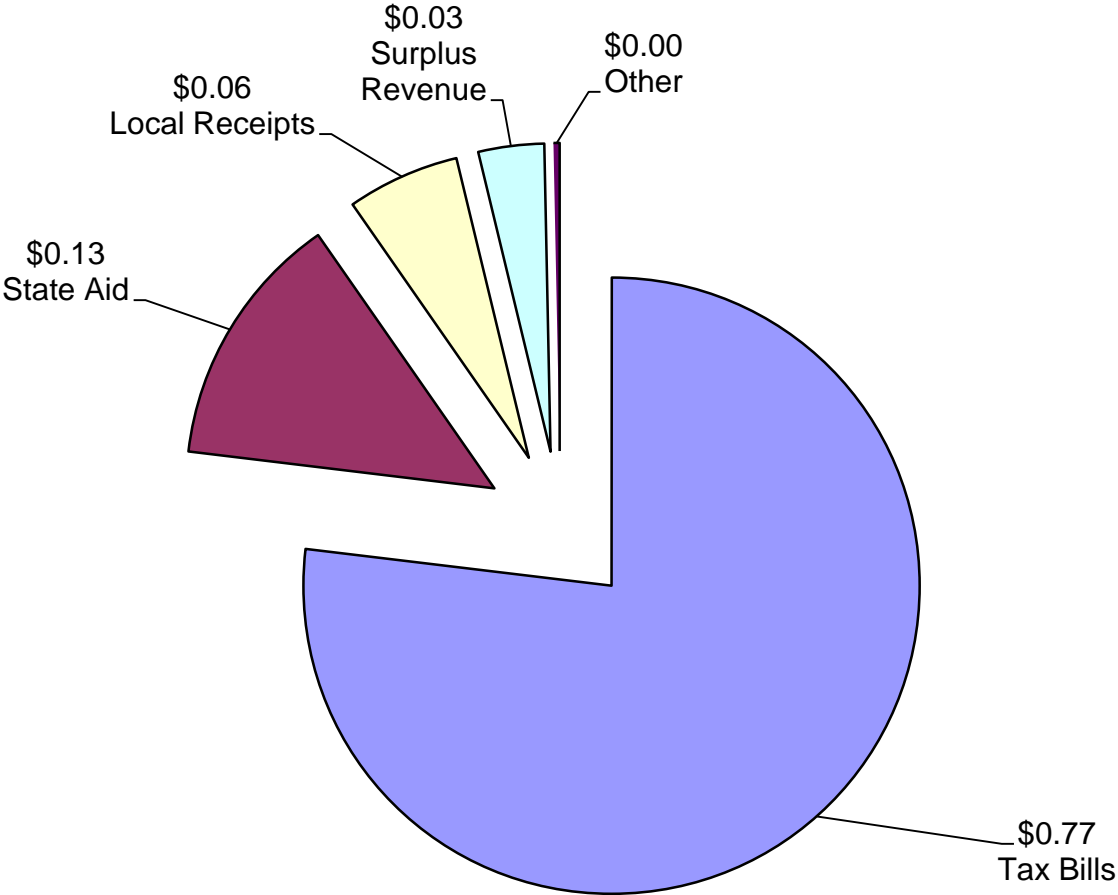
FY'19 Projected General Fund Revenues & Expenses

