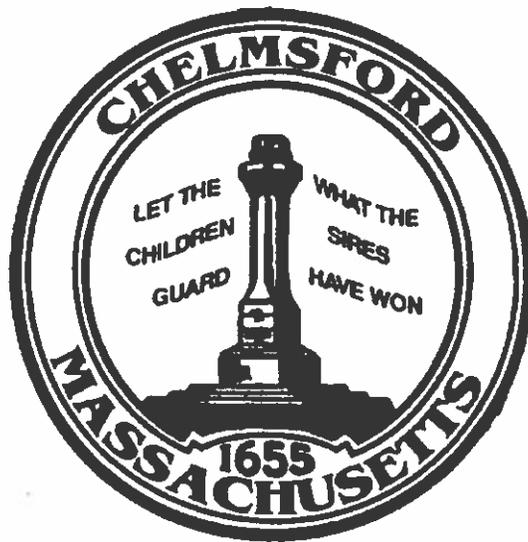


Town of Chelmsford Massachusetts



Proposed Fiscal Year 2015 Budget and Capital Improvement Plan

Paul E. Cohen
Town Manager

April 23, 2014

C H E L M S F O R D

A READER'S GUIDE TO THE BUDGET

Budget documents traditionally are not easy to read. One reason is that most of us do not work with written budgets everyday and thus are uncertain as to what we should read. Budgets involve numbers, which make some people uncomfortable. Also, your time is limited and you want to make the best use of your efforts by reading only the essential sections. In order to address these issues, and to assist interested readers in making the budget understandable, we would like to suggest that it be read in the following order:

First, Appendix D at the back of this document contains a **Glossary of Terms** that the reader may want to refer to when using this document.

Second, the **Town Manager's Budget Message** (pages 1-7) contains the overall philosophy upon which the budget was developed as well as an explanation of any significant increases or decreases in the level of services being provided in the current fiscal year as well as what will be provided during the upcoming fiscal year. Immediately following the Budget Message is the Town's **Vision Statement** and a general **Community Profile**.

Third, the budget itself is contained in **Budget Highlights & Summaries Section A**. This segment provides budget summaries which display revenue and expenditure histories as well as proposed appropriations for the coming fiscal year. This section identifies significant budget issues, and explains the Town Manager's rationale for budget recommendations.

Fourth, since the budget document is designed to present summary information first, and progressively become more in-depth, Sections B through F are designed to provide **Departmental Detail** according to functional budget categories such as Public Safety, Community Services, etc. Within each Department, detailed budgeted costs are shown for each line item under personnel and expenses. Staffing levels are also included for the upcoming fiscal year. These sections explain in detail how the expenditures contained in the Budget Highlights section were developed and what Town services will be provided.

Fifth, Section G contains information on **Miscellaneous Expense Categories** such as Employee Benefits, Insurance, Debt Service, Non-Appropriated Expenses and the FY2015 Warrant Articles. Lastly, Section H details the FY2015 **Capital Projects Budget** and contains detailed information on the Town's **Capital Improvement Program**.

TOWN OF CHELMSFORD MASSACHUSETTS

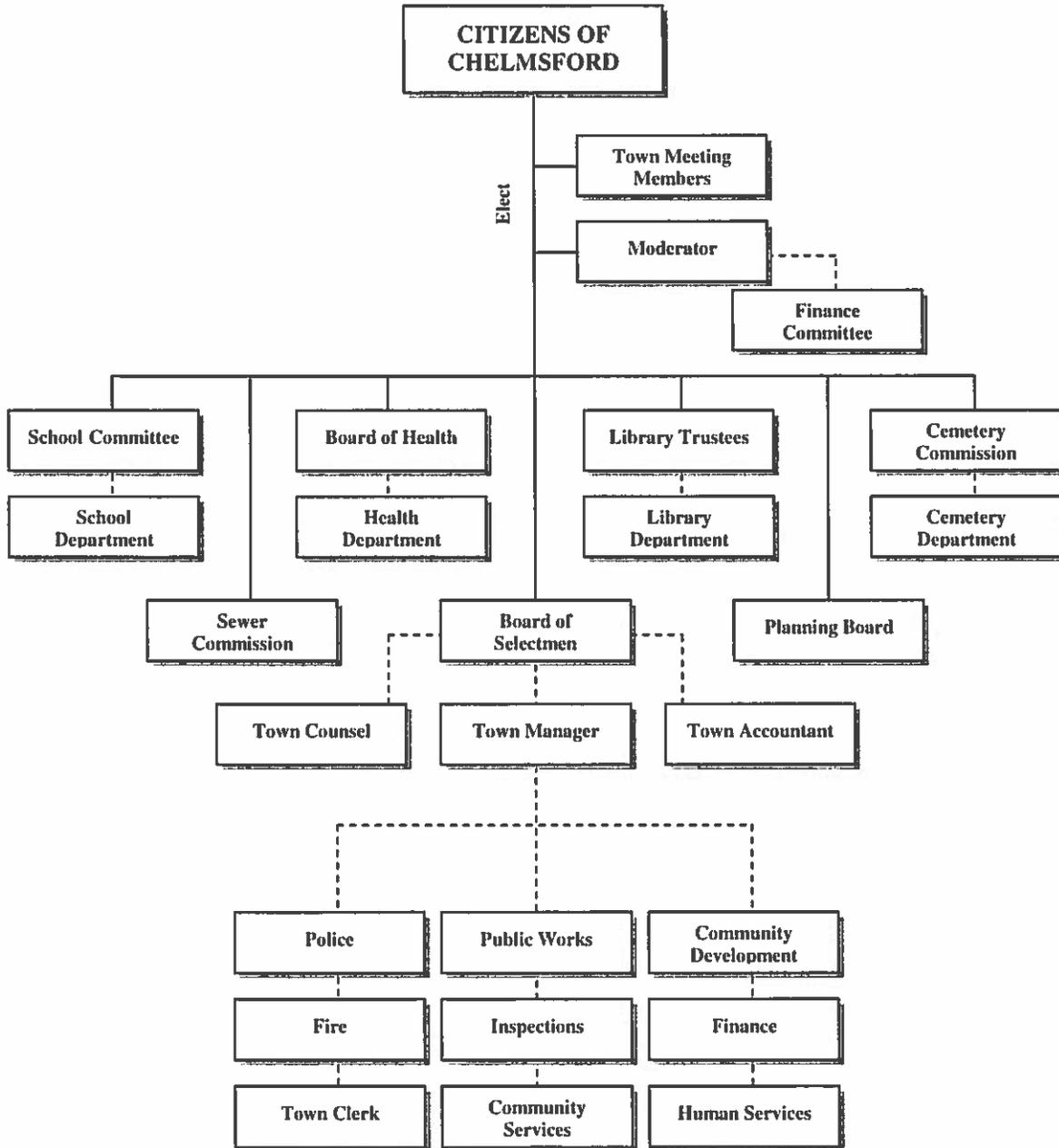


Town Manager's Recommended Annual Budget
For the Fiscal Year
Beginning July 1, 2014 and ending June 30, 2015

Board of Selectmen

Patricia Wojtas, Chairman
Janet L. Askenburg, Vice Chair
Robert P. Joyce, Clerk
George R. Dixon, Jr.
Matthew J. Hanson

Town Organizational Chart



Elected _____
 Appointed - - - - -



Fiscal Year 2015 Annual Budget

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Paul E. Cohen
Town Manager

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April 17, 2014

To the Board of Selectmen, Finance Committee,
Town Meeting Representatives, Town Officials,
and Chelmsford Residents:

In accordance with the provisions of the Massachusetts General Laws and the Town of Chelmsford Home Rule Charter, I hereby present the Town of Chelmsford's proposed Fiscal Year 2015 Operating Budget and Capital Improvement Plan. This year's operating budget totals \$114,750,154. The Sewer Enterprise Fund equals \$3,463,003. The Town's capital expenditure needs amount to \$3,074,694.

