

TOWN OF SANDWICH

THE OLDEST TOWN ON CAPE COD

130 MAIN STREET
SANDWICH, MA 02563

TEL: 508-888-4910 AND 508-888-5144

FAX: 508-833-8045

E-MAIL: selectmen@townofsandwich.net

E-MAIL: townhall@townofsandwich.net



BOARD OF
SELECTMEN

TOWN
MANAGER

BOARD OF SELECTMEN AGENDA January 28, 2016 – 7:00 P.M. Sandwich Town Hall – 130 Main Street

1. Convene Meeting & Pledge of Allegiance
2. Review & Approval of Minutes
3. Public Forum (*15 Minutes*)
4. Town Manager Report
5. Correspondence / Statements / Announcements / Future Items / Follow-up (*10 Minutes*)
6. Staff Meeting (*60 Minutes*)
Town Manager – Presentation of Recommended FY'17 Budget
7. Old Business (*30 Minutes*)
FY'17 Budget Update
Board of Selectmen Policy on Ch. 70 Funding
Town Neck Beach Reconstruction Project Update
Other Matters Not Reasonably Anticipated by the Chairman
8. New Business (*15 Minutes*)
Update on Massachusetts Municipal Association Annual Meeting
Other Matters Not Reasonably Anticipated by the Chairman
9. Public Forum (*15 Minutes*)
10. Closing Remarks
11. Adjournment

NEXT MEETING: Thursday, February 4, 2016, 7:00 P.M., Town Hall

**TOWN MANAGER
RECOMMENDED FY'17 BUDGET
PRESENTATION TO BOARD OF SELECTMEN**

January 28, 2016

FY'17 Budget Binders

- FY'17 Budget Binders
 - Tab 1: Summary Information – Subject to Regular Changes
 - Tab 2: CD of Entire Budget Binder – Also on Town Website (www.sandwichmass.org) with Direct Link on Homepage
 - Tab 3: Financial History, Projections, & Analysis = “Town of Sandwich Financial Bible”
 - Tab 4: FY'17 Capital Budget (Current Draft #4)
 - Tab 5: FY'17 General Government Budget
 - Tab 6: FY'17 School Department Budget
 - Tab 7: FY'17 UCCRVTs Budget
 - Tab 8: Miscellaneous Budget Information
- Reminder: Please Bring Your Budget Binder to All Upcoming Meetings

FY'17 Budget Binders

Financial History, Projections & Analysis – Tab 3

- Key Summary Information – Tab 3 of Budget Binders
 - 56 Different Worksheets with 80 Pages of Information
 - Executive Summary in Words – Updated for FY'17
 - Full Explanation of Revenues & Expenses
 - 20+ Years of Financial, Demographic, & Historic Data
 - Becoming Difficult to Read with So Many Years; May Want to Limit History Moving Forward
 - Future Budget Projections
 - Explanation of Important Issues That Impact Budget the Most – Ex. Exempt Debt & Tuition Assessments
 - 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'17 Budget Binders – Tab 3

Table of Contents & Executive Summary (pp. 2 & 3)

TABLE OF CONTENTS		
Worksheet	Topic	Page
1.	Executive Summary	3
Recent Budget History & 5-Year Projections		
2.	Explanation of Revenue & Expense Categories	4
3.	Final FY12 Budget	8
4.	Final FY13 Budget	9
5.	Final FY14 Budget	10
6.	Final FY15 Budget	11
7.	Final FY16 Budget	12
8.	Final FY16 - Final State Budget	13
9.	FY17 Projected Revenues & Expenses	14
10.	Revenue & Expense Assumptions used in FY15 - FY20 Financial Plan	15
11.	FY15 - FY20 Budget Projections	17
Related Budget Information		
12.	Debt Schedule	19
13.	Debt Schedule Summary	27
14.	Chart - Exempt Debt	30
15.	Other Financial Tables - SBAB Reimbursements, Est. Tax Rates & Bills	31
16.	Cherry Sheet Receipts	34
17.	Cherry Sheet Assessments	37
18.	Tuition Assessments History	40
19.	Tuition Assessments vs. Discretionary Aid	41
20.	Chart - Tuition Assessments vs. Discretionary Aid	42
21.	School & General Government Budget History	43
22.	General Government Operating Budget History	46
23.	Average General Government Wage Adjustments	47
24.	Number of General Government Employees	48
25.	General Government Staffing Comparisons - FY09	49
26.	General Government Staffing Comparison with Yarmouth - FY13	50
27.	School Operating Budget History	51
28.	UCCRVTS Operating Budget History	52
29.	Capital Budget History	53
30.	Health Insurance Apportionment History	54
31.	Retirement Assessment History	55
32.	Ch.90 State Aid to Highways Allotment	56
33.	Free Cash Certifications	57
34.	Free Cash & Stabilization Fund Comparisons	58
35.	Chart - How Closely Sandwich Budgets vs. Other Towns	59
Tax Levy & Tax Bill History		
36.	Levy Limit History	60
37.	Charts - Levy Limit vs. Exempt Debt	61
38.	New Growth History	62
39.	Housing Units History	63
40.	Average Home Assessments History	64
41.	Average Tax Bill History	65
Local Receipts, Fees & Account Balances		
42.	Local Receipts History	66
43.	Local Receipts Detail	67
44.	General Government Fees & Charges Detail	68
45.	General Government Departmental Receipts	69
46.	Various Account Balances - Stabilization Fund, Beach Account, Etc.	70
Demographic & Enrollment History		
47.	Town Population History	71
48.	School Enrollment History	72
49.	UCCRVTS Enrollment History	73
50.	Population by Category - Students & Seniors	74
Where Our Money Comes From & Where It Goes		
51.	Where Our Money Comes From - Data	75
52.	Where Our Money Comes From - Chart	76
53.	Where Our Money Goes - Data	77
54.	Where Our Money Goes - Chart	78
55.	Educational & General Government Spending - Data	79
56.	Educational & General Government Spending - Chart	80

EXECUTIVE SUMMARY	
1.	Decreasing Debt Payments Despite Major, Long-Standing Capital Needs - Pages 19-30 By FY17, the Town's total annual outstanding exempt debt service obligations will have decreased by \$2.95 million since FY07 and will decrease by \$5.1 million by FY22 compared to FY07. 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. See chart of exempt debt on p. 29.
2.	Enormous Tuition Assessment Increases - Pages 40-42 Since FY04, Tuition Assessments have increased from \$262,373 to \$3,265,743 in FY16, a staggering 1,145%. This equates to an annual average increase of 88% since Tuition Assessments started being charged to municipalities for students to attend other public school options. 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 FY16 State Tuition Assessments alone exceeded the total Discretionary Aid amount the Town received by \$1,263,553, making us a State Aid debtor community for the fourth consecutive year. See chart of this comparison on p. 41.
3.	Declining School Enrollment - Pages 72-74 Since January 1, 2002, Sandwich Public School enrollment has declined substantially, losing 1,438 students. This represents more than a 34% 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 675 students in the current school year.
4.	General Government Staffing Comparisons - Pages 48-50 Compared to communities with similar demographics, Sandwich has fewer employees per capita. This is especially true when compared to other municipalities of similar size and government structure, like Yarmouth.
5.	Sandwich Budget Culture - Pages 57-59 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 5 closest neighbors, our Free Cash certifications are \$3.1 million below their average and our Stabilization Fund is more than \$2.1 million below their average balance.
6.	Average Tax Bill - Pages 63-65 Over the last 9 years, the Town's average tax bill has increased by a total of 32.29%, or \$1,287. This reflects an annual average increase of 3.59% over those 9 years. For comparison purposes, Sandwich is \$52 dollars below the average tax bill in the Commonwealth even with the recent capital expenditure exclusions and has been below the State average for 19 of the last 21 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.
7.	Stable, Aging Town Population - Pages 71 & 74 The Town population has increased since 1994, 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 28.6% of our total population.
8.	Where Our Money Comes From & Goes - Pages 75-80 Approximately 77% Sandwich's income comes from taxes, with 14% coming from State Aid, and 8% from other sources. Two-thirds (65%) of every dollar spent goes for educational costs and expenses, 30% for general government services, and 6% for overall expenses.