Current Projection

REVENUES			EXPENSES		
FY19 Tax Levy:			ReCap Sheet Items:		
FY18 Levy Limit	58,584,945		State Assess: Tuition Assess (10.00%)	4,023,856	
2.5% Increase	1,464,624		State Assess: All Other (3.00%)	627,416	
Est. New Growth	500,000		Abatements / Overlay	400,000	
Excess Levy Reserve Est.	0		FY18 Snow & Ice Deficit	150,000	5,201,272
Overrides / Exclusions	0				
County Assess. Outside 2.5: CCC	181,639		Town Meeting Items:		
Debt Outside 2.5 (- Non-Levy & MSBA)	731,116	61,462,324	Group Health Insurance (6.51%)	11,450,000	
			County Retirement Assess. (5.98%)	3,842,992	
Other Revenue:			Property & Liability Insurance (7.50%)	1,128,750	
Mass. School Building Authority Funds	1,279,534		Medicare (6.00%)	714,610	
State Aid: Discretionary (-5.00%)	2,184,430		Unemployment Account	100,000	
State Ch. 70 Aid: School (0.00%)	6,989,398		OPEB Trust Fund	100,000	
Est. Local Receipts	4,650,000		Debt: Long Term - General Fund	2,461,704	
Surplus Revenue / Free Cash	2,485,339		Borrowing Expenses	50,000	
Overlay Release	50,000		Reserve Fund	500,000	
Transfer from Stabilization Fund	0	17,638,701	Capital Budget - Net	1,006,610	
			Transfer to Stabilization Fund	250,000	21,604,666
Total Estimated Revenues		79,101,025	Operating Budgets:		
			School Budget: Local (2.50%)	26,229,121	
			Ch. 70 (0.00%)	6,989,398	33,218,519
			UCCRVTS Budget (7.50%)		2,319,229
			General Gov't. Budget (2.50%)		17,097,905
			FY'19 SAFER Offset (1.26%)		210,000
Stabilization Fund Balance:			Total Estimated Expenses		79,651,591
Actual Balance on 6/30/17:	1,576,393				
Proposed Transfer From/To Stabilization Fund	250,000				
Projected Post ATM Balance:	1,826,393		ESTIMATED FY'19 BUDGET BALANCE		-550,566