The proposed budget is essentially a level services budget. The current fiscal year's governmental operations and service levels are continued for another year. After two fiscal years of appropriating \$1M towards the Town's Other Post Employment Benefits (OPEB) liability from Free Cash at the Fall Annual Town Meeting, this same funding level has been included in the operating budget. Almost half of this appropriation (\$450K) can be met with recurring revenue based upon the current budgetary revenue estimates. Action will be taken at the Fall Annual Town Meeting, after the close of the current fiscal year and the certification of the Town's Free Cash/Undesignated Fund Balance, to address the remaining shortfall. The long-term goal is to fully fund the annual OPEB liability within the operating budget.

The economy has continued a prolonged period of slow growth. The Town's unemployment

rate remains at approximately 5.4%. Home sales prices have improved above levels of the prior year and the stock market is closing at record highs. Interest rates remain at historic lows; however, lenders maintain strict borrowing standards. It appears as though the economy will continue along this path.

Governor Deval Patrick's proposed FY15 State budget contained disappointing local aid funding. The Governor proposes to level-fund the main municipal local aid account known as Unrestricted General Government Aid. The Governor proposes an increase of only \$25/student in Chapter 70 education funding for the Town of Chelmsford and for a majority of school districts across the state.

Legislative leaders adopted a local aid allocation in mid-March. The legislature's proposal would increase the Town of Chelmsford's Chapter 70 education aid by the same amount of \$25/student that was proposed by the Governor. This results in an increase of \$128,050 (1.25%) in Chapter 70 education funds to \$10,346,618. The legislature proposes to increase Unrestricted General Government Aid by \$121,867 (2.77%) to \$4,516,342. Chelmsford's Unrestricted General Government Aid would be only \$44,469 (.1%) greater than the level from five years ago.

Local receipts are forecast to increase by \$175,000 (2.13%) during the upcoming fiscal



year. The modest improvement is largely attributed to recovering motor vehicle excise tax collections and increased meals taxes.

Budget Principle

This year's budget continues to be based upon the fundamental principle that the **Town's recurring revenues shall equal its recurring expenses**. However, with the support of the Finance Committee, the proposed operating budget includes \$1M in funding for Other Post Employment Benefits (OPEB). During the past two fiscal years, the Town has funded \$1M in OPEB from Free Cash at the Fall Annual Town Meeting. Since the Town incurs an operating liability of over \$2M in OPEB benefits each fiscal year, the inclusion of this funding in the operating budget at the Spring Annual Town Meeting underscores the fact that the Town is operating at a deficit. The goal is to fully-fund OPEB with recurring revenue rather than Free Cash. The proposed FY15 operating budget achieves almost half of this goal. Once the legislature approves the final local aid funding and the Town determines its actual new growth, an appropriation of Free Cash may be required at the Fall Annual Town Meeting to balance the budget.

As of March 31, 2014, the Town had a balance of over \$7.1 million in the Stabilization Fund. It is a sound financial practice for a community to maintain a fund balance of approximately 5 – 10% of its operating budget. The Town's operating budget is approximately \$115 million. Therefore, the Town has a fund balance of 6.2%, which is below the midpoint of the targeted range. A low fund balance contributed to the downgrade in the Town's bond rating in June 2007. In June 2012, Standard & Poor's restored the Town's AA bond rating. This rating was increased to AA+ in January 2014. This is the first time that the Town has achieved this bond rating, which is a step below the highest rating of AAA.

Budget Summary

The proposed \$114,750,154 FY15 operating budget would fund all Town operations within the property tax limitations of Proposition 2 ½. The major sources of funding for the budget are \$86,682,988 from the property tax levy, \$15,654,217 in State aid, and \$8,400,000 in local receipts. It would also require an additional appropriation of \$560K in Free Cash at the Fall Annual Town Meeting if the remaining revenue sources were to remain constant.

This year's budget maintains the current service and staffing level of governmental operations. The budget contains a 2% increase to the union and non-union employee pay schedules. All of the Town's collective bargaining agreements, with the exception of the two police unions, expire on June 30, 2016. The Town has not reached agreement with either the police patrol officers or the sergeants unions. Their agreements expired on June 30, 2013.

The budget provides a \$740,557 increase in funding for the Chelmsford Public Schools. The proposed School Department operating budget totals \$50,000,000. This 1.50% funding increase is net of a similar amount of savings in the School Department's utilities budget as a result of the implementation of the energy management services contract. The additional funding will address the fixed cost increases of over \$1M for step and degree employee compensation costs, as well as the costs for special education services.

The Town's assessment for Nashoba Valley Technical High School increases by \$381,631 (17.45%). This increased assessment reflects the enrollment of 19 additional Chelmsford students at the vocational high school. As of October 1, 2013, Chelmsford represents a total of 173 students (25.93%) of the district members' 667 student enrollment. The



assessment increase exceeds the required net change in the Town's minimum funding contribution required under the State's educational finance law by \$77,811.

Health insurance costs continue to comprise a significant share of the Town's budget. The Town's adoption of the 2011 municipal health insurance reform law altered the plan benefits to a level that is equivalent to those provided under the most-subscribed plans under the Massachusetts Group Insurance Commission. The premiums for active employees and non-Medicare retiree health plans have **decreased** by 1.4%. The health insurance budget decreases by \$525,000. The proposed budget for health insurance equals \$9.8M, which means that almost one out of every 10 dollars in the Town's operating budget is expended on health care.

An additional \$369,794 (3.28%) is budgeted to fund police and fire operations for the upcoming fiscal year. The demand for public safety services continues to increase. This funding level does not include monies that will be required when the Town reaches agreement on new labor contracts with the two police unions. The proposed funding for Library services increases by \$58,382 (3.40%). The proposed funding level would maintain State certification for the library.

Capital Expenditure Plan

To meet the Town's ongoing capital expenditure needs, the budget includes a \$3.07 million capital improvements program. Funds will be allocated to purchase a new \$1.2M ladder truck for the Fire Department, update the restrooms at the Parker Middle School, and address the School Department's technology needs such as a virtualization of the wireless networks at the elementary schools, security cameras, and additional smart boards for the classrooms. Capital investment would also fund a replacement sander truck, a consolidated firewall for information technology operations, and a new van for the senior center. The Town would also undertake road, sidewalk, and drainage improvements.

Property Tax Revenue

The Fiscal Year 2015 operating budget amounts to \$114,750,154. Property taxes comprise 76% of the Town's revenue for its operating budget. The Town's property tax levy is projected to increase by \$2,466,562 (2.93%) to a total of \$86,682,988. This includes the allowed \$1,966,113 increase in the property tax levy available under the provisions of Proposition 2 ½. It also includes an estimated increase of \$1,000,000 of new growth in the property tax base. However, it does not account for any application of the Town's Free Cash to reduce the property tax levy. This action is expected to take place at the Fall Annual Town Meeting prior to the certification of the property tax rate. Finally, the amount of excluded debt to fund the debt service for the sewer expansion, the high school and middle school renovation projects, and the new DPW facility **decreases** by \$521,453. The projected excluded debt service for the upcoming fiscal year is reduced to \$5,072,375.