FY'17 General Government Budget Overview

Capital Budget – Tab 4

- FY'17 Capital Budget – Still in Process – Draft #4
 - Current Balance = \$515,000 in Net Capital Improvements, with Another \$171,000 Recommended if Funding Allows
 - Many Legitimate Needs Taken Off List & Postponed
 - Continued Commitment to Annually Fund \$125,000 in Building Maintenance Efforts
 - \$200,000 for Wastewater Improvements at Forestdale School
 - Will be Presenting Final Capital Budget to CIPC in February
 - Complete Copy of All Capital Submissions on CD...Even Thought Most Not Funded

FY'17 General Government Operating Budget Overview – Tab 5

- FY'17 Budget Totals by Departmental Account
- FY'17 Budget Reflects:
 - 2.80% Increase Over FY'16
 - 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
- Needs Budget Summary
- Overall Budget Issues & Concerns

FY'17 General Government Budget Overview

Summary of Significant Budget Changes

<u>Acct.</u>	<u>Budget - Description</u>	<u>Change</u>
ALL	Back to Usual 52.2 Weeks in Fiscal Year vs. 52.4 Weeks in FY'16	-42,339
123	Manager - Personnel Expenses & Unresolved Union Contracts	180,125
146	Collector - Lockbox for Collection of Taxes & Fees - <u>Net Decrease</u>	6,000
162	Elections & Registrations - Up Year in Normal Cycle	9,500
171	Natural Resources - Boat Enforcement - Loss of Net Waterway \$	-5,000
197	IT - Vehicle Repairs - Price of Hand-Me-Down Police Vehicles	5,000
210	Fire - Increase Amb. Billing Charges \$14K - <u>Fully Offset Account</u>	-22,000
630	Recreation - Min. Wage Increase & Porta-Jon Rentals - <u>Fully Offset</u>	20,000

FY'17 General Government Budget Overview

Prioritized Needs Budget List

<u>Acct.</u>	<u>Budget - Description</u>	<u>Amount</u>
210	Police - More Realistically Fund OT for Minimal Coverage	150,000
220	Fire - More Realistically Fund OT for Minimal Coverage	50,000
421	Snow & Ice - More Realistically Fund to Better Cover Shortfalls	150,000
420	DPW - Establish Lease/Purchase Account in Operating Budget	150,000
190	Public Facilities - Add'l. Maintenance Specialist & Part-Time Clerk	70,000
197	IT - Increase IT Network Support Technician Position to Full-Time	30,000
Multiple	Streamline Town Organizational Structure	350,000
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
		1,500,000

FY'17 General Government Budget Overview

Needs Budget List – Public Safety Planning

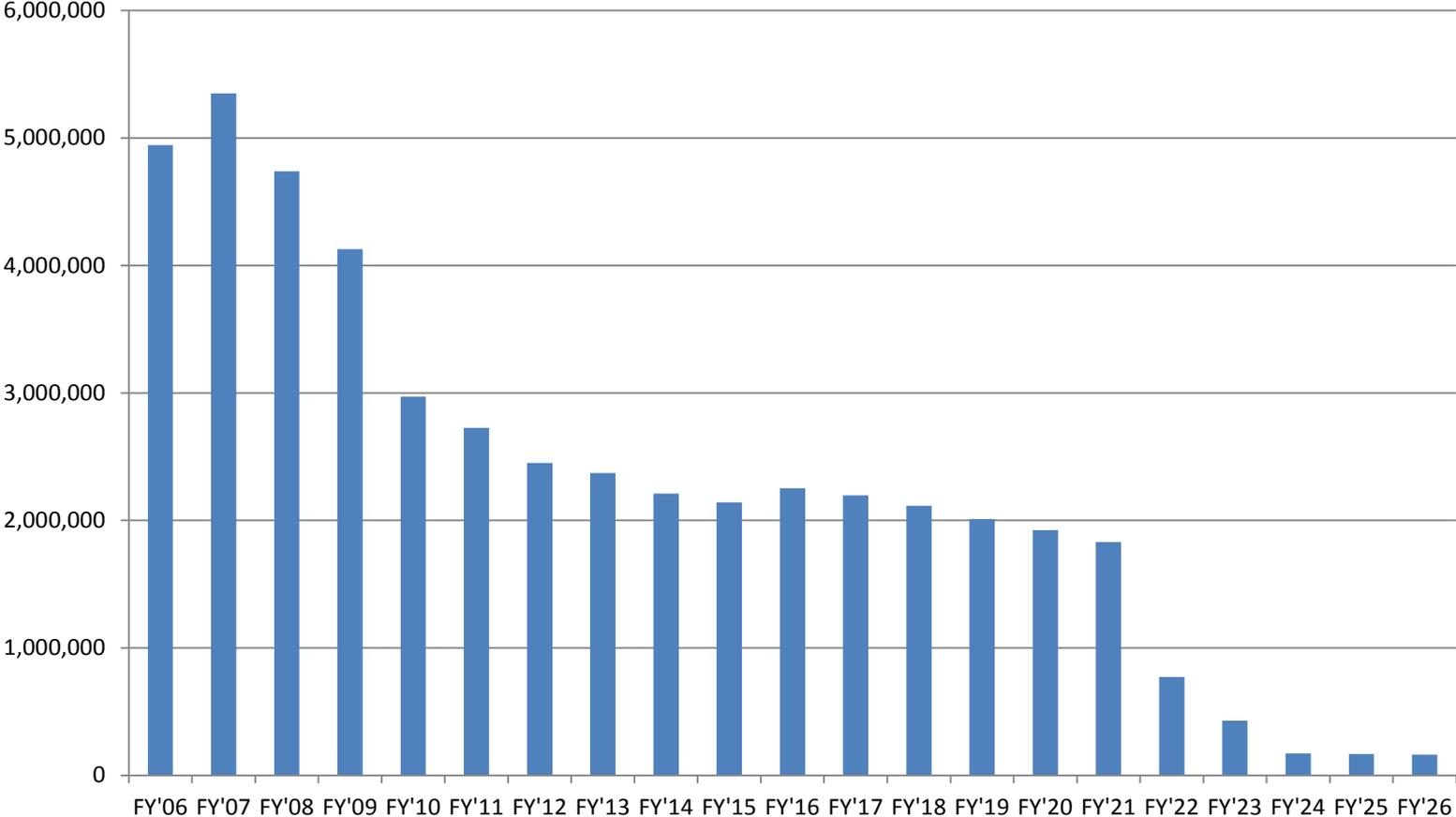
<u>Acct.</u>	<u>Budget - Description</u>			<u>Amount</u>
221	Fire - (8) Fire/EMS Staff for 3rd Ambulance; Tie to Debt Exclusion*			750,000
* Note:	The hiring of the (8) Fire/EMS staff should be directly tied to any debt exclusion vote to properly fund capital improvements to the East Sandwich Sub-station to accommodate the additional personnel. A grand total of (12) personnel are needed, but (4) Fire/EMS staff were funded in the FY'16 budget.			

Overall Budget Issues & Concerns

- A Few Chronically Underfunded Operating Budget Accounts
- Capital Needs
 - Annual Operating Capital Needs Far Exceed Available Funding
 - Capital Budget & Select Operating Budget Increases Needed (ex. DPW)
 - Large-Scale Projects Needing Exclusions to Fund
 - Existing Municipal Buildings
 - No Place to Combine Appropriate Departments or Site Any New Staff
 - Outdated for Current Needs & Code Issues
- Employee-Related Costs & Increased Requirements
 - Increased Cost of Employee Benefit & Liability Programs
 - A National Issue, Not Just Sandwich or Massachusetts...With the Glaring Exception of Proposition 2.5
 - Increased Time Demands to Meet Requirements
- Tuition Assessments
- How Closely Sandwich Budgets vs. Other Towns