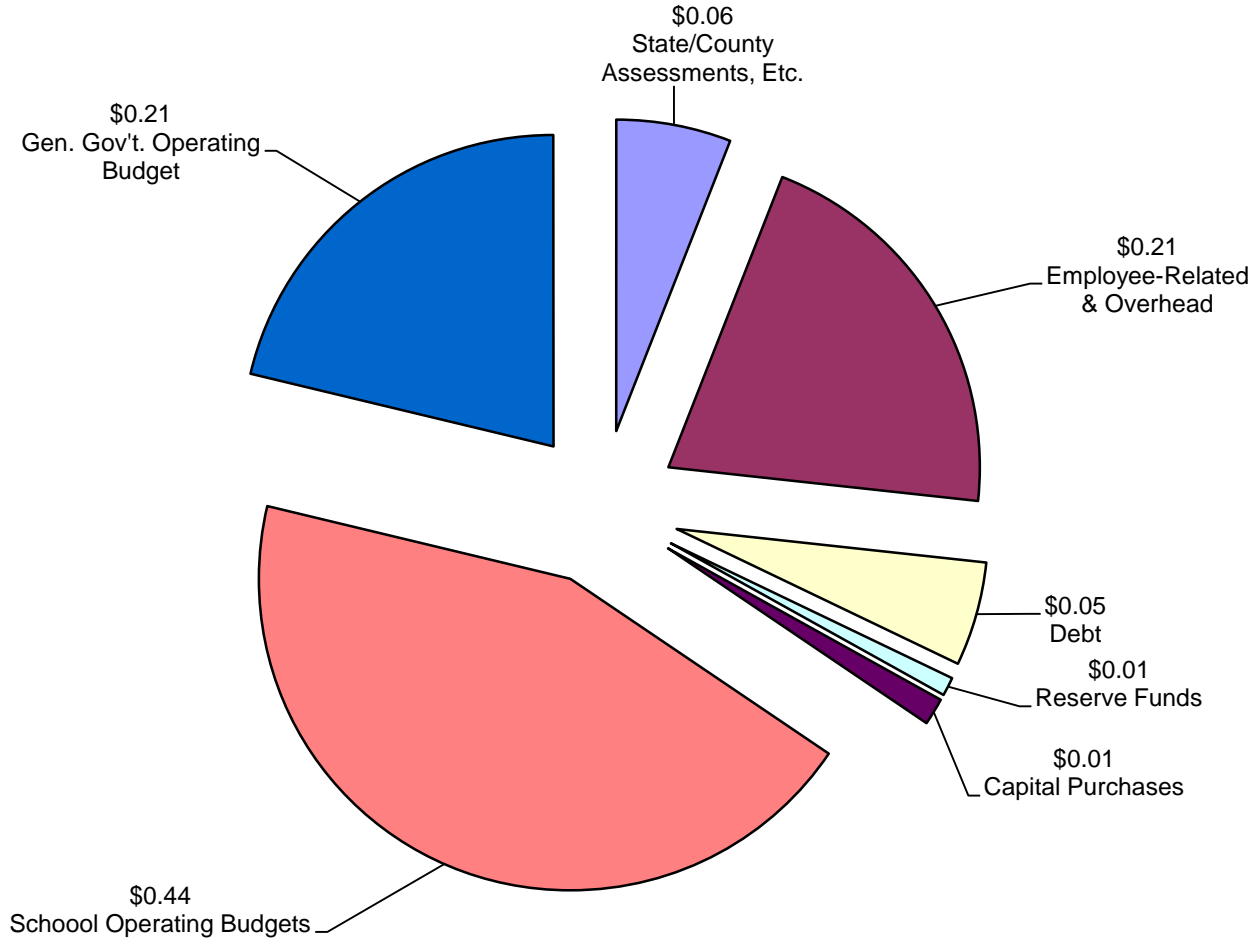
Where Each Dollar Comes From

WHERE DOES EACH DOLLAR THE TOWN RECEIVES COME FROM? - FY'18



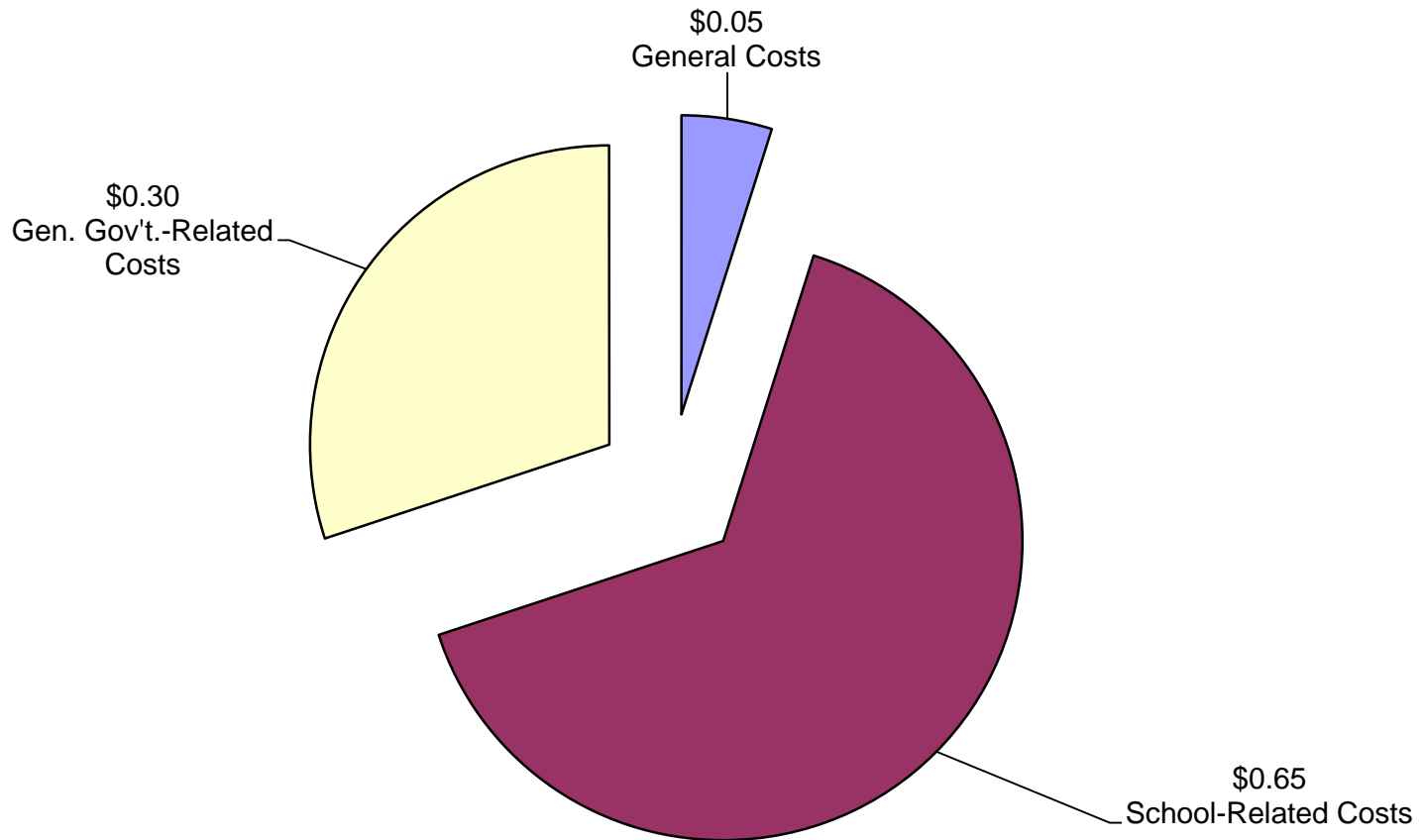
Where Each Dollar Goes

WHERE DOES EACH DOLLAR THE TOWN SPENDS GO? - FY'18



Where Each Dollar Goes – School & Town

WHERE DOES EACH DOLLAR THE TOWN SPENDS GO? - FY'18
School & General Government Expenses



FY'19 Budget Overview

Budget Issues to Monitor

- Estimated FY'19 Local Aid Receipts...Several Months To Go
- Estimated FY'19 Local Aid Assessments...Several Months To Go
- FY'19 Health Insurance & Property & Liability Insurance Costs Still Pending...Will Know More in February
- UCCRVTs Budget Estimate = “Close”; Awaiting Final Budget Assessment Figure

FY'19 Budget Overview

Budget Issues to Monitor

- As Always, Central Administrative Staff will Provide Appropriate Recommendations if Current Budget Estimates Need to be Revised & Operating Budgets Amended – Contingency Plans Always Developed
- Likely Revenue & Expenses to Review, If Necessary:
 - New Growth
 - State Aid & Assessments
 - Local Receipts
 - Snow & Ice Deficit
 - Health Insurance
 - Capital Budget
 - OPEB & Stabilization Transfer
 - Operating Budgets

FY'19 Budget Overview

- Reminder: FY'19 Budget Process has Several Months To Go Before Being Finalized for Town Meeting
