

TOWN OF ORLEANS

BUDGET POLICY FISCAL YEAR 2014

It is the policy of the Orleans Board of Selectmen that the budget for the period beginning July 1, 2013 and ending June 30, 2014 (FY14) shall be developed in accordance with the following guidelines.

GOAL

The goal for the FY14 budget is to maintain the core level of services being provided to the community during this time of continuing economic uncertainty, rising costs and diminishing state revenues.

REVENUES

Real Property Tax

As reflected in the September 27, 2012 Financial Plan, the FY14 property tax levy would increase by 3.2%.

Non-Property Tax

In accordance with the Board's Policy, free cash reserves will be maintained at a minimum of 4.5% of the proposed operating budget. An additional amount up to 0.5% in free cash reserves will be considered for future OPEB funding, with the remaining balance applied to reduce property taxes.

Undertake a comprehensive review of all departmental revenues, including user fees currently being charged for town services in order to determine the appropriate level of funding to be supported by real property taxes.

EXPENDITURES

Non-Schools

Non-school operating expenditures necessary to maintain the core level of town services shall increase by not more than 3%. This amount includes anticipated union contract settlements in FY13 and retroactive salary and wage increases for union and non-union employees for both FY12 and FY13. The FY14 projection assumes a general wage increase of 1.5% per year for all employee groups.

Operating expenditures shall include salaries and wages, fringe benefits, pensions, general expenses and state/county assessments, but not debt. Capital outlay expenditures shall not exceed \$800,000 next year.

Schools

School operating expenditures (Orleans Elementary, Nauset Regional and Cape Cod Tech) shall not increase by more than 3%.

Operating expenditures shall include salaries and wages, fringe benefits, pensions, general expenses, but not debt. Capital outlay expenditures are funded next year at \$25,000 for Orleans Elementary and \$88,000 for Nauset Regional.

Debt

Any new borrowing proposed for an item in the FY14 capital budget will be offered to the voters as a Proposition 2½ debt exclusion question on the ballot.

PROCESS

The Town Administrator shall develop a balanced non-school operating budget in accordance with the policy guidelines. The Capital Improvements Plan shall include long range planning for each department for FY15 - FY19 and a Capital Budget for projects proposed for FY14.

Each Department Manager will be required to review their respective operations with the Town Administrator. Due to continuing economic uncertainty, the departmental reviews must focus on the sustainability of core services currently being provided to the community. This means that level of service decisions will need to be considered during the budget development process including outsourcing of services wherever appropriate, reduction in the number of town positions and/or full time (40-hour) work week. The Town understands and recognizes its obligations under the law to meet and negotiate certain aspects of reduction in services with labor unions who represent the town employees and it will meet those obligations as required.

Included as part of his budget message, the Town Administrator shall highlight specific recommendations to meet the Board's budget policy guidelines for FY14.

Date Submitted: October 3, 2012

Date Approved:

10/3/2012

FINANCIAL PLAN
FISCAL YEARS 2013 - 2016
(\$000)