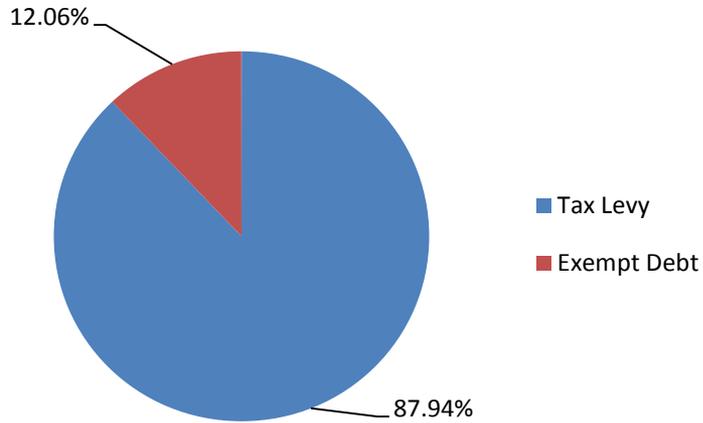
Capital Needs - Exempt Debt Since FY'06

TOWN OF SANDWICH EXEMPT DEBT
FY'06 - FY'26

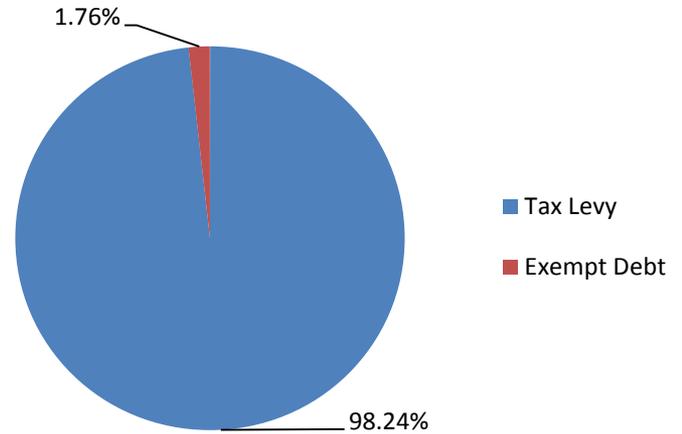


Exempt Debt vs. Total Tax Levy

FY'02 Total Tax Levy



FY'16 Total Tax Levy



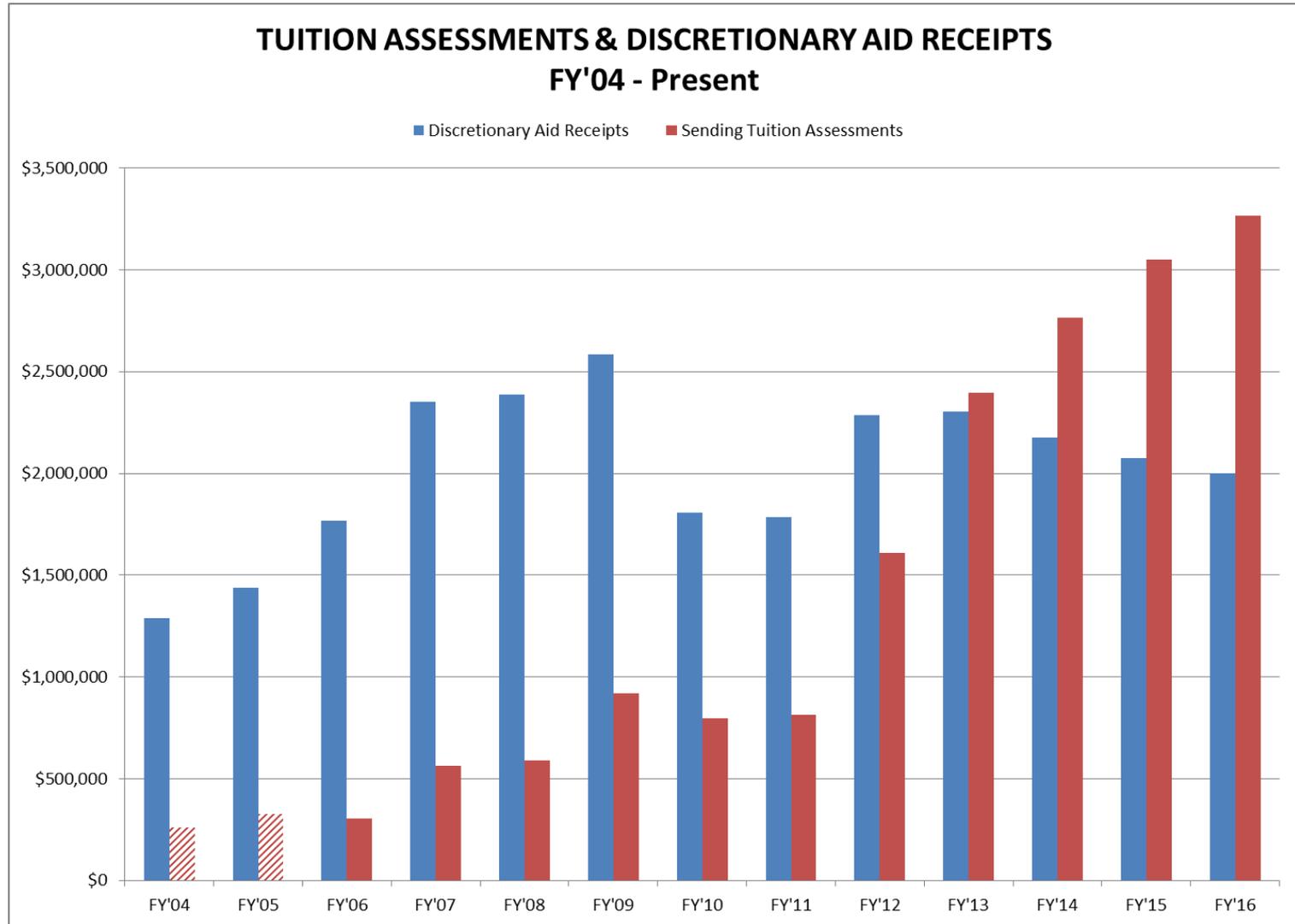
Tuition Assessments Budget History

THE Largest Budget Impact over Last Decade

- Tuition Assessments – Sandwich History = pp. 40-42 of Tab 3
- Debtor Community: Tuition Assessments vs. Discretionary Aid
 - 1st Time in FY'13, Now \$1.25 Million Difference
 - Discretionary Aid \$350,000 Less Than FY'07 with 3 Consecutive Decreases
 - Charter Costs Up, Charter Reimbursements Down = Counterintuitive, But True
- FY'16 Tuition Assessments = \$3.25 Million
 - 11.1% of Total Public Educational Funding
 - Last Override in FY'06 = \$2.62 Million
 - FY'06 Tuition Assessments = \$300,000
 - \$3.0 Million Increase Since Last Override = Staggering
 - More Than \$1.2 Million Above UCCRVTs Assessment
- 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



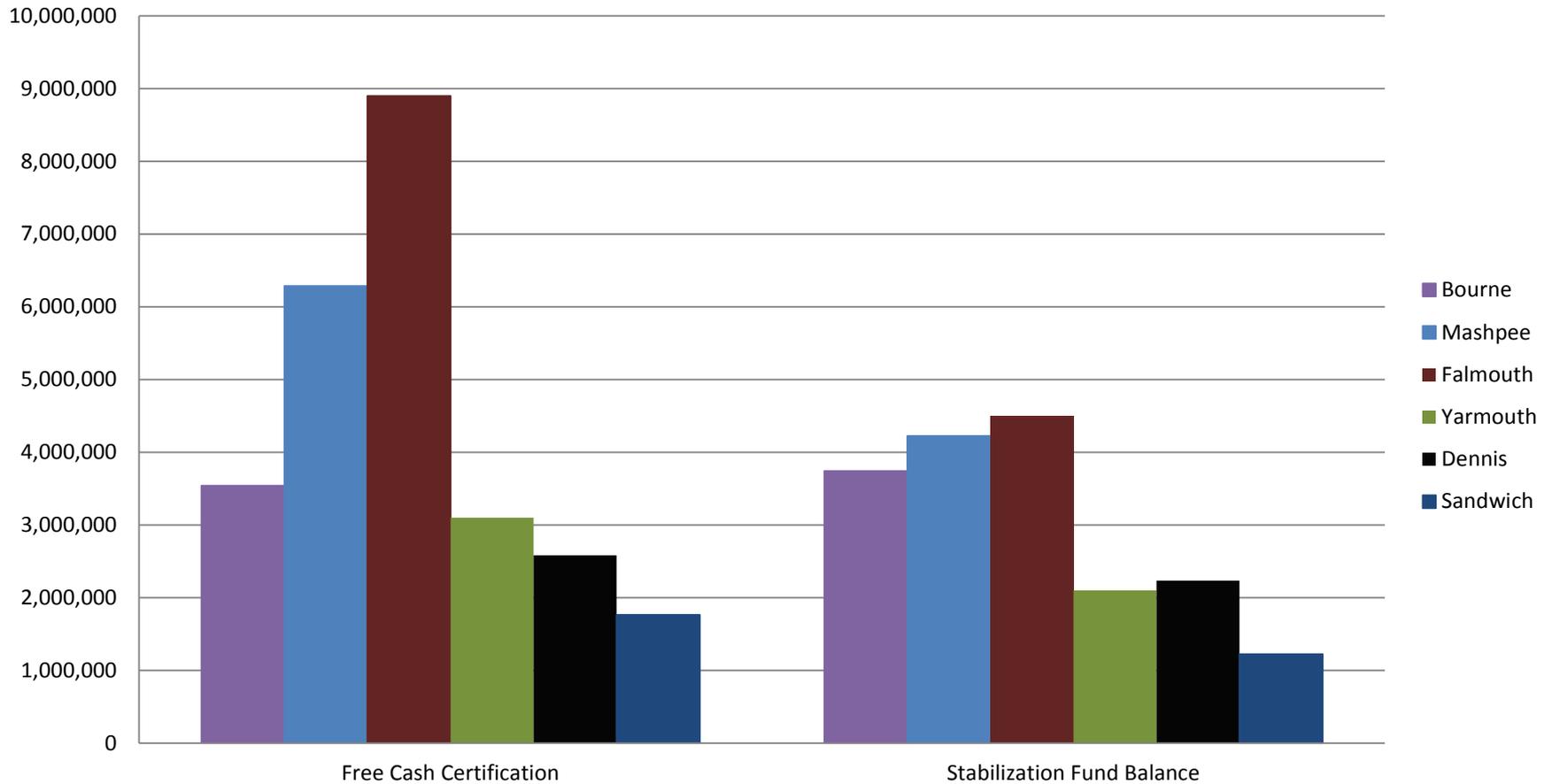
How Closely Sandwich Budgets vs. Other Towns