- Estimated Revenue & Expenses will Change Regularly with Updates Provided at Every Selectmen & Finance Committee Meeting
- 14th Fiscal Year Without an Override Request Despite Significant Increases in Tuition Assessments, Employee Related Costs, Capital Needs, Etc.

FY'19 Budget Overview

- Finance Committee Presentation on February 13 with Committee Budget Review to Follow
- **Recommendation**: Funding General Government at 3.76% Positively Addresses Critical IT Needs that Impact All Town Departments & Retains 8 Fire SAFER Grant Staff
- Staff Input & Support in Preparing FY'19 Budget Material
- Any Questions About the General Government Budget Recommendation or FY'19 Budget as a Whole?

THANK YOU!

PROJECTED GENERAL FUND REVENUES AND EXPENSES - FY'19

REVENUES

<u>FY'19 Tax Levy:</u>			
FY'18 Levy Limit	58,584,945		
2.5% Increase	1,464,624		
Est. New Growth	500,000		
Excess Levy Reserve Est.	0		
Overrides / Exclusions	0		
County Assess. Outside 2.5: CCC	181,639		
Debt Outside 2.5 (- Non-Levy & MSBA)	731,116	61,462,324	
 <u>Other Revenue:</u>			
Mass. School Building Authority Funds	1,279,534		
State Aid: Discretionary (-5.00%)	2,184,430		
State Ch. 70 Aid: School (0.00%)	6,989,398		
Est. Local Receipts	4,650,000		
Surplus Revenue / Free Cash	2,485,339		
Overlay Release	50,000		
Transfer from Stabilization Fund	0	<u>17,638,701</u>	
 Total Estimated Revenues		 79,101,025	