**REVISED TO SHOW IMPACT
 OF RETRO COLA FUNDING
 ON FY14 PROJECTED**

REVENUES	REVISED		REVISED		PROJECTED		PROJECTED		PROJECTED	
	F.Y. 2012	% Chg.	F.Y. 2013	% Chg.	F.Y. 2014	% Chg.	F.Y. 2016	% Chg.	F.Y. 2016	% Chg.
Property Tax										
Property Tax (Base)	18,107	3%	19,296	6.6%	19,897	3.1%	20,544	3%	21,211	3%
Statutory Increase	453	3%	482	6.6%	497	3.1%	514	3%	530	3%
Growth	166	7%	119	-28.6%	150	25.9%	153	2%	166	9%
Debt/Capital Exp. Exclusions	2,364	26%	2,268	-4.1%	2,283	0.7%	3,775	65%	4,093	8%
Cape Cod Commission Act	147	8%	150	2.5%	154	2.5%	158	2%	162	2%
General Override	570		-	-100.0%	-		-		-	
Unused Levy Capacity	(528)	1901%	(654)	23.8%	(631)	-3.4%	(725)	15%	(523)	-28%
Community Preserv. Surtax	626	6%	637	1.8%	658	3.2%	718	9%	754	5%
Total Property Tax	21,904	6%	22,299	1.8%	23,007	3.2%	25,137	9%	26,394	5%
Provision for Abatement/Exempt	(192)	-8%	(200)	4.4%	(200)	0.0%	(200)	0%	(200)	0%
Non-Property Tax										
State Aid	445	0%	467	5.0%	474	1.6%	482	2%	494	2%
Motor Vehicle Excise	850	3%	850	0.0%	876	3.0%	902	3%	929	3%
Local Receipts	4,224	1%	4,381	3.7%	4,596	4.9%	4,775	4%	4,860	2%
Free Cash	721	67%	970	34.6%	400	-58.8%	400	0%	400	0%
Funds Resv. Appr./Other Avail.	981	-2%	925	-5.7%	719	-22.2%	897	25%	670	-2.5%
Hotel/Meals Tax	431	128%	484	12.4%	496	2.4%	506	2%	521	3%
Total Non Property Tax	7,651	8%	8,076	5.6%	7,561	-6.4%	7,961	5%	7,874	-1%
Total Revenues	29,363	7%	30,175	2.8%	30,368	0.6%	32,898	8%	34,068	4%
Assessed Value (est. as of 1/1/11)	3,600,381	0%	3,620,481	0.6%	3,645,481	0.7%	3,670,481	1%	3,695,481	1%
Tax Rate	5.91	6%	5.98	1.2%	6.13	2.5%	6.65	9%	6.94	4%
EXPENDITURES										
Non-School										
Salaries and Wages	9,035	1%	9,171	1.5%	9,401	2.5%	9,683	3%	9,974	3%
Fringe Benefits	2,084	4%	1,881	-9.7%	1,994	6.0%	2,113	6%	2,240	6%
Pensions	1,302	2%	1,349	3.6%	1,429	6.0%	1,487	4%	1,546	4%
General Expenses	3,409	2%	3,502	2.7%	3,550	1.4%	3,657	3%	3,786	3%
State/County Assessments	506	8%	517	2.1%	529	2.5%	543	2%	556	2%
Sub Total - Non Sch Operating	16,336	2%	16,419	0.5%	16,904	3.0%	17,482	3%	18,082	3%
Capital Outlay	539	-12%	880	63.4%	800	-9.1%	854	7%	739	-14%
Debt	3,068	30%	2,921	-4.8%	2,775	-5.0%	4,348	57%	4,719	9%
Sub Total - Non Sch Capital/Debt	3,606	22%	3,801	5.4%	3,575	-6.0%	5,203	46%	5,458	5%
Total - Non School	19,942	5%	20,220	1.4%	20,478	1.3%	22,685	11%	23,541	4%
School										
Nauset Regional	3,703	3%	3,680	-0.6%	3,790	3.0%	3,904	3%	3,994	2%
Debt	(153)	818%	(148)	-3.5%	53	-136.0%	44	-18%	69	58%
NRS Capital Outlay	91	-2%	88	-3.0%	88	0.0%	88	0%	88	0%
Sub Total - NRS	3,641	-1%	3,620	-0.6%	3,932	8.6%	4,036	3%	4,151	3%
Oriens Elementary	3,135	2%	3,214	2.5%	3,289	2.3%	3,367	2%	3,446	2%
Fringe Benefits	765	5%	625	-18.3%	663	6.0%	703	6%	745	6%
Pensions	94	15%	86	-7.9%	91	6.0%	95	4%	99	4%
OES Capital Outlay/Spec. Articles	37		13	-64.9%	25	92.3%	25	0%	25	0%
Sub Total - OES	4,031	4%	3,939	-2.3%	4,068	3.3%	4,190	3%	4,315	3%
C.C. Technical High	305	17%	325	6.8%	335	3.0%	345	3%	355	3%
Total - Schools	7,977	2%	7,884	-1.2%	8,335	5.7%	8,570	3%	8,821	3%
Other Expenses										
Community Preserv. Expenses	483	-20%	483	0.0%	485	0.6%	490	1%	495	1%
Community Preserv. Fund	144	-1729%	155	7.9%	172	11.3%	228	32%	260	14%
Special Articles	819	438%	1,433	75.1%	897	-37.4%	924	3%	952	3%
Sub Total - Other Expenses	1,445	94%	2,070	43.3%	1,555	-24.9%	1,643	6%	1,706	4%
Total Expenditures	29,363	7%	30,175	2.8%	30,368	0.6%	32,898	8%	34,068	4%
Excess/Def. Rev Vs Exp	0		0		0		0		0	

OTHER AVAILABLE FUNDS DETAIL

<u>Source</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Ambulance Receipts	749,796	548,700	691,200	487,200	665,200	440,200
Water Ways Improvement	14,000	15,810	14,000	14,000	14,000	14,000
Cable Fees	118,000	100,000	100,000	100,000	100,000	100,000
Municipal Insurance	49,816	14,816	14,816	14,816	14,816	14,816
WPAT	5,000	5,000	5,000	5,000	5,000	5,000
Wetlands Protection	10,000	10,000	10,000	10,000	10,000	10,000
Transfer (Wastewater Article)	20,000	-	-	-	-	-
Water Surplus	-	150,000	-	-	-	-
Water Service Connections	50,000	25,000	25,000	25,000	25,000	25,000
Premium on Bond Issue	11,094	10,608	-	-	-	-
Grants to Reduce Debt	-	65,845	64,645	63,445	62,645	61,445
Transfer (Building Review Article)	-	34,820	-	-	-	-
Total	1,027,706	980,599	924,661	719,461	896,661	670,461

9/18/2012

SPECIAL ARTICLES - FY 13

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>RECURRING</u>
Chamber of Commerce	20,450.00	20,450.00
Selectmen	8,100.00	8,100.00
Human Services	63,163.00	63,163.00
4th of July Parade	8,000.00	8,000.00
Water Service Connections	25,000.00	25,000.00
Pavement	307,500.00	315,187.50
Drainage	153,750.00	157,593.75
Stabilization Funding	100,000.00	
COLA	-	
OPEB Funding	150,000.00	
Add'l Building & Facility Maint. Costs	365,000.00	300,000.00
Fire Department Staffing & Org. Study	20,000.00	
Dredging Design & Engineer	25,000.00	
Water Tank #1 Design & Engineer	50,000.00	
Mitigation Fund	101,088.00	
Fire Patrol Boat Outboards	36,000.00	
TOTAL	1,433,051.00	897,494.25