During this difficult period of limited State aid, the Town has experienced continued growth in



its property tax assessment. During the past five years (FY09–FY14), the average single-family property tax bill in the Town of Chelmsford has increased from \$5,069 to \$6,119. This is a 20.71% increase of \$1,050, which is significantly more than an annual compounded increase of 2.5%. This is a result of the shift in property valuations from commercial and industrial towards residents. Also, within the residential property classification, there has been shift in valuation towards single-family homes from condominium and multi-family properties.

The fact that Chelmsford's statewide ranking in the amount of its average single-family property tax bill has risen from 73rd in FY09 to 67th in FY14 indicates that the growth in the Town's property tax levy has exceeded the overall increase across the Commonwealth. However, this ranking is better than the low 60s ranking from a decade ago.

State Aid

The slow rate of growth in State revenues in the aftermath of the economic recession has legislative leaders confronting the difficult challenges in the growth of entitlement programs; the increased costs of health care; the necessary investment to repairs state bridges, highways, and other infrastructure; and the increased operating costs for the MBTA. This limits the amount of assistance that the State can provide to municipalities. The State Legislature's FY15 local aid resolution increases the Town's Chapter 70 education aid by \$25/student (1.25%) and increases Unrestricted General Government Aid by \$121,867 (2.77%). The Town would receive approximately \$15.65M in local aid for Fiscal Year 15. Unfortunately, this funding level would approximately equal the amount that the Town received seven years ago in Fiscal Year 2008.

Chapter 70 education aid at a projected funding level of \$10,346,618 would comprise approximately 2/3rd of local aid for the upcoming fiscal year. Unrestricted General Government Aid is funded at \$4,516,342. The balance of local aid is largely comprised of School Choice tuition reimbursement (\$217,272) and reimbursement for exemptions for elderly and veterans property tax relief programs (\$209,402).

The projected \$15.65M in local aid will be significantly offset by approximately \$2M in local aid assessments. State assessments for charter school and school choice tuitions are estimated to total \$1,460,820. This is a increase of \$38,258 (2.69%) over the current fiscal year.

OPEB Liability Trust Fund

The effort to fund \$1M towards the Town's OPEB liability within the operating budget with recurring revenue is an effort to adhere to the principal that the Town's recurring revenues will meet its recurring costs. The Department of Revenue certified the Town's Free Cash as of June 30, 2013 in the amount of \$894,206. At the 2013 Fall Town Meeting, this amount was transferred into the OPEB Liability Trust Fund. The balance in the trust fund is approximately \$2.5M.

The Town's unfunded OPEB liability is approximately \$85M. The Town accrues an OPEB liability of over \$2M annually. Chelmsford would need to appropriate \$2.3M annually over the next 30 years to eliminate this liability. OPEB reform legislation is expected to be enacted by the State Legislature within the next year. Such reform would reduce the Town's liability by one-third to one-half. Therefore, a \$1M annual funding level into the OPEB trust fund is reasonable. The inclusion of the \$1M in OPEB funding in the FY15 operating budget results in a deficit of approximately \$550K. Any remaining deficit following the actual local aid distribution,



actual new growth in the property tax levy, and other budgetary adjustments would need to be addressed at the Fall Annual Town Meeting. This is a conscious effort to illustrate the OPEB deficit in order to show the true operating cost of the Town on an annual basis as well as an effort to promote the passage of OPEB reform legislation at the State House.

General Stabilization Fund

The current General Stabilization Fund balance is \$7M. Sound financial practice and the Town's fiscal policy provide that the Town should maintain combined Free Cash and Stabilization Fund balances that total between 5% and 10% of the Town's operating expenditures. The current balance of the Town's General Stabilization Fund represents 6.1% of the Town's \$115 million operating budget. This reserve level provides the Town with financial flexibility and resulted in Standard & Poor's upgrading the Town's bond rating in January 2014 from AA to AA+.

There are no proposals at this Town Meeting to appropriate monies from the General Stabilization Fund. It is anticipated that the Town may transfer some funds from Free Cash into the General Stabilization Fund at the 2014 Fall Annual Town Meeting; thereby increasing the level of the Town's financial reserves.

Local Receipts

The FY15 budget includes an estimate of \$8.4M in local receipts. This is an increase of \$175,000 or 2.13% from the current fiscal year's budget. This \$8.4M forecast exceeds by \$50K the \$8,350,955 collected in local receipts during the past fiscal year.

Motor vehicle excise taxes totaling \$4.25 million account for more than half of the Town's estimate of \$8.4M in FY15 local receipts. Local meals taxes (\$525K) and local room excise taxes (\$495K) are other major components of local receipts, along with building permit fees (\$600K).

Expenditure Distribution

The Fiscal Year 2015 operating budget essentially maintains the current service and staffing level of operations for all town departments including education, public safety, public works, and general administration.

Fiscal Year 2015 is the second year of the three-year labor agreements with almost all of the Town's collective bargaining groups. Agreements with the two police unions have not been achieved at this time. The Town's union and non-union employee compensation plan will increase by 2% for the upcoming fiscal year. Those employees who are not at the top step of their pay scale will receive a step increase to reflect an additional year of work experience.

The appropriation to the Chelmsford Public Schools increases by \$740,557 (1.50%) to a total amount of \$50,000,000. This incorporates a savings of \$737,226 in utility expenses as a result of the implementation of the Town's energy management services contract, which installs solar electricity systems, boiler replacement, and other energy savings measures in the school buildings. The School Department will absorb over an additional \$1M in employee step and degree compensation costs. The School Department budget also funds a \$180,000 increase in special education costs. The average cost to educate a student in the Chelmsford Public Schools exceeds \$12,000 per year. Further details regarding the School Department's FY15 budget are available in the School Department's budget document.

The Town of Chelmsford's assessment to Nashoba Valley Technical High School increases by \$381,631 (17.45%) to a total amount of \$2,568,811 in FY15. This increased assessment is driven by the enrollment of 19 additional students. Chelmsford's enrollment has increased by 48% over the past five years to a total of 173 students currently attending



Nashoba Tech. The average cost to educate a student at Nashoba Tech exceeds \$15,000 per year.

Funding for the Town's General Government departmental operations would increase by \$734,367 (3.01%) for the upcoming fiscal year. Municipal Administration expenses are rising to account for the increased costs related to the biennial state election year and for technology support operations. The Town's technology center is housed at the School Administrative Offices located off of North Road. Computer maintenance and licensing fees for General Government operations are borne by the Town's MIS budget, while School Department administrative and educational technology expenses are contained in the School Department's budget.

An overall increase of \$369,794 (3.28%) has been allocated to public safety expenditures. The recommended FY14 personnel budget for the Police Departments calls for staffing at a level that is approximately the same as five years ago in 2008. The staffing of 37 patrol officers remains unchanged from the past two years. The personnel line increases by 1.46% or \$76,951. However, no labor agreements have been reached with the patrol officers and sergeants unions.

The Fire Department budget increases by 5.48% (\$272,532). All of the Town's five fire stations will be staffed throughout the year. Limited funding for overtime coverage means that the Fire Department will occasionally operate with a compliment of only 10 firefighters on duty.

Public Works expenses receive an increase of 2.14% or \$72,554 for an ongoing total of \$3.47M. The budget maintains the funding for public tree care at \$67,000. Solid waste collection and disposal costs are increased by \$95,245. The Snow and Ice budget is level-

funded at \$1,143,500, which would fund the cost for a typical winter season.

The Municipal Facilities Department \$1.3M budget includes funding for all current maintenance employees. Facilities maintains 26 buildings across the community, as well as parks and non-conservation common lands. The fall opening of the new fire department headquarters facility will add to the responsibilities of the department.

The Community Services budget receives an increase of \$103,254 (3.89%) for the upcoming fiscal year. An overall budget of \$948,648 will maintain the staffing levels and operations of the Senior Center, Veterans Agent, and Board of Health. Due to the recent overseas military engagements in Iraq and Afghanistan, funding for veterans benefits remains at \$180,000. The State reimburses the Town for 75% of these benefit costs.