EXPENSES

<u>ReCap Sheet Items:</u>			
State Assess: Tuition Assess (10.00%)	4,023,856		
State Assess: All Other (3.00%)	627,416		
Abatements / Overlay	400,000		
FY'18 Snow & Ice Deficit	150,000	5,201,272	
 <u>Town Meeting Items:</u>			
Group Health Insurance (6.51%)	11,450,000		
County Retirement Assess. (5.98%)	3,842,992		
Property & Liability Insurance (7.50%)	1,128,750		
Medicare (6.00%)	714,610		
Unemployment Account	100,000		
OPEB Trust Fund	100,000		
Debt: Long Term - General Fund	2,461,704		
Borrowing Expenses	50,000		
Reserve Fund	500,000		
Capital Budget - Net	1,006,610		
Transfer to Stabilization Fund	250,000	21,604,666	
 <u>Operating Budgets:</u>			
School Budget: Local (2.50%)	26,229,121		
Ch. 70 (0.00%)	6,989,398	33,218,519	
UCCRVTS Budget (7.50%)		2,319,229	
General Gov't. Budget (2.50%)		17,097,905	
FY'19 SAFER Offset (1.26%)		<u>210,000</u>	
 Total Estimated Expenses		 79,651,591	

<u>Stabilization Fund Balance:</u>	
Actual Balance on 6/30/17:	1,576,393
Proposed Transfer From/To Stabilization Fund:	250,000
Projected Post ATM Balance:	<u>1,826,393</u>

ESTIMATED FY'19 BUDGET BALANCE -550,566

FY'19 BUDGET TOTALS - SAFER GRANT EXPIRATION

NO.	DEPARTMENT	FY18 APPROP	FY19 SALARY	FY19 OPER	FY19 TOTAL	% CHANGE
114	Moderator	450	450	0	450	0.00%
123	Select./Manager	497,081	443,733	68,850	512,583	3.12%
	Personnel Expen.	259,426	253,271	0	253,271	-2.37%
131	Finance Comm.	3,400	2,000	1,400	3,400	0.00%
135	Accounting	208,269	194,097	22,250	216,347	3.88%
141	Assessing	385,229	352,447	24,925	377,372	-2.04%
145	Treasurer	225,081	239,927	-7,950	231,977	3.06%
146	Tax Collector	202,711	151,955	58,900	210,855	4.02%
147	Tax Title	35,000	0	35,000	35,000	0.00%
151	Legal	300,000	0	300,000	300,000	0.00%
152	Human Resour.	181,656	178,761	8,000	186,761	2.81%
161	Town Clerk	182,361	182,906	5,500	188,406	3.31%
162	Elect. & Regist.	50,250	18,500	42,250	60,750	20.90%
171	Natural Resour.	281,237	259,993	27,100	287,093	2.08%
175	Plan. & Devel.	218,160	204,732	21,125	225,857	3.53%
190	Facilities Mgmt.	599,440	290,732	322,500	613,232	2.30%
195	Town Reports	11,000	0	11,000	11,000	0.00%
196	Bind Records	6,000	0	7,000	7,000	16.67%
197	Info. Technology	574,902	244,017	412,500	656,517	14.20%
	Total 100s	4,221,653	3,017,521	1,360,350	4,377,871	3.70%
210	Police Dept.	4,479,098	4,238,269	328,835	4,567,104	1.96%
220	Fire Dept.	3,409,792	2,953,171	538,800	3,491,971	2.41%
	SAFER Grant	0	210,000	0	210,000	#DIV/0!
241	Inspections	278,281	277,297	16,105	293,402	5.43%
244	Sealer of W & M	200	0	200	200	0.00%
291	Emerg. Mgmt.	11,500	3,000	8,500	11,500	0.00%
294	Forest Warden	1,500	0	1,500	1,500	0.00%
297	Bourne Shellfish	4,000	0	4,000	4,000	0.00%
299	Greenhead Fly	2,000	0	2,000	2,000	0.00%
	Total 200s	8,186,371	7,681,737	899,940	8,581,677	4.83%
300	School Dept.	32,578,784	33,218,519	0	33,218,519	1.96%
313	UCCRVTs	2,157,422	2,319,229	0	2,319,229	7.50%
	Total 300s	34,736,206	35,537,748	0	35,537,748	2.31%

(Note: School Dep't. amount **includes** Ch. 70 aid.)