Town	FY'12		FY'13		FY'14		FY'15	
	Free Cash Certification	Stabilization Fund Balance						
Bourne	6,510,383	4,161,991	5,700,480	2,547,002	4,897,346	3,517,265	3,538,836	3,740,543
Mashpee	3,689,876	3,765,448	4,925,505	3,989,380	6,387,569	4,120,378	6,285,457	4,225,025
Falmouth	3,384,466	1,868,089	4,941,233	4,461,900	7,117,947	4,006,263	8,900,000	4,500,000
Yarmouth*	2,023,274	819,892	1,113,483	1,896,579	2,454,608	2,012,000	3,100,000	2,100,000
Dennis*	2,798,044	2,247,645	2,015,439	2,255,218	2,619,550	2,258,762	2,581,474	2,236,177
5-Town Ave.	3,681,209	2,572,613	3,739,228	3,030,016	4,695,404	3,182,934	4,881,153	3,360,349
Sandwich	1,403,984	838,561	1,309,581	1,017,193	2,016,440	1,025,000	1,763,451	1,224,369
Sandwich v. Ave.	-2,277,225	-1,734,052	-2,429,647	-2,012,823	-2,678,964	-2,157,934	-3,117,702	-2,135,980
	-162.20%	-206.79%	-185.53%	-197.88%	-132.86%	-210.53%	-176.80%	-174.46%

***Note:** The Yarmouth and Dennis Free Cash certifications and Stabilization Fund balances **do not** include any Free Cash or Stabilization Funds of the Dennis-Yarmouth School District.

How Closely Sandwich Budgets vs. Other Towns

HOW CLOSELY SANDWICH BUDGETS vs. OTHER TOWNS



FY'17 Budget Overview

FY'17 Projected Revenues & Expenses

- Changes Since Initial December 2015 FY'17 Projection
 - Final County Retirement Assessment Slightly Lower (Good)
 - Transfer to OPEB Trust Fund Retained (Good)
 - Transfer to Stabilization Fund Added (Good)
- Outside of Our Control & Awaiting Greater Clarification
 - Health Insurance Budget...Troubling Recent Trends
 - State Cherry Sheets: Discretionary Aid, Ch. 70 Aid, Tuition Assessments, Other Assessments
 - FY'16 Snow & Ice Deficit...So Far, So Good
 - UCCRVTs Budget Assessment