The FY15 operating budget will fund Library operations at a level that is 3.40% greater (\$58,382) than the current fiscal year. This proposed funding level for library operations maintains Sunday hours at the Adams library and exceeds the certification funding levels required by the State Board of Library Commissioners.

The cost of employee benefits continues to strain the Town's budget. The Town's assessment from the Middlesex Retirement system will increase by \$391,617 (6.43%) to a total of \$6.48 million. This increase is the result of an actuarial assessment of the Town's funding obligations that are necessary to eliminate the unfunded pension liability by the year 2035. As a result of the Town's adoption of the State's municipal health insurance reform law, health insurance premiums will decrease by 1.4% for the upcoming fiscal year. The budgeted amount for the Town's share of active employee and retiree health care plans is \$9,800,000. The annual total cost for an



employee enrolled in the Town's HMO family plan will be \$19,520. The Town pays 75% of this premium, an amount that will equal \$14,640.

The Town's non-excluded debt service is forecast to increase by \$1,340,418 to a total of \$7,062,170 in Fiscal Year 2015. This extraordinary increase is due to the debt services for the \$18.1M energy management performance contract. However, an equivalent amount of savings will be achieved in the Town's electricity and natural gas utility expenditures. The Town's excluded debt service for the DPW, school, and sewer projects is projected to decrease by \$521,453 (-9.32%) as the Town continues its level principal annual debt service payments.

Looking Ahead

There will be another year of limited local aid from the State. Local revenues are forecast to slightly increase during the upcoming fiscal year. This limits the amount of funding outside of the property tax to support Town operations.

The exact funding levels for State Aid and local revenues remain uncertain into the future. The Town will need to adjust its budget during the upcoming fiscal year to balance the budget once the final local aid funding levels and the actual new growth in the property tax base have been determined. This will likely take place at the Fall Annual Town Meeting.

During the upcoming fiscal year, the Town will continue contract negotiations with its police labor unions on new collective bargaining agreements. These discussions will continue to recognize the important role that Chelmsford's employees contribute to the quality of public safety, education, and other municipal services. Many of our employees are Chelmsford residents who confront the same challenges as their neighbors in making ends meet in this

slow growth economy which is experiencing rising gasoline and food costs.

The Town has made considerable strides in maintaining its investment in its buildings, roadways, and other infrastructure during a challenging economic period. The energy management performance contract has financed some improvements in the Town's building utility systems. However, more investment will be required in order to maintain the Town's 26 buildings. The Town will also be asked to purchase a new \$1.2M ladder truck for the Fire Department. The current economic conditions of low interest rates and a favorable construction bidding climate offer an opportunity to preserve older school and town office buildings for use by the next generation.

This year's budget process has been another cooperative effort by members of the Board of Selectmen, School Committee, Finance Committee, and Town employees. All of us have continued to work together to explore cost efficiencies and to present clear information to the community. We will continue to work together to address the challenges that lie ahead.

Respectfully submitted,

Paul E. Cohen
Town Manager



BUDGET PROCESS TIMELINE

August/September

- Identify Goals & Strategic Needs
- Update Five-Year Financial Plan Forecasts
- Technology Advisory Committee reviews the status of the Town's technology infrastructure.

October

- Capital Budget Manual sent out to Departments

November

- Capital Requests Submitted & Reviewed by Capital Planning Committee
- Operating Budget Request Manual sent out to Departments

December/January

- Town Manager Reviews Requests and Develops Operating Budget
- Town Manager & Capital Planning Committee Develop Capital Budget

January

- Proposed Operating and Capital Budgets Presented to Board of Selectmen and Finance Committee

February/March

- Finance Committee Holds Public Budget Hearings

April

- Proposed Operating and Capital Budgets Presented to Town Meeting

June/July

- June 30 Current Fiscal Year 2014 Ends
- July 1 Fiscal Year 2015 Begins
- State Budget typically passed with Final State Aid numbers (aka "Cherry Sheets")

October

- Fall Town Meeting makes adjustment to FY2015 Budget as needed. Final Tax Rate Set



COMMUNITY VISION STATEMENT



The Town of Chelmsford strives to be a fiscally stable urban community providing the residents and businesses with a clean environment and a high quality of living. The Town will plan, construct and maintain all public facilities or public works infrastructure to provide for the health, safety, and welfare of all persons. The Town seeks to provide the least amount of taxes as necessary to residents and businesses alike. The Town places a high value on the educational curriculum. The Town will foster an atmosphere conducive to the development and promotion of cultural, recreational, and educational opportunities to all the residents of the community.

Adopted by the Board of Selectmen, July 1993

Programmatic Goals

Municipal Administration

To maintain management excellence to achieve the most efficient and effective use of the resources allocated to the Town Government for the benefit of the citizens of Chelmsford.

Community Development

To promote responsible economic development and foster a climate which supports the expansion of existing businesses and welcomes new industry and development.

Public Safety

To create an environment in which people can move about safely and feel confident that they and their property are protected from harm, by providing programs which reduce crime and fire and provide for

emergency medical services to the sick and injured and minimize the impact of technological and natural disaster.

Public Works

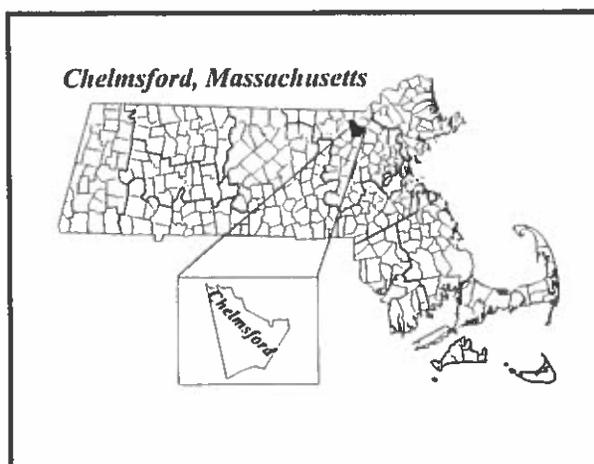
To support and assure the balanced development, improvement and protection of the physical resources of the Town of Chelmsford and to provide for the operation, maintenance and report of the Town's infrastructure.

Community Services

To support and assist in the development and maintenance of harmonious personal relationships between residents and groups and to improve and enrich the lives of our citizens through activities, programs and facilities designed to foster creativity, provide healthy recreational activity and build culture and aesthetic appreciation.

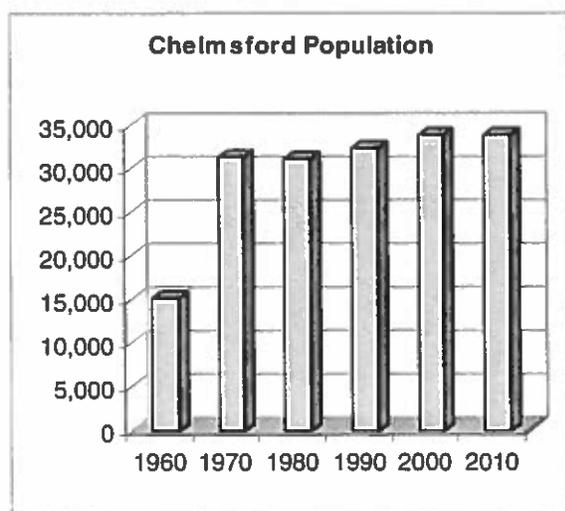
COMMUNITY PROFILE

Chelmsford is a suburban community which offers country-like charm and atmosphere while providing access to modern infrastructure, abundant educational and cultural opportunities, a mix of retail establishments and restaurants, a variety of housing options, and a stable and prospering business environment. These attributes make Chelmsford an attractive community in which to live, shop and work.