NO.	DEPARTMENT	FY18 APPROP	FY19 SALARY	FY19 OPER	FY19 TOTAL	% CHANGE
410	DPW - Engineer.	201,142	197,714	9,800	207,514	3.17%
420	DPW	1,722,366	1,042,193	708,025	1,750,218	1.62%
421	Snow & Ice	400,000	100,000	300,000	400,000	0.00%
424	Streetlights	25,000	0	25,000	25,000	0.00%
435	DPW - Sanitation	0	427,823	-427,823	0	#DIV/0!
Total 400s		2,348,508	1,767,730	615,002	2,382,732	1.46%
510	Health Dept.	199,288	198,406	10,125	208,531	4.64%
522	Nursing Dept.	144,468	117,225	34,700	151,925	5.16%
540	Social Services	35,000	0	35,000	35,000	0.00%
541	COA	236,711	230,927	10,500	241,427	1.99%
543	Veterans	73,000	0	73,320	73,320	0.44%
Total 500s		688,467	546,558	163,645	710,203	3.16%
610	Library	998,332	814,152	183,437	997,589	-0.07%
630	Recreation	170,252	157,958	32,575	190,533	11.91%
650	DPW - Parks	25,850	0	25,850	25,850	0.00%
671	Hoxie / Grist Mill	25,500	25,500	0	25,500	0.00%
693	Memorial Day	1,200	0	1,200	1,200	0.00%
694	Historic District	14,750	2,000	12,750	14,750	0.00%
Total 600s		1,235,884	999,610	255,812	1,255,422	1.58%
GEN. GOVT. TOTAL (no School)		16,680,883	14,013,156	3,294,749	17,307,905	3.76%
GRAND TOTAL (incl. School)		51,417,089	49,550,904	3,294,749	52,845,653	2.78%

FY'19 RECOMMENDED GENERAL GOVERNMENT BUDGET**Summary of Significant Budget Changes at 2.50% (+/- \$10,000)***(Contracted & Estimated Wage Increases Included in Appropriate Operating Budgets)*

<u>Acct.</u>	<u>Budget - Description</u>	<u>Change</u>
162	Elections & Registrations - Up Year in Normal Two-Year Cycle	10,500
197	IT - Software Improvements & MS Hosting Office 365 & E-Mail	75,000

Summary of Only Budget Change Between 2.50% & 3.76%

220	Fire - Expiration of Federal SAFER Grant in February 2019	210,000
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GENERAL GOVERNMENT OPERATING BUDGET NEEDS - Prioritized Summary

<u>Acct.</u>	<u>Budget - Description</u>	<u>Amount</u>
197	IT - Increased Annual Costs for IT Improvments & Windows 365 <i>(In Recommended FY'19 Budget)</i>	75,000
Multiple	Streamline Town Organizational Structure & Various Positions	440,000
420	DPW - Add'l Road & Infrastructure Maint. Funds Post-Road Bond	300,000
420	DPW - Add'l Parks Staff & Money for HTW School Fields	100,000
171 & 630	DNR & Recreation - Reduce Dependency on Beach Parking Acct.	<u>150,000</u>
		1,065,000

PUBLIC SAFETY 3RD STATION DEBT EXCLUSION & FIRE / EMS STAFFING OVERRIDE

<u>Acct.</u>	<u>Budget - Description</u>	<u>Amount</u>
221	Fire - (8) Fire/EMS to Staff 3rd Station - Post Fed. Grant Expiration <i>(Note: Total Original Amount of \$750,000 down to +/- \$250,000)</i>	250,000

OVERALL BUDGET ISSUES & CONCERNS

Emergency Reserves:

- General Stabilization Fund Needs to be Increased - compared to similar communities our size, Sandwich does not have a high enough Stabilization Fund; positive bond rating implications by increasing balance; 5-year goal = \$2.5 million; long-term goal = \$TBD; excellent source = Future Year 1 NRG PILOT Payment (**FY'19** = Adding \$ for 4th Consecutive Year)

Tuition Assessments:

- Tuition Assessments Largest Budget Impact over Last Decade - State Tuition Assessments have impacted Sandwich tremendously since FY'04; during the same period, local enrollments have dropped by more than 41% and Charter School reimbursement formulas & commitments from the State have been significantly underfunded and ignored; in FY'18 Tuition Assessments topped \$3.65 million & exceeded the Town's Discretionary Aid by \$1.36 million

Capital & Maintenance Needs:

- Annual Capital Needs Typically Exceed Available Funding... But Stronger Focus Last 5+ Years (**FY'19** = Funding more than \$1.0 million total and future years look better)
- School Needs More Funding for Capital & Maintenance (**FY'19** = Request for additional \$125,000 in School operating budget; \$125,000 already added to annual capital funding starting in FY'18; transfer HTW \$ from School to Town when appropriate)
- Large-Scale Projects Needing Exclusions or Alternative Means to Fund (ex. = Roads & Infrastructure incl. School & Town Facilities = ***THIS IS BECOMING CRITICAL***; Wastewater; HTW School; Senior Community Center; Library; Beach; Etc.)
- Existing Municipal Buildings - no place to combine appropriate departments; nowhere to put new staff; lack of modern office features & building code issues (ex. = financial departments & central administration; Annex; etc.)

Employee-Related Costs & Employee / Debt Requirements:

- Retaining 8 EMS/FF Positions from Federal SAFER Grant upon Expiration - need to continue to plan for expiration of federal hiring grant and cover full cost of retaining 8 EMS/Fire personnel by FY'20; (**FY'19** = Covering additional \$210,000 total annual cost thereby reducing final amount needed to cover full expense in FY'20 to +/- \$250,000)
- Increased Cost of Town & School Employee & Liability Programs (ex. = **health insurance = #1 focus area**; so-called "Cadillac Tax" costs which may take effect...or go away...in the future; retirement assessment; OPEB, Etc.)

NEW RECURRING I.T. DEPARTMENT EXPENSES for FY'19

VENDOR	DESCRIPTION	MONTHLY	ANNUAL	
Verizon	PRI 1 Digital Circuit for VOIP Phone System	\$380.70	\$4,568.40	
Verizon	PRI 2 Digital Circuit for VOIP Phone System	\$380.70	\$4,568.40	
Comcast	Ryder Bath House Security Cameras	\$154.78	\$1,857.36	
Comcast	Ryder Barn Security Cameras	\$116.54	\$1,398.48	
Comcast	Ryder Gate Security Cameras	\$116.54	\$1,398.48	
Comcast	Oak Crest Lodge Security Cameras	\$116.54	\$1,398.48	
Comcast	Snake Pond Security Cameras	\$145.78	\$1,749.36	
Microsoft	Office365 & Hosted e-mail for sandwichmass.org		\$35,000.00	*includes 7 year retention for Public Records compliance
CivicPlus	Website Hosting for sandwichmass.org		\$4,100.00	*spending \$ 22,700 for website update and annual fees for FY18 from IT Budget
SoftTime	Human Resources Software		\$3,840.00	*based on 160 employees; cost increases if more staff added
OpenCape	Town Internet Access	\$800.00	\$9,600.00	*redundant Internet Connection Town and VOIP Phone system
MUNIS	Financial Software Packet		\$15,000.00	*rough estimate of net Town annual costs; School also impacted
			<u>\$84,478.96</u>	TOTAL NEW RECURRING EXPENSES FOR FY 2019

Town of Sandwich
Annual Town Meeting

WARRANT

Monday, May 2, 2016

7:00 p.m. – Sandwich High School



BOARD OF SELECTMEN

Frank Pannorfi, Chair
Susan James, Vice-Chair
Peter Beauchemin
R. Patrick Ellis
Ralph A. Vitacco

MODERATOR

Garry N. Blank

FINANCE COMMITTEE

Linell M. Grundman, Chair
Robert Guerin, Vice-Chair
Michael Dwyer
James Lehane
Gene Parini
Richard Reilly
Mark Snyder
Matthew Terry
Thomas Witham

Thomas R. Hickey (In Memorium)

ARTICLE 20

To see if the Town will vote to accept the layout as a public way of the road known as "Aviators Lane," as heretofore laid out by the Board of Selectmen, and as shown on a plan entitled "Town of Sandwich, Plan of Aviators Lane, as Laid Out as a Town Way by the Selectmen," dated March, 2016 prepared by Stephen Doyle and Associates, said plan on file with the Town Clerk; and further to authorize the Board of Selectmen to acquire by gift, purchase or eminent domain the fee to or lesser interests in said road and any and all related easements, and further to see if the Town will vote to raise by taxation, transfer from available funds and/or borrow a sum of money for said layout, acquisition of rights, and construction, improvement, repair and/or rehabilitation of said roadway and related structures, facilities and/or appurtenances, and any and all expenses related to the foregoing, the entire cost of which shall be assessed as a betterment by the Board of Selectmen, in accordance with M.G.L. c.80, upon each of those properties that receive benefit thereby, with such assessments to bear interest at a rate not to exceed two percent above the rate of interest chargeable to the Town; or take any action relative thereto.