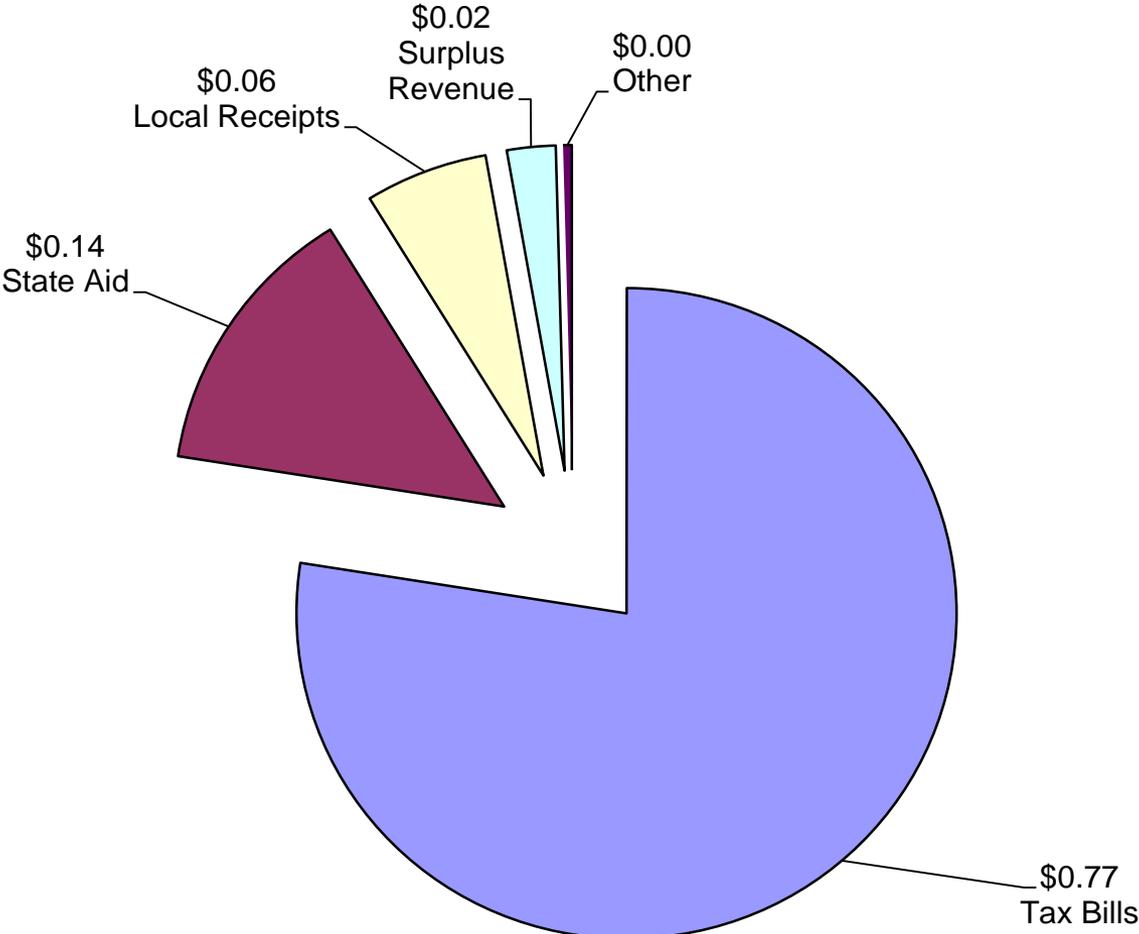
FY'17 Projected Revenues & Expenses

Current Projection

REVENUES			EXPENSES		
FY'17 Tax Levy:			ReCap Sheet Items:		
FY'16 Levy Limit	54,242,318		State Assess: Tuition Assess (10.00%)	3,592,317	
2.5% Increase	1,356,058		State Assess: All Other (3.00%+CCRT)	602,985	
Est. New Growth	500,000		Abatements / Overlay	400,000	
Excess Levy Reserve Est.	0		FY'16 Snow & Ice Deficit	150,000	4,745,302
Overrides / Exclusions	0				
County Assess. Outside 2.5: CCC	166,918		Town Meeting Items:		
Debt Outside 2.5 (- Non-Levy & SBA)	918,091	57,183,385	Group Health Insur.+ Mitig. Plan (7.50%)	9,970,625	
			County Retirement Assess. (6.60%)	3,355,082	
Other Revenue:			Property & Liability Insurance (2.50%)	861,000	
Land Bank / CPA Debt	1,326,638		Medicare (6.00%)	636,000	
Marina Debt	200,000		Unemployment Account	100,000	
Mass. School Building Authority Funds	1,279,534		OPEB Trust Fund	75,000	
State Aid: Discretionary (-7.50%)	1,852,026		Debt: Long Term	4,170,074	
State Ch. 70 Aid: School (0.00%)	6,740,018		Debt: Short Term	50,000	
Est. Local Receipts	4,400,000		Reserve Fund	500,000	
Surplus Revenue / Free Cash	1,763,451		Capital Budget - Net	500,000	
Overlay Release	100,000		Transfer to Stabilization Fund	25,000	20,242,781
Transfer from Stabilization Fund	0	<u>17,661,667</u>			
			Operating Budgets:		
Total Estimated Revenues		74,845,052	School Budget: Local (3.00%)	24,977,500	
			Ch. 70 (0.00%)	6,740,018	31,717,518
			UCCRVTS Budget (7.50%)		2,202,860
			General Gov't. Budget (2.80%)		<u>15,774,520</u>
			Total Estimated Expenses		74,682,981
Stabilization Fund Balance:					
Actual Balance on 11/30/15:	1,226,393				
Proposed Transfer From/To Stabilization Fund:	25,000				
Projected Post ATM Balance:	1,251,393				
			ESTIMATED FY'17 BUDGET BALANCE		162,071

