

OVERRIDE PRESENTATION TIMELINE

June 24

Pre-Overview

- review & confirm current budget assumptions & projections
- identify assumption areas that may change as FY'12 approaches & flexibility to address these changes
- review outline of planned presentation schedule & topics

July 8

Overview

- goal = informing the Board of Selectmen and general public about the budgets we are facing in the near future & identifying the time needed for the Board to make a decision on an override request
- series of presentations focusing on higher-level aspects of the financial issues we're facing
- supporting material & documentation in terms public can understand – transparent as always
- focusing on facts & data with human element to come down the road
- we will also make available to the public a handout of very detailed financial & demographic data which serves as the primary source of all the overview material we will be presenting
- separate “folder” is being set up on the Town’s website to access this and all future material we review with the Selectmen (www.sandwichmass.org)
- projected deficits & what’s needed to address deficits, focusing only on General Government aspects
- Sandwich is at the point of no return so solution = override or continue to reduce services drastically
- realistic projections of the Town’s upcoming budgets show an approximate \$2.2 million deficit for FY'12 which increase by about \$1.0 million each succeeding fiscal year
- over the ensuing meetings in July and August we will show actions the Town has taken to hold down costs in an attempt to make the last override the public supported in FY'06 last as long as possible
- when this override was requested, voters were told the Town would try to make it last 3 fiscal years – we’ve made it last 6
- we will also go into more detail on specific revenue and expense categories that have most contributed to the deficits we project, including substantial reductions in revenue outside of our control
- best example of this = State Aid which has collectively decreased by more than \$1.3 million over the last 2 fiscal years; as a recurring revenue source, it’s important to highlight that this loss of \$1.3

- million is substantially greater than the approximate \$1.0 million amount the deficit is projected to increase each fiscal year
- important to point out Sandwich is not alone in the financial difficulties it is facing – virtually every municipality in the Commonwealth is experiencing the same problems
 - if fact, in many instances, Sandwich has fared much better than most other towns due to the financial decisions it has made over the last many years
 - positive example of this is the Town's recent upgrade in it's bond rating to a AA rating, despite the difficult national and state economies
 - one of the keys aspects we will be highlighting is the quality public services Town residents receive for their tax dollars
 - an excellent example of this is the staffing levels & comparisons with similar towns (all department summary in handout; FY'09 Big 3 comparison; 2002 study)
 - this data shows we do more with less and we are proud of our ability to be so efficient, but at this point we our questioning our effectiveness
 - demands & requirements from all levels of government and the public has increased substantially
 - again, more examples and greater detail will be provided in the ensuing weeks
 - one key component of any successful override is the leadership role the Selectmen play in the effort with staff support
 - by what date would the Selectmen like to make a decision on an override request and what additional information can we provide to help?

July 22

Revenues

- Sandwich's tax bill – how it works and where it comes from
- Sandwich v. State average
- sources of revenue other than taxes
- how State aid, local receipts, etc. have changed since FY'06 override
- Sandwich's total budget – where each dollar comes from
- long-term effects of Proposition 2.5 across Commonwealth
- Sandwich v. Cape towns v. South Shore towns
- demographic comparisons on % of second homes, % of K-12 aged children, % of 60+ population, etc.
- year-round service demands & requirements; best example = student enrollments
- economic development realities...but every little bit helps!

- decreasing debt service without new projects / programs to maintain & replace infrastructure

August 5

Expenses

- Sandwich's total budget – where each dollar goes
- “problem” budget areas where expenses are increasing faster than revenues (i.e., health insurance, retirement, capital needs, Upper Cape Tech, Charter Tuition assessments, etc.)
- highlights of actions taken to hold down expenses
- wage concessions of Town staff; group insurance efforts, capital budget minimized, Stabilization Fund set asides, etc.
- level-funded operating budgets v. increased operating costs
- new demands & requirements
- efficiency v. effectiveness = comparison with other towns & national standards
- more time spent reacting v. time spent being proactive / planning
- pride in making things last & improving delivery of services for more people each year

August 19

Conclusions & Recommendations

- currently at the point of no return so solution = override or reduced services
- potential reductions in personnel and operating budgets to address deficit
- services we have today v. what's needed in terms of additional services
- history of last override, even with revenue reductions & underide
- cost / impact on average taxpayer (i.e., cost of each \$1.0 million = \$93)
- reality of other debt exclusion issues under consideration (i.e., building maintenance, new building needs, Old Harbor project, road bond)
- what additionally does the Board need to help make a decision?; by when?
- regardless of what happens, we need the Selectmen's leadership & offer our support