Chelmsford was incorporated in 1655, and over its long history, the Town has naturally experienced numerous changes. As the fastest growing Massachusetts community during the 1960's, Chelmsford was transformed from a quiet, rural agriculturally oriented community of 9,407 persons in 1950 to that of a thriving residential suburban town of 31,432 by 1970. The Town population has remained relatively steady over the past decade. The 2010 census revealed that the current population has decreased slightly by 56 persons from 33,858 in 2000 to 33,802.

Occupying a land area of approximately 22.54 square miles, the Town is primarily a residential community with an increasing amount of commercial and industrial activity. Based on fiscal year 2014 assessed valuations, approximately 80% of the property was residential while 20% was commercial and industrial. Retail trade is concentrated in several areas of the Town within commercial malls and urbanized centers with historically significant buildings. Situated in northern Middlesex County approximately 24 miles north of Boston and part of the Merrimack Valley, Chelmsford is adjacent to the city of Lowell, just south of the New Hampshire border.



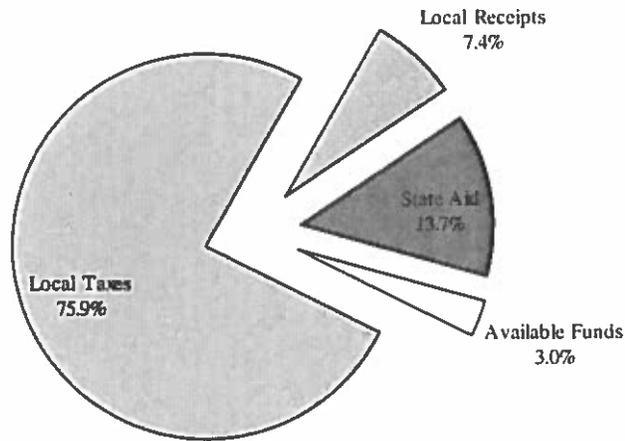
Because Chelmsford is located at the intersection of Route 3 and Interstate 495, it is easily accessible. State Routes 4, 27, 40, 110, and 129 also pass through various sections of the Town. The location and its road network make Chelmsford a prime area for many commuters from eastern Massachusetts and southern New Hampshire.

Chelmsford has seen tremendous growth and change which have occurred with improved roadways, public sewers, and a more vibrant regional economy. These attributes remain today, inviting new growth and economic expansion.

A: Budget Highlights

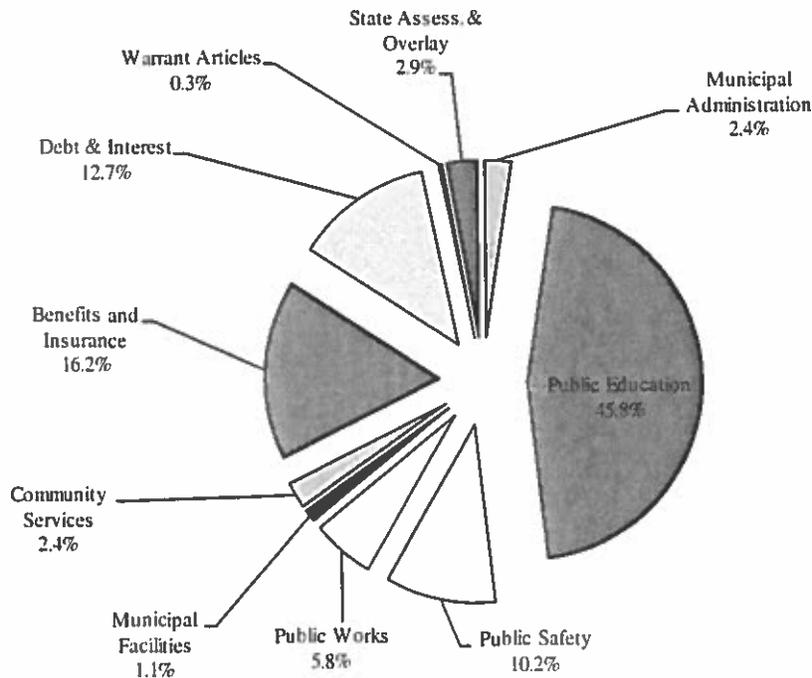


Where the Money Comes From



TOTAL REVENUE \$114,190,681
Fiscal Year Ending June 30, 2015

Where the Money Goes





Proposed Budget

A-2

	<u>FY2014 REV. BUDGET</u>	<u>FY2015 PROPOSED</u>	<u>CHANGE</u>	<u>% CHANGE</u>
Revenues				
Property Tax	84,216,426	86,682,988	2,466,562	2.93%
State Aid	15,328,574	15,654,217	325,643	2.12%
Local Receipts	8,225,000	8,400,000	175,000	2.13%
Available Funds	4,396,594	3,453,476	(943,118)	-21.45%
Total Revenue:	112,166,594	114,190,681	2,024,087	1.80%

	<u>FY2014 REV. BUDGET</u>	<u>FY2015 PROPOSED</u>	<u>CHANGE</u>	<u>% CHANGE</u>
Expenditures				
Municipal Administration	2,721,066	2,797,257	76,191	2.80%
Chelmsford Public Schools	49,259,443	50,000,000	740,557	1.50%
Nashoba Technical HS	2,187,180	2,568,811	381,631	17.45%
Out of District Tuition				
Public Safety	11,278,581	11,648,375	369,794	3.28%
Public Works	6,160,001	6,282,920	122,919	2.00%
Municipal Facilities	1,249,424	1,299,995	50,571	4.05%
Cemetery Commission	306,586	318,224	11,638	3.80%
Community Services	935,976	980,848	44,872	4.79%
Library	1,719,599	1,777,981	58,382	3.40%
Benefits & Insurance	18,829,295	18,850,706	21,411	0.11%
Debt Service	13,730,478	14,551,795	821,317	5.98%
Warrant Articles	448,723	400,000	(48,723)	-10.86%
State Assessments & Overlay	3,294,052	3,273,242	(20,810)	-0.63%
Total Expenditures:	112,120,404	114,750,154	2,629,750	2.35%

FY2014 Budget Adjusted for Free Cash Transfers



FY2015 Revenue Budget - Overview

The Town of Chelmsford’s revenue base is expected to increase by 1.8% for the next fiscal year as the National and State economies continue to show gradual improvement and recover from a severe recession. The statewide unemployment rate declined to 6.8% for February 2014 from 7.4% one year ago. The Commonwealth’s Executive Office of Labor and Workforce Development reports that the unemployment rate for Chelmsford residents for February 2014 declined to 5.5% versus 5.9% for the same period last year. Declining unemployment and greater revenue from Meals and Motor Vehicle Excise taxes are indicative of strengthening economic activity. Although local sources of revenue remain strong, State Aid is expected to increase by a modest 2% since it is highly dependent upon receipts from State income and capital gains taxes.

Total Town revenue is projected to increase to \$114.1 million in Fiscal Year 2015. New growth in the property tax levy is expected to increase slightly by \$70,697 to \$1.0M due to commercial/industrial construction activity. Overall, property tax revenues are forecasted to increase by 2.93% at \$2.44 million. Total State Aid to the Town is expected to increase slightly by 2.1% at \$15.6M. **Although any increase is a positive sign, it is important to note that Total State Aid of \$15.65M remains just below the level of State Aid received in FY08.** Local receipts are budgeted to increase by \$175,000, which is a 2.1% increase.