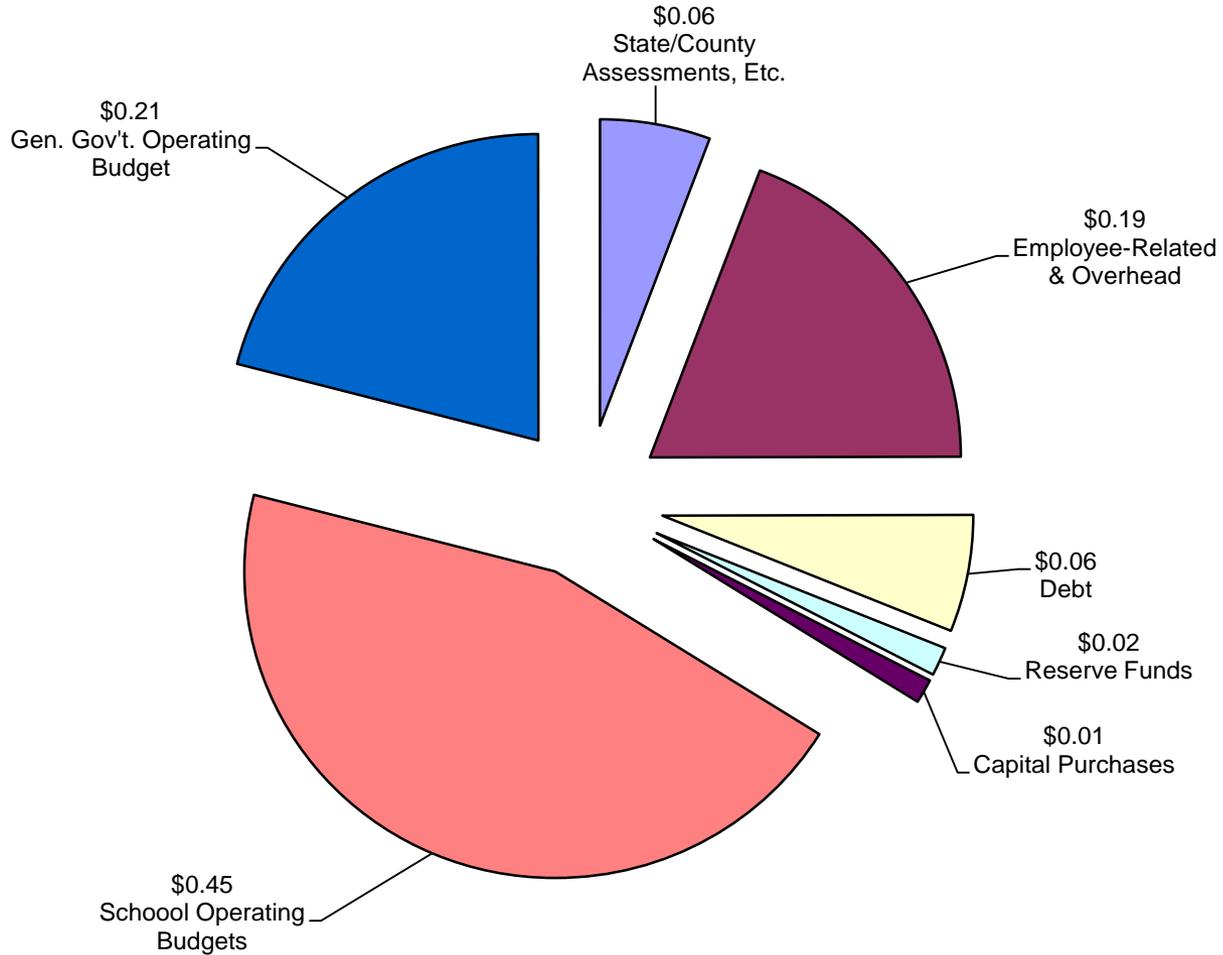
Where Each Dollar Comes From

WHERE DOES EACH DOLLAR THE TOWN RECEIVES COME FROM? - FY'16



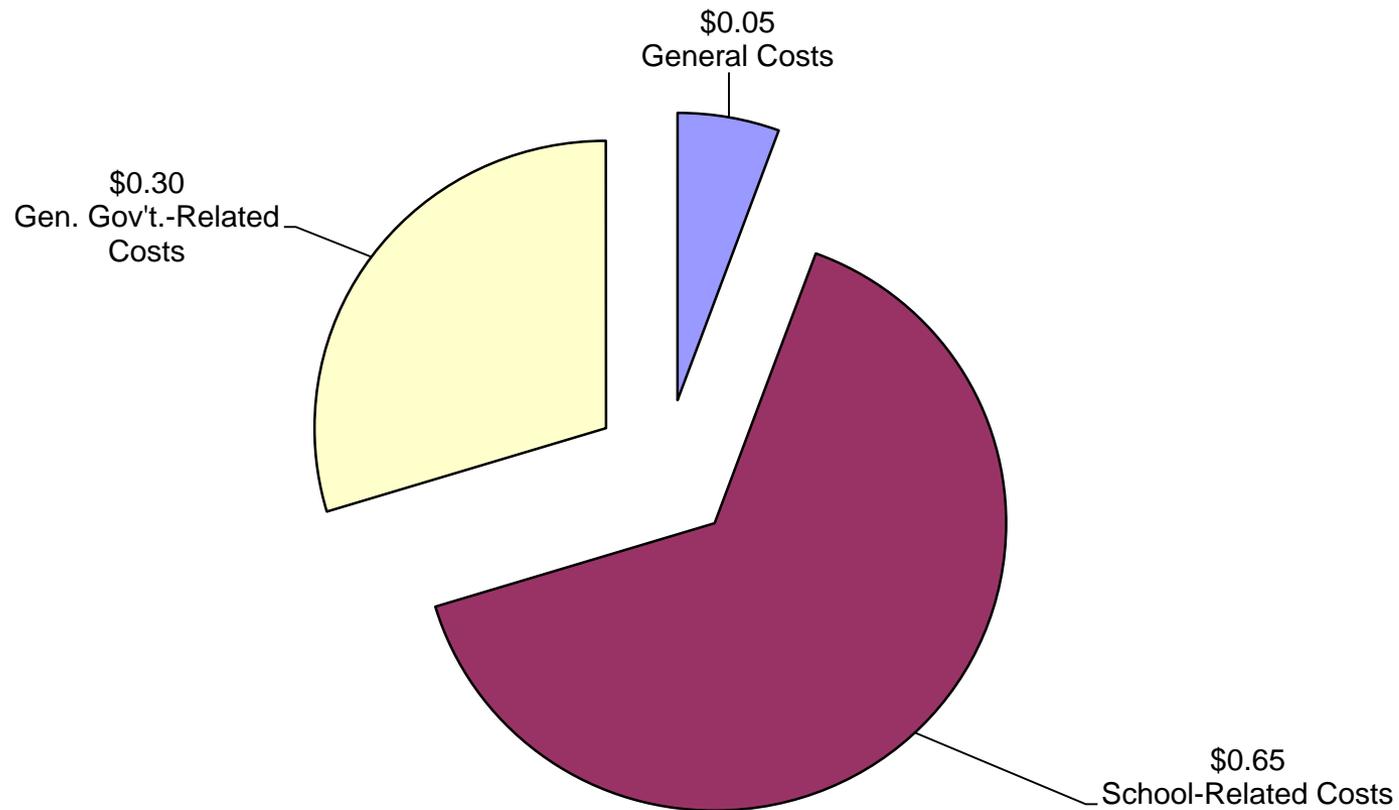
Where Each Dollar Goes

WHERE DOES EACH DOLLAR THE TOWN SPENDS GO? - FY'16



Where Each Dollar Goes – School & Town

WHERE DOES EACH DOLLAR THE TOWN SPENDS GO? - FY'16
School & General Government Expenses



FY'17 Budget Overview

Items of Concern

- Underfunding of Chronic Operating Budget Shortfalls
 - Public Safety Overtime & DPW Snow & Ice Expenses
 - DPW Capital Needs & Impact on Annual Capital Budget
 - **Potential to Address These Two Issues Without Impacting Taxes?!**
 - The Town's Administrative Team has been Analyzing this Potential & Believes it Merits Further Discussion to Present in Detail at an Upcoming Selectmen Meeting
 - Recommend a February 11 Presentation to the Board

FY'17 Budget Overview

Items of Concern

- Dependency on Departmental Offsets
 - Two Departments Over-Reliant on Outside – but Relevant – Funding Source
 - Beach Parking Account for Natural Resources & Recreation; Increased FY'17 Dependency
- Estimated FY'17 Local Aid Receipts...Several Months To Go
- Estimated FY'17 Local Aid Assessments...Several Months To Go
- UCCRVTs Budget Estimate = “Safe”; Awaiting Final Budget Assessment Figure

FY'17 Budget Overview

- Reminder: FY'17 Budget Process has Several Months To Go Before Being Finalized for Town Meeting
- Estimated Revenue & Expenses will Change Regularly with Updates at Every Selectmen & Finance Committee Meeting
- 12th Fiscal Year Without an Override Request Despite Significant Tuition Assessment & Health Insurance Increases
- Administrative Team Back February 11 for Funding Alternative?
- Any Questions About the General Government Budget Recommendation or FY'17 Budget as a Whole?

THANK YOU!

PROJECTED REVENUES AND EXPENSES - FY'17

REVENUES

<u>FY'17 Tax Levy:</u>			
FY'16 Levy Limit	54,242,318		
2.5% Increase	1,356,058		
Est. New Growth	500,000		
Excess Levy Reserve Est.	0		
Overrides / Exclusions	0		
County Assess. Outside 2.5: CCC	166,918		
Debt Outside 2.5 (- Non-Levy & SBA)	918,091	57,183,385	
 <u>Other Revenue:</u>			
Land Bank / CPA Debt	1,326,638		
Marina Debt	200,000		
Mass. School Building Authority Funds	1,279,534		
State Aid: Discretionary (-7.50%)	1,852,026		
State Ch. 70 Aid: School (0.00%)	6,740,018		
Est. Local Receipts	4,400,000		
Surplus Revenue / Free Cash	1,763,451		
Overlay Release	100,000		
Transfer from Stabilization Fund	0	<u>17,661,667</u>	
Total Estimated Revenues		74,845,052	

EXPENSES

<u>ReCap Sheet Items:</u>			
State Assess: Tuition Assess (10.00%)	3,592,317		
State Assess: All Other (3.00%+CCRTA)	602,985		
Abatements / Overlay	400,000		
FY'16 Snow & Ice Deficit	150,000		4,745,302
 <u>Town Meeting Items:</u>			
Group Health Insur.+ Mitig. Plan (7.50%)	9,970,625		
County Retirement Assess. (6.60%)	3,355,082		
Property & Liability Insurance (2.50%)	861,000		
Medicare (6.00%)	636,000		
Unemployment Account	100,000		
OPEB Trust Fund	75,000		
Debt: Long Term	4,170,074		
Debt: Short Term	50,000		
Reserve Fund	500,000		
Capital Budget - Net	500,000		
Transfer to Stabilization Fund	25,000		20,242,781
 <u>Operating Budgets:</u>			
School Budget: Local (3.00%)	24,977,500		
Ch. 70 (0.00%)	6,740,018		31,717,518
UCCRVTS Budget (7.50%)			2,202,860
General Gov't. Budget (2.80%)			<u>15,774,520</u>
Total Estimated Expenses			74,682,981

<u>Stabilization Fund Balance:</u>	
Actual Balance on 11/30/15:	1,226,393
Proposed Transfer From/To Stabilization Fund:	25,000
Projected Post ATM Balance:	1,251,393

ESTIMATED FY'17 BUDGET BALANCE 162,071

FY'17 BUDGET TOTALS

NO.	DEPARTMENT	FY16 APPROP	FY17 SALARY	FY17 OPER	FY17 TOTAL	% CHANGE
114	Moderator	450	450	0	450	0.00%
123	Select./Manager	467,269	418,282	61,350	479,632	2.65%
	Personnel Expen.	244,875	425,000	0	425,000	73.56%
131	Finance Comm.	3,400	2,000	1,400	3,400	0.00%
135	Accounting	226,810	192,088	22,250	214,338	-5.50%
141	Assessing	384,818	362,201	24,925	387,126	0.60%
145	Treasurer	205,882	218,759	-7,950	210,809	2.39%
146	Tax Collector	201,800	140,701	56,900	197,601	-2.08%
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.	170,163	168,338	8,000	176,338	3.63%
161	Town Clerk	165,677	166,501	5,500	172,001	3.82%
162	Elect. & Regist.	60,750	10,500	59,750	70,250	15.64%
171	Natural Resour.	270,676	247,714	27,100	274,814	1.53%
175	Plan. & Devel.	222,299	196,921	21,125	218,046	-1.91%
190	Facilities Mgmt.	522,455	207,850	322,500	530,350	1.51%
195	Town Reports	11,000	0	11,000	11,000	0.00%
196	Bind Records	6,000	0	6,000	6,000	0.00%
197	Info. Technology	529,329	199,512	337,500	537,012	1.45%
	Total 100s	4,028,653	2,956,817	1,292,350	4,249,167	5.47%
210	Police Dept.	4,098,264	3,864,677	318,835	4,183,512	2.08%
220	Fire Dept.	3,211,210	3,734,795	-511,200	3,223,595	0.39%
241	Inspections	265,317	257,163	16,105	273,268	3.00%
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	7,593,991	7,859,635	-160,060	7,699,575	1.39%
300	School Dept.	30,915,593	31,715,518	0	31,715,518	2.59%
313	UCCRVTS	2,049,172	2,202,860	0	2,202,860	7.50%
	Total 300s	32,964,765	33,918,378	0	33,918,378	2.89%

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

NO. DEPARTMENT FY16 APPROP FY17 SALARY FY17 OPER FY17 TOTAL % CHANGE

410	DPW - Engineer.	188,745	184,567	9,800	194,367	2.98%
420	DPW	1,467,558	970,673	558,025	1,528,698	4.17%
421	Snow & Ice	250,014	12,524	237,491	250,015	0.00%
424	Streetlights	30,000	0	30,000	30,000	0.00%
435	DPW - Sanitation	0	420,417	-420,417	0	#DIV/0!
Total 400s		1,936,317	1,588,181	414,899	2,003,080	3.45%

510	Health Dept.	187,330	181,646	10,125	191,771	2.37%
522	Nursing Dept.	145,742	117,712	29,700	147,412	1.15%
540	Social Services	35,000	0	35,000	35,000	0.00%
541	COA	217,769	219,548	10,500	230,048	5.64%
543	Veterans	45,500	0	50,000	50,000	9.89%
Total 500s		631,341	518,906	135,325	654,231	3.63%