Recommended by the Board of Selectmen.

ARTICLE 21

To see if the Town will vote to authorize the Board of Selectmen to grant a perpetual easement to NRG Canal, LLC, its successors and assigns, over a portion of Baksis Road, being shown as "Proposed Utility Easement Area = 7,210 sq. ft. (0.17 acres)" on a plan entitled "Easement Exhibit Plan of Transmission Line Crossing Baksis Road Layout for Canal Generating Station, Sandwich Massachusetts, dated March 18, 2016" a copy of which is on file with the office of the Town Clerk, for the purpose of constructing, operating, maintaining, inspecting, and repairing an overhead transmission line and the appurtenant equipment, along, upon, across, and over that portion of Baksis Road, on such terms and conditions and for such consideration as the Board of Selectmen may determine, and to further authorize the Board of Selectmen to execute any and all instruments; or take any action relative thereto.

Recommended by the Board of Selectmen.

ARTICLE 22

To see if the Town will vote to amend the Town Bylaws by inserting a new Section 3.90, Dune Protection, to read as follows, or take any action relative thereto.

Section 3.90 DUNE PROTECTION

Part 1. No person or pet shall enter upon or cross over any dune on Town property including any Conservation Lands, whether by walking or in a vehicle, including bicycles, except at an authorized marked crossover or designated beach access, other

Dunham, George

From: Atkins, Thomas <Thomas.Atkins@nrg.com>
Sent: Sunday, December 31, 2017 10:50 AM
To: Dunham, George
Subject: RE: Baksis Road Easement
Attachments: 2017 Easement Sandwich to NRG Baksis Road 12-29-17.doc

Bud,

I am traveling on Tuesday so I wanted to forward along a draft easement for the Town's review in advance. I appreciate your helping us expedite review. Thanks and enjoy the last day of 2017 and stay warm!!

TEA

From: Atkins, Thomas
Sent: Wednesday, December 27, 2017 9:06 AM
To: 'Dunham, George'
Subject: Baksis Road Easement

Bud,

Happy Holidays. We continue to make significant progress on Canal Unit 3. It is now our hope to be fully under construction by the end of January. In the meantime, we are in the process of a detailed project review and noticed we do not have an executed easement agreement for our electrical interconnection line running over Baksis Road (the paper road off of Briarwood Avenue shown in the attached drawing). You may recall we received unanimous approval at town meeting in May 2016 for the easement (see attached warrant article 21).

As a result, I asked Mike Ford to draft up an easement agreement for the Town's review. I expect he will have something ready to distribute early next week. When you have a minute, I was hoping you could think about the process necessary to have the easement reviewed and signed by the appropriate parties so we won't lose any time next week. Again, my apologies for having to contact you during the Holidays, but we want to make sure we have everything in place to get the project under construction as soon as possible.

Please let me know if you have any questions. I look forward to seeing you in the New Year!



Thomas E. Atkins
Vice President, Generation Development
One International Place, 9th Floor
Boston, MA 02110
Mobile: (617) 699-3756
Thomas.Atkins@nrg.com

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Coggeshall, Kathy

From: Raymond, Michelle
Sent: Wednesday, January 17, 2018 11:15 AM
To: Coggeshall, Kathy
Cc: Bill Collins (brisa@dslextreme.com)
Subject: SHDC Reappointment Request for 2018

Hello Kathy,

As we discussed, I would like to add the following to the January 25, 2018 BOS meeting's agenda.

On behalf of the Old King's Highway Historic District Committee, I would like to recommend Amanda Sawyer (Architect Member) and Ross Vanderpyl (Alternate Member) for reappointment for 2018.

Thanks so much. M 😊

Michelle Y. Raymond, Office Manager
Town of Sandwich
16 Jan Sebastian Drive
Sandwich, MA 02563
Phone – 508-888-4200
Fax – 508-833-0018