Actual & Budgeted Revenues

FY	Revenues	% increase
*2006	\$89,567,121	5.83%
*2007	\$93,727,399	4.64%
*2008	\$99,375,461	6.03%
*2009	\$100,080,835	0.71%
*2010	\$99,913,277	-0.17%
*2011	\$103,435,385	3.53%
*2012	\$110,752,164	7.07%
*2013	\$110,551,161	-0.18%
**2014	\$112,166,594	1.46%
**2015	\$114,190,681	1.80%

* Actual ** Budgeted

Excludes Sewer Enterprise Revenue

The Town’s revenue is divided into four main categories: property taxes, state aid, local receipts, and available funds. The Fiscal Year 2015 total revenue of \$114.1 million does not include any additional revenue from Certified Free Cash or the Town Stabilization Fund. Following the end of the current fiscal year, the Massachusetts Department of Revenue will examine the Town’s balance sheet and issue a certification of the Town’s Free Cash. At the Fall Annual Town Meeting, a request will be made to transfer the Free Cash to the Town’s Stabilization Fund.



Property Taxes

Property taxes are the largest single revenue source for the Town and are expected to continue to account for over 75% of total revenue in the next fiscal year.

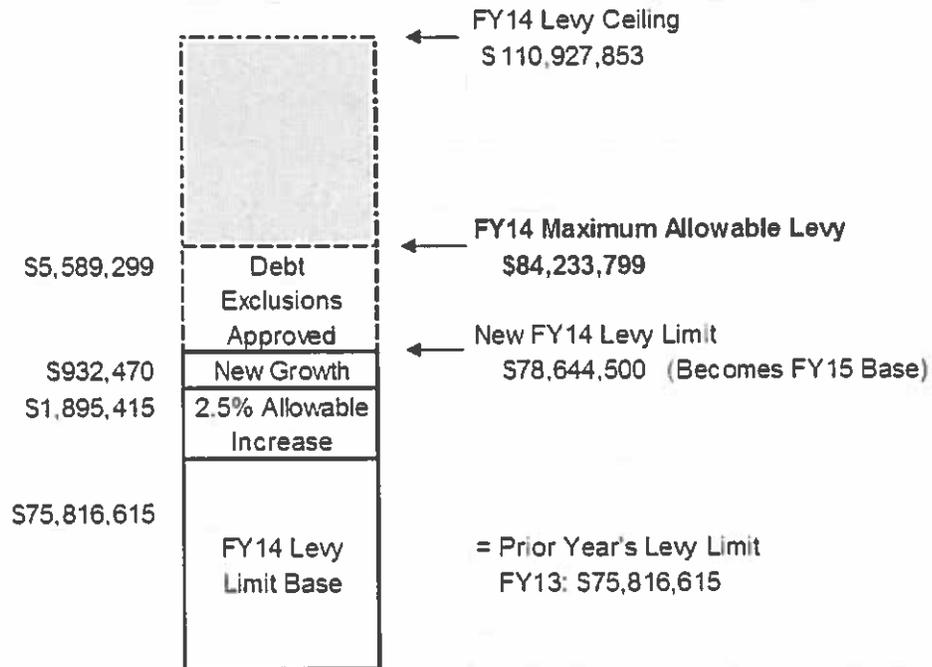
Property taxes are levied on real property (land & buildings) and personal property (equipment) used by non-manufacturing business firms. In accordance with State law, the Board of Assessors revalues all taxable real property at fair market value every three years. The Massachusetts Department of Revenue completed a triennial certification of the values for all property in Town during FY2014. In FY2015, the Town will conduct annual interim adjustments in order to reflect changes in market conditions. Under the provisions of Proposition 2 ½, property taxes, in the aggregate, may not exceed 2 ½% of their “full and fair cash value.” This limit is known as the “levy ceiling.” Annual levy increases may not exceed 2½% more than the previous year’s levy plus the taxes generated from any new properties added to the tax rolls. This maximum increase in the annual levy is known as the “levy limit.” Any Proposition 2½ override and/or debt exclusion amounts voted are added to the levy limit. Calculation of the maximum allowable tax levy under Proposition 2 ½ is explained further on the next page.

For Fiscal Year 2015, the Town’s property tax revenues are projected to increase by \$2.44 million (2.9%). The increase consists of the \$1.96 million allowed 2.5% increase in the prior fiscal year’s property tax base, \$1.0 million in estimated new growth from construction; and a decrease of \$0.52 million in excluded debt service for the sewer, school, and public works facility construction projects. The Town’s excluded debt service peaked at \$8.4 million during FY 2008 and is expected to decline further each subsequent year as debt service costs for the final phases of the sewer project are funded through sewer betterments and capital construction fee revenue. For FY15, excluded debt service declines by \$521,453 to \$5,593,828.

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 Revised	FY2015 Recommended	% Change
LOCAL TAXES						
Base Factor	\$67,396,899	\$70,009,328	\$72,684,916	\$75,816,615	\$78,644,500	3.73%
2 1/2 increase	\$1,684,922	\$1,750,233	\$1,817,123	\$1,895,415	\$1,966,113	3.73%
New Growth	\$927,507	\$925,355	\$1,314,576	\$932,470	\$1,000,000	7.24%
Override						
Debt Exclusion	\$6,393,028	\$6,295,643	\$5,720,668	\$5,593,828	\$5,072,375	-9.32%
Levy Limit	\$76,402,356	\$78,980,559	\$81,537,283	\$84,238,328	\$86,682,988	2.90%
Levy Used/ Collected	\$76,361,143	\$78,965,974	\$80,392,117	\$84,216,426	\$86,682,988	2.93%
Excess Levy Capacity	\$41,213	\$14,585	\$1,145,166	\$21,902	\$0	



How is the Town's Levy Calculated Under Proposition 2 1/2?



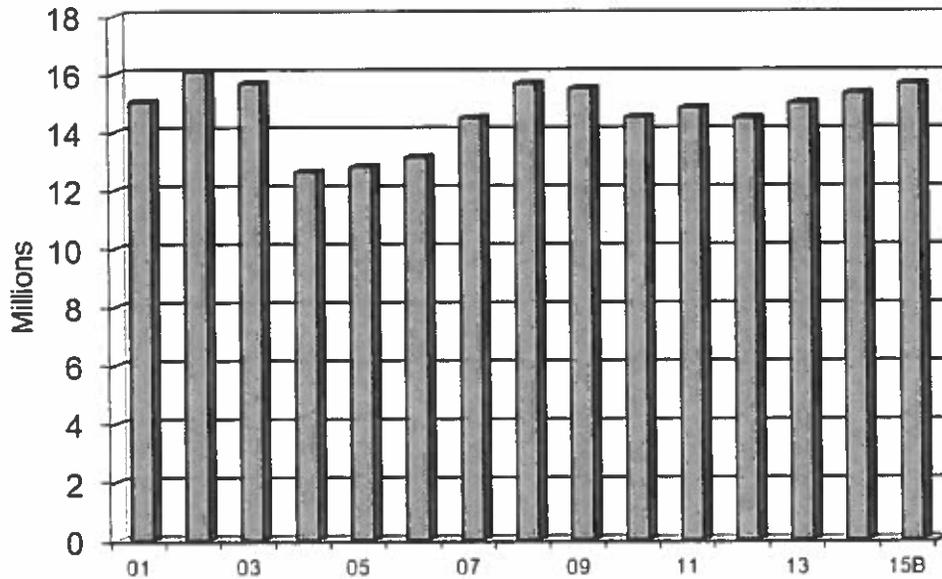
State Aid

State Aid, the Town's second largest revenue source, is projected to increase by \$325,643 from FY2014 and is expected to be funded at \$15.6M for FY 2015. State Aid figures included in the recommended budget for FY 2015 are based on the funding levels included in local aid funding resolution approved by both the House and Senate in March. The resolution provides Chapter 70 education aid at the same level as Governor Patrick's 2015 State Budget proposal released in January. The legislative resolution provides Unrestricted General Government at a level that is \$121,867 greater than the Governor's proposal.