610	Library	944,017	766,196	183,637	949,833	0.62%
630	Recreation	155,787	135,459	26,375	161,834	3.88%
650	DPW - Parks	20,850	0	20,850	20,850	0.00%
671	Hoxie / Grist Mill	20,000	20,000	0	20,000	0.00%
693	Memorial Day	1,200	0	1,200	1,200	0.00%
694	Historic District	13,000	2,000	12,750	14,750	13.46%
Total 600s		1,154,854	923,655	244,812	1,168,467	1.18%

GEN. GOVT. TOTAL 15,345,156 13,847,194 1,927,326 15,774,520 2.80%
 (no School)

Gen. Gov't. Budget @ 3.00% = 15,805,511 **Adjustment Needed =** 30,991

GRAND TOTAL 48,309,921 47,765,572 1,927,326 49,692,898 2.86%
 (incl. School)

**FY'17 RECOMMENDED GENERAL GOVERNMENT BUDGET
Summary of Significant Budget Changes (+/- \$5,000)**

(Contracted & Estimated Wage Increases Included in Appropriate Operating Budgets)

<u>Acct.</u>	<u>Budget - Description</u>	<u>Change</u>
ALL	Back to Usual 52.2 Weeks in Fiscal Year vs. 52.4 Weeks in FY'16	-42,339
123	Manager - Personnel Expenses & Unresolved Union Contracts	180,125
146	Collector - Lockbox for Collection of Taxes & Fees - <u>Net Decrease</u>	6,000
162	Elections & Registrations - Up Year in Normal Cycle	9,500
171	Natural Resources - Boat Enforcement - Loss of Net Waterway \$	-5,000
197	IT - Vehicle Repairs - Price of Hand-Me-Down Police Vehicles	5,000
210	Fire - Increase Amb. Billing Charges \$14K - <u>Fully Offset Account</u>	-22,000
630	Recreation - Min. Wage Increase & Porta-Jon Rentals - <u>Fully Offset</u>	20,000

GENERAL GOVERNMENT OPERATING BUDGET NEEDS - Prioritized Summary

<u>Acct.</u>	<u>Budget - Description</u>	<u>Amount</u>
210	Police - More Realistically Fund OT for Minimal Coverage	150,000
220	Fire - More Realistically Fund OT for Minimal Coverage	50,000
421	Snow & Ice - More Realistically Fund to Better Cover Shortfalls	150,000
420	DPW - Establish Lease/Purchase Account in Operating Budget	150,000
190	Public Facilities - Add'l. Maintenance Specialist & Part-Time Clerk	70,000
197	IT - Increase IT Network Support Technician Position to Full-Time	30,000
Multiple	Streamline Town Organizational Structure	350,000
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>
		1,500,000

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 Staff for 3rd Ambulance; Tie to Debt Exclusion*	750,000

* **Note:** The hiring of the (8) Fire/EMS staff should be directly tied to any debt exclusion vote to properly fund capital improvements to the East Sandwich Sub-station to accommodate the additional personnel. A grand total of (12) personnel are needed, but (4) Fire/EMS staff were funded in the FY'16 budget.

OVERALL BUDGET ISSUES & CONCERNS

Chronically Underfunded Operating Budget Accounts:

- Police & Fire Department Overtime Budgets Do Not Provide Sufficient Funding to Retain Basic, Standard Shift Coverage
- DPW Snow & Ice Account Funded Well-Below Average Historic Expenditures

Capital Needs:

- Annual Operating Capital Needs Far Exceed Available Funding (ex. = DPW needs alone could justify a \$150,000 lease-purchase line item in operating budget)
- Large-Scale Projects Needing Exclusions to Fund (ex. = Public Safety; Roads & Infrastructure; Wastewater; Beach; HTW School; etc.)
- Existing Municipal Buildings - no place to combine appropriate departments; nowhere to put new staff; lack of modern office features & code issues (ex. = financial departments; Annex; etc.)

Employee-Related Costs & Employee / Debt Requirements:

- Increased Cost of Town & School Employee & Liability Programs (ex. = health insurance; so-called "Cadillac Tax" costs which take effect January 1, 2018 or later; retirement assessment; etc.)
- Increased Time-Demands Overseeing Town & School Employee & Debt Issues (ex. = Affordable Care Act reporting; increased bond scrutiny; etc.)

FY'17 CAPITAL BUDGET SUMMARY

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>
PROJECTS >\$10,000		
171 NATURAL RESOURCES	Peter's Pond Security Cameras	\$11,600
190 FACILITIES DEPT.	Repairs to Town Buildings	\$125,000
190 FACILITIES DEPT.	Replace '06 Pickup with Plow	\$28,000
210 POLICE DEPARTMENT	Mobile Radios for Marked & Unmarked Vehicles	\$21,634
220 FIRE DEPARTMENT *	Build Brush Breaker on Donated '90 Chassis	\$150,000
220 FIRE DEPARTMENT	Fire/EMS HazMat & Site Data Software	\$15,000
220 FIRE DEPARTMENT	Upgrade Existing UHF Radio System	\$32,000
220 FIRE DEPARTMENT	Purchase (5) Thermal Imaging Cameras	\$30,950
300 SCHOOL DEPARTMENT	Forestdale School Treatment Facility Upgrade	\$200,000
420 DPW - HIGHWAY *	Replace Dump Truck with Plow	\$160,000
541 COUNCIL ON AGING	HSB Security Cameras	\$12,730
TOTAL > \$10,000 CAPITAL EXPENSES		\$786,914
PROJECTS <\$10,000		
171 NATURAL RESOURCES	Ryder Conservation Security Cameras	\$8,600
171 NATURAL RESOURCES	Regulatory Buoy Replacements	\$4,000
171 NATURAL RESOURCES	(3) AEDs for DNR Vehicles	\$6,000
210 POLICE DEPARTMENT	Patrol Cruiser Rifles & Shotguns	\$8,382
220 FIRE DEPARTMENT	(2) Electric Positive Pressure Ventilation Fans	\$4,310
522 PUBLIC HEALTH NURSE	Vaccine Freezer	\$1,550
522 PUBLIC HEALTH NURSE	Vaccine Refrigerator	\$5,680
TOTAL < \$10,000 CAPITAL EXPENSES		\$38,522
TOTAL FY'17 CAPITAL BUDGET		\$825,436
		* Ambulance Fund Transfer = (\$150,000)
		* DPW Operating Budget Lease/Purchase Account = (\$160,000)
TOTAL OTHER FUNDING SOURCES =		(\$310,000)
NET FY'17 CAPITAL BUDGET		\$515,436

ADDITIONAL FY'17 CAPITAL BUDGET IF FUNDING ALLOWS

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>
PROJECTS >\$10,000		
171 NATURAL RESOURCES	Replace Kubota RTV 900 Less Trade-In	\$20,600
190 FACILITIES DEPARTMENT	Library Repairs (ADA Ramp, Doors & Ent., Flat Roof)	\$50,000
190 FACILITIES DEPARTMENT	Towable Debris/Leaf Blower	\$11,600
420 DPW - HIGHWAY	New Stump Grinder	\$35,506
630 RECREATION	Utility Vehicle for Oak Crest Cove	\$13,000
630 RECREATION	Skate Park Repairs & Improvements	\$20,000
TOTAL > \$10,000 CAPITAL EXPENSES		\$150,706
PROJECTS <\$10,000		
190 FACILITIES DEPARTMENT	Gravelly Brushcutter Attachment	\$1,852
190 FACILITIES DEPARTMENT	Gravelly Mower	\$3,051
220 FIRE DEPARTMENT	Rescue Air Cushion to Lift 10 Tons	\$5,858
630 RECREATION	Oak Crest Cove Cabin Equipment	\$9,500
TOTAL < \$10,000 CAPITAL EXPENSES		\$20,261
TOTAL ADDITIONAL FY'17 CAPITAL BUDGET IF FUNDING ALLOWS		\$170,967