The actual amount of State Aid received is subject to change as legislative budget deliberations continue in the months ahead. Traditionally, the House debates the budget in April while the Senate approves its version in May. Both branches are expected to reach a final agreement on State Aid funding levels by June. State Aid represented 13.7% of the Town's revenue in FY14. In the upcoming fiscal year, State Aid's total share of revenue is expected to remain the same.



State Aid



State Aid

	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Revised	FY2015 Budgeted
Education						
Chapter 70	\$ 9,243,365	\$ 9,828,091	\$ 9,880,853	\$ 10,089,893	\$ 10,218,568	\$ 10,346,618
Charter Tuition/ Capital Facility	\$ 469,836	\$ 356,111	\$ 191,775	\$ 112,874	\$ 146,290	\$ 167,236
School Lunch (Ch. 871)	\$ 20,201	\$ 14,482	\$ 16,208	\$ 15,726	\$ 14,638	\$ 12,503
School Choice Rec. Tuition	\$ -	\$ 15,000	\$ 75,074	\$ 135,979	\$ 164,870	\$ 217,272
<i>sub-total of Education:</i>	<i>\$ 9,733,402</i>	<i>\$ 10,213,684</i>	<i>\$ 10,163,910</i>	<i>\$ 10,354,472</i>	<i>\$ 10,544,366</i>	<i>\$ 10,743,629</i>
General Government						
Unrestricted Gen. Government Aid	\$ 4,471,873	\$ 4,292,998	\$ 3,982,596	\$ 4,292,998	\$ 4,394,475	\$ 4,516,342
Police Career Incentive (Quinn)	\$ 35,589	\$ 17,786	\$ -	\$ -	\$ -	\$ -
Veterans Benefits	\$ 51,553	\$ 68,099	\$ 74,543	\$ 89,391	\$ 138,832	\$ 138,897
Exemption Reimbursement	\$ 156,662	\$ 195,794	\$ 205,707	\$ 209,904	\$ 205,301	\$ 209,402
State Owned Land	\$ 17,183	\$ 5,198	\$ 5,383	\$ 5,385	\$ 5,492	\$ 6,563
Library Offset	\$ 43,169	\$ 43,734	\$ 40,674	\$ 41,174	\$ 40,108	\$ 39,384
<i>sub-total of General Government:</i>	<i>\$ 4,776,029</i>	<i>\$ 4,623,609</i>	<i>\$ 4,308,903</i>	<i>\$ 4,638,852</i>	<i>\$ 4,784,208</i>	<i>\$ 4,910,588</i>
Total State Aid:	\$ 14,509,431	\$ 14,837,293	\$ 14,472,813	\$ 14,993,324	\$ 15,328,574	\$ 15,654,217



The following is a detailed explanation of a few key accounts which together comprise approximately 96% of Chelmsford's projected State Aid.

➤ Chapter 70 School Aid

Chelmsford's Chapter 70 School Aid is projected to be funded at \$10,346,618, an increase of \$128,050 or 1.25% for FY 2015. Chapter 70 aid represents two-thirds of all State Aid received by the Town. Although Chapter 70 aid for education has been stable during the past few years, any increases in Chapter 70 aid were often negated by sharp declines in Unrestricted General Government Aid between FY2009 – FY2012. Additionally, the Town of Chelmsford continues to be hurt by an inequitable funding formula that directs more aid to communities with growing student populations and communities with lower household incomes and property values.

➤ Unrestricted General Government Aid

In FY2010, the Commonwealth created a new category named Unrestricted General Government Aid by consolidating Lottery Aid and Additional Assistance into one account. For FY 2015, Chelmsford will receive an estimated \$4.51M in Unrestricted General Government Aid (UGGA), an increase of \$121,867 or 2.77% from the amount the Town expects to receive in FY2014. **Although it is a positive sign to see this category of State Aid stabilize after declining for four consecutive years, (FY09 – FY12), General Government Aid continues to represent a declining percentage of total State Aid. More importantly, the \$4.51M of UGGA the Town expects to receive in FY15 represents a loss of \$1.8M from the \$6.3M combined total of Lottery Aid and Additional Assistance the Town received back in FY08. This is one of the primary reasons that property taxes continue to fund a greater share of the Town's operating budget.**

➤ Charter School Tuition Assessment Reimbursements

The State provides some financial assistance to mitigate the fiscal impact on those communities that are assessed State Aid charges for the tuition for those students that attend Commonwealth charter schools. The first year, the State reimburses 100% of the increase of Charter tuition in the current year over the prior fiscal year. The reimbursement level then declines to 60% in the second year and to 40% in the third year.

For Fiscal Year 2015, the Town of Chelmsford is projected to receive a tuition reimbursement of \$167,236 an increase of \$20,946 from the current funding level. Correspondingly, our projected tuition assessment is projected to increase by approximately \$26,099 to \$1,266,569 resulting in a net increased cost of \$5,153. Charter School Tuition reimbursement and assessment are uncertain and subject to change after being updated to reflect spring enrollment data and final tuition rates.



Local Receipts

The third source of revenue for the Town's budget is Local Receipts. Local Receipts includes a variety of fees, permits, fines, and license related monies that the Town receives, as well as interest that is earned on investments or paid by late taxpayers.