GRAND NET TOTAL \$686,403

PROPOSED TIMELINE FOR FY'17 BUDGET

Nov. – Dec. 2015	Town Manager Discusses General Budget Process with Board of Selectmen & Finance Committee
When Certified	Town Manager & Superintendent of Schools Meet to Discuss Free Cash Certification, Current Enrollment Figures, Estimates for Upcoming Budget
December 2015	Selectmen Issue FY'17 Budget Parameters, Timeframes, Etc. to School Committee & Town Manager (Likely Meeting Date = December 3, 2014)
February 1, 2016	Town Manager Submits Proposed General Government Budget to Selectmen & Finance Committee
February 1, 2016	School Committee Submits Proposed School Department Budget to Selectmen & Finance Committee
February 2016	Town Manager Finalizes Capital Budget Recommendation to Capital Improvement Planning Committee
February 11 or 18, 2016	Selectmen Hold Public Hearing on FY'17 Budget
March 2016	Capital Improvement Planning Committee Submits Capital Budget to Selectmen & Finance Committee
February 25, 2016	Selectmen Submit FY'17 Budget Recommendation to Finance Committee
March 30, 2016	Finance Committee Votes on Final Budget Recommendation to Selectmen (<u>Note</u> : Warrant needs to be finalized by April 8, 2016)
April 15 or 22, 2016	Selectmen Hold Public Hearing on FY'17 Budget
May 2, 2016	Annual Town Meeting & Vote on FY'17 Budget

SANDWICH TOWN CHARTER

**ARTICLE VII
FINANCIAL PROVISIONS AND ADMINISTRATION**

Section 7.1 SUBMISSION OF BUDGET AND BUDGET MESSAGE

(a) The town manager and school superintendent shall meet within 10 business days of state certification of surplus revenue or finalization of October 1 enrollment, whichever occurs later. Within 10 business days of that meeting, the town manager and school superintendent shall submit a draft budget in a mutually agreed format to the board of selectmen, school committee and finance committee.

(b) Annually, before November 1, the town manager shall establish and issue a budget schedule that shall set forth the calendar dates for developing the annual budget for the next fiscal year.

(c) On or before December 15, the board of selectmen shall meet in joint session with the school committee. At this meeting, the board of selectmen shall set guidelines for the preparation of the annual budget.

(d) On or before February 1, the town manager and school committee shall each submit to the board of selectmen and Finance Committee a proposed line item budget and accompanying message.

(e) The budget shall provide a complete financial plan of all town funds and activities, including details on debt and debt service, anticipated income, and proposed expenditures. The budget shall include proposals for capital improvements for the next 5 years. The budget message shall begin with a clear general summary of its content and explain in both fiscal terms and program objectives, proposed expenditures for each department, capital expenditures, and the projected tax rate.

(f) The board of selectmen shall review the proposed town budget and refer it, including the school department budget and recommendations, to the finance committee, on or before March 1.

(g) After the annual town meeting, but before June 15, the board of selectmen shall meet in joint session with the finance committee to review the assumptions used to project budgets for the next 2 fiscal years. If necessary, the board of selectmen shall vote to reset any of those assumptions.

Section 7.3 PUBLIC NOTICE AND PUBLIC HEARING

(a) The finance committee shall, within 60 days following the submission of the draft budget by the town manager, review the proposed budget and return it to the board of selectmen with its recommendations.

(b) The board of selectmen shall conduct at least 2 public hearings. The first shall be held in February to consider budget matters generally and notice of the time, date and place therefor shall be posted in town hall and on the town website and published in a daily newspaper of general circulation in the Town.

An additional public hearing shall be held prior to town meeting on the proposed budget, including the school budget and finance committee recommendations. Notice of such hearing shall be published as described above and included: the times and places where copies of the message and budget are available for inspection by the public.

Section 7.4 BUDGET ADOPTION

Town meeting shall adopt the annual operating budget, with or without amendments, before the beginning of the fiscal year.

Section 7.5 ANNUAL AUDIT

At the close of each fiscal year, and at such times as it may be deemed necessary, the board of selectmen shall cause an independent audit to be made of all accounts of the town by a certified public accountant. The certified public accountant so selected shall have no personal interest, directly or indirectly, in the financial affairs of the town or any of its offices. Upon completion of the audit, the results in a summary form, shall be placed on file in the town clerk's office and on the town website as a public record and in the sandwich public library for public information.

Section 7.6 EMERGENCY APPROPRIATIONS, REDUCTIONS, and TRANSFERS

Any and all emergency appropriations, reductions and transfers shall be made in accordance with the General Laws and the town by-laws.

TOWN OF SANDWICH

THE OLDEST TOWN ON CAPE COD

130 MAIN STREET
SANDWICH, MA 02563

TEL: 508-888-4910 AND 508-888-5144
FAX: 508-833-8045

EMAIL: selectmen@townofsandwich.net



BOARD OF
SELECTMEN

TOWN
ADMINISTRATOR

September 21, 2006

Dana Barrette, Chairman
Sandwich School Committee

Hank Sennott, Chairman
Sandwich Finance Committee

Re: Standard Operating Procedure for School Department Annual Budgeting Process

Dear Honorable Chairmen:

There has been an extended debate regarding how the Fiscal Year 2007 budget was developed—in particular how the School Department appropriation was calculated. We acknowledge that there is some confusion related to this issue and this letter lays out how we plan to conduct the fiscal year 2008 and future years' budgeting exercises. In no way does this standard operating procedure impinge upon the Finance Committee's right to develop its own budget, as allowed by the Town Charter, nor does it intend to limit the deliberations of any committee/board while developing a budget.

Beginning with the Fiscal Year 2006 budget, the Town was instructed by the Department of Revenue (DOR) to abandon a practice long used to provide town meeting voters with "20-20 hindsight" when appropriating increases in Chapter 70 funding. That practice included holding a Special Town Meeting within the May Annual Town Meeting to appropriate any additional Chapter 70 funds received in the current fiscal year. This procedure was deemed inadvisable and the Town was required to begin forecasting its entire School Department budget prior to setting the tax rate in December of each fiscal year.

We support continuing this "20-20 hindsight" concept while complying with the requirements of the DOR by scheduling a late summer or early fall Town Meeting each year, after the release of the State's "Cherry Sheet," to appropriate any increases in Chapter 70 funding. The Special Town Meeting warrant may include additional appropriation articles and other articles as necessary to conduct the Town's business.

What this means to the annual budget development exercise is:

- 1) The planned increase of the local contribution to the School Department's operating budget will be consistent with the town's long range plan as updated each year by the Board of Selectmen.
- 2) No increase in appropriations will be assumed relative to the prior year's Chapter 70 funding. That is, the normal procedure will be to level fund anticipated Chapter 70 revenues as well as the appropriation of those funds.

Specifically for the Fiscal Year 2008 budget, the local contribution to the School Department's operating budget will be \$22,085,287, which is a 4% increase over the Fiscal Year 2007 budgeted local contribution of \$21,235,853. The Fiscal Year 2007 budgeted local contribution was, in turn, a 4% increase over the Fiscal Year 2006 actual local contribution of \$20,419,089 which, combined with the \$5,651,356 of Chapter 70 funds received, equals the School's FY2006 operating budget of \$26,070,445.

We hope this clarifies the process we will conduct for developing our Fiscal Year 2008 budgets and provides guidance consistent with the Town's Long Range Plan that will help the School Committee plan for its FY2008 expenditures.

Sincerely,



Randy Hunt, Chairman



Tom Keyes, Vice Chairman



Doug Dexter, Selectman



Adam Chaprales, Selectman



Frank Pannorfi, Selectman

**BOARD OF SELECTMEN POLICY OPTIONS
SCHOOL BUDGETING PROCESS – CH. 70 FUNDING**

January 28, 2016

1. Retain current policy as is.
2. Amend current policy requiring Board of Selectmen to convene Special Town Meeting any time “final” State Ch. 70 funding amount is higher or lower than estimate used in annual budget process.
3. Amend current policy and only require Board of Selectmen to convene Special Town Meeting if the “final” State Ch. 70 funding amount is higher or lower by a threshold (% or \$) determined by the Selectmen.
4. Amend current policy and live with whatever is voted at the Annual Town Meeting, unless a potential decrease is so great a Special Town Meeting is needed to stay within our tax levy limit.
5. Eliminate policy altogether and consider Ch. 70 annually on a case-by-case basis.

Most Important Principle to Retain Even if Policy Eliminated: Never plan or assume anything more than level-funding in the annual budget preparation and projection process. It's too presumptuous to include any increases until the State provides better budget information in the spring of each year. The worst thing municipalities can do financially is to over-estimate projected receipts.