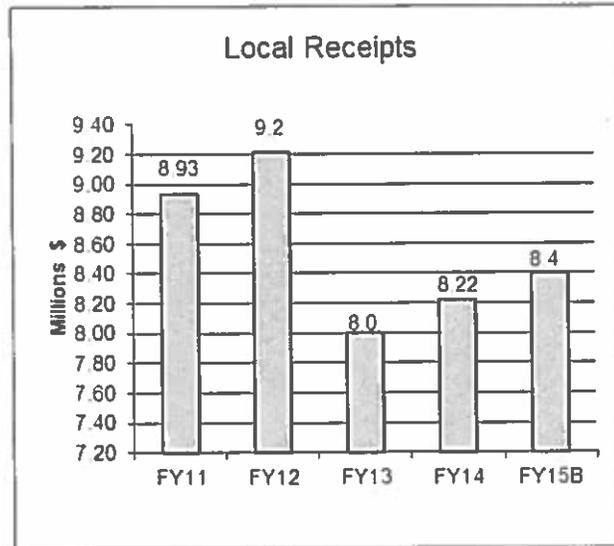
Local Receipts

	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Revised	FY2015 Budgeted
Motor Vehicle Excise	\$ 4,118,411	\$ 4,079,907	\$ 4,257,264	\$ 4,250,000	\$ 4,250,000
Meals Tax (.75%)	\$ 453,533	\$ 474,421	\$ 515,840	\$ 495,000	\$ 525,000
Interest on Late Taxes	\$ 511,944	\$ 505,543	\$ 413,510	\$ 375,000	\$ 375,000
Fees	\$ 305,740	\$ 332,483	\$ 333,645	\$ 315,000	\$ 330,000
Rental Income	\$ 66,433	\$ 57,640	\$ 66,431	\$ 65,000	\$ 65,000
Dept Revenue- Schools	\$ 585	\$ 165	\$ 732	\$ 200	\$ 200
Dept Revenue- Cemetery	\$ 121,890	\$ 129,780	\$ 120,530	\$ 125,000	\$ 120,000
Dept Revenue- Other	\$ 236,489	\$ 261,220	\$ 226,420	\$ 200,000	\$ 225,000
Alcohol Licenses	\$ 96,190	\$ 92,060	\$ 94,110	\$ 95,000	\$ 95,000
Other Licenses	\$ 65,950	\$ 78,900	\$ 81,810	\$ 75,000	\$ 80,000
Permits	\$ 620,122	\$ 754,596	\$ 520,765	\$ 595,000	\$ 600,000
Fines & Forfeits	\$ 208,494	\$ 223,244	\$ 218,929	\$ 210,000	\$ 215,000
Interest Investment	\$ 259,232	\$ 443,807	\$ 54,168	\$ 260,000	\$ 260,000
Miscellaneous	\$ 585,962	\$ 660,579	\$ 313,896	\$ 319,050	\$ 293,075
Hotel Tax	\$ 436,694	\$ 453,690	\$ 472,406	\$ 495,000	\$ 495,000
LRTA	\$ 38,523	\$ 32,234	\$ 33,413	\$ 32,000	\$ 33,000
Misc., Non-Recurring	\$ 812,690	\$ 632,359	\$ 627,086	\$ 318,750	\$ 438,725
Total:	\$ 8,938,882	\$ 9,212,628	\$ 8,350,955	\$ 8,225,000	\$ 8,400,000

For FY15 the Town's Local Receipts are projected to increase by \$175,000 or 2.1%. Motor vehicle excise taxes comprise nearly 51% of Local Receipts and have remained stable in recent years. Motor Vehicle Excise tax revenue is forecasted to remain at \$4.25M for the coming fiscal year. Town Meeting adopted a local option meals tax of 0.75% and local option 2% increase in the hotel room occupancy tax in August 2009 that became effective October 1, 2009. Budgeted meals tax revenue of \$525,000 and hotel room occupancy tax of \$495,000 account for over 12% of Local Receipts for the coming year. Meals tax revenues are projected to increase \$30,000 based on current year receipts. Permits are budgeted to decrease \$55,000 during the coming year. Fee revenue from various General Government Departments is expected to increase \$40,000. Overall revenue growth in Local Receipts is expected to be modest in FY15 as the economy continues to recover.



Local Receipts



Available Funds

The final category of revenue for the Town is monies from various Special Revenue funds. The Town's operating budget will receive \$498,451 from Sewer Enterprise Revenues to reimburse the Town for employee benefits and administrative costs related to sewer operations. The School Department will reimburse the Town \$132,006 for health insurance benefit costs for employees who work in the child care program.

The Town will continue to receive an annual reimbursement of \$379,215 from the Massachusetts School Building Authority for the construction costs related to the Center School project which was completed in 1999.

In FY 2014, the Town will apply \$2.42M of Sewer Betterment funds toward debt service costs associated with the later phases of the sewer project financed after 2003.



Available Funds

	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Revised	FY2015 Budgeted
Wetland Protection Act		\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Sewer Betterments	\$1,472,187	\$1,606,282	\$2,439,180	\$2,431,372	\$2,414,898	\$2,417,250
Cemetery Trust Fund	\$ 35,200					
Sewer User Fees Offset	\$ 471,090	\$ 487,310	\$ 488,237	\$ 482,709	\$ 498,451	\$ 520,853
Childcare Revolving Fund Benefits:	\$ 102,600	\$ 109,013	\$ 117,930	\$ 125,006	\$ 132,006	\$ 130,158
Insurance Recovery			\$ 52,801			
Stabilization Fund						
Free Cash- Current Year	\$1,245,184	\$ 676,791	\$4,587,486	\$3,361,463	\$ 894,206	
School E-Rate Reimbursements	\$ 32,668	\$ 33,457	\$ 29,900	\$ 29,000	\$ 48,723	
School Construction	\$ 379,215	\$ 379,215	\$ 379,215	\$ 379,215	\$ 379,215	\$ 379,215
Total:	\$3,738,144	\$3,298,068	\$8,100,749	\$6,814,765	\$4,373,499	\$3,453,476

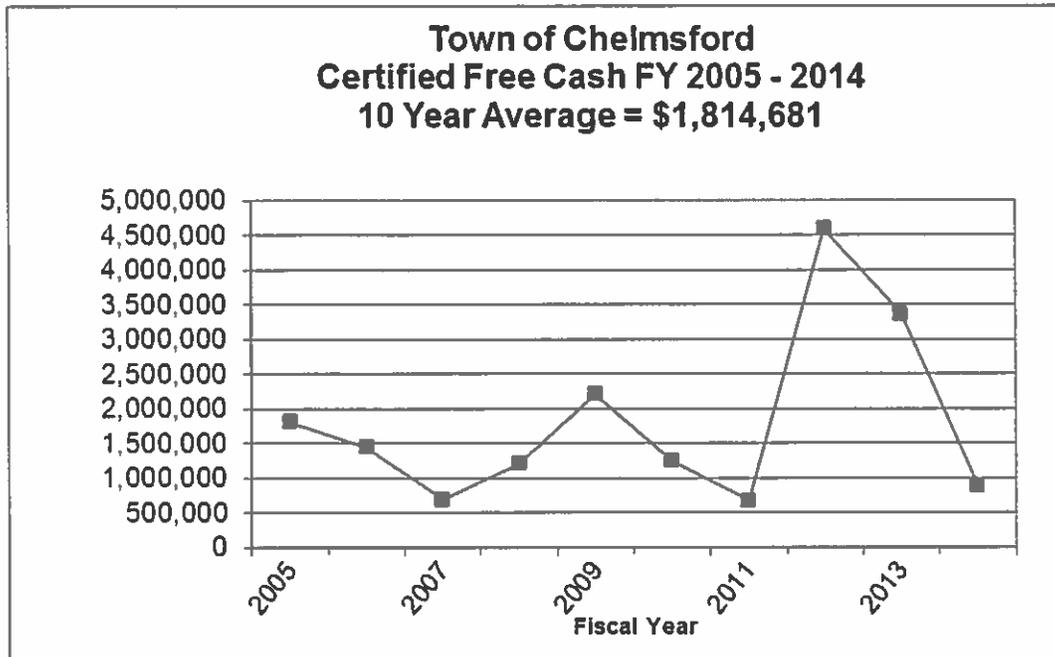
Reserves

The Town's Fiscal Year 2015 operating budget does not rely on any funding from the Town's Stabilization Fund or Free Cash. The Town's Stabilization Fund balance currently stands at just over \$7 million which equals approximately 6.5% of budgeted operating revenue. This is below the midpoint of our Town Financial Policy which requires that reserves be maintained between 5% – 10% of general operating revenues. Standard and Poor's upgraded the Town's credit rating to an unprecedented AA+ with a Stable Outlook at our last review in January 2014. This was the second bond rating upgrade for the Town since June 2012. Analysts noted the improved outlook reflected sustained improvement in the Town's financial position and performance as well as the Town's strong financial management practices.

After the close of the fiscal year, the Town will submit its balance sheet to the Massachusetts Department of Revenue (DOR). After the DOR certifies the Town's Free Cash, which generally arises from remaining balances in budget appropriations and revenues that exceeding the budget, a request will be made at Fall Town Meeting to transfer the Town's Free Cash into the Stabilization Fund, to balance the budget, to reduce the tax levy, or for other municipal purposes.



Free Cash



Enterprise Funds

An enterprise fund establishes a separate accounting and financial reporting mechanism for municipal services that are provided for a fee.

Sewer Enterprise Fund

The Town established a Sewer Enterprise Fund in Fiscal Year 2006. The Sewer Enterprise Fund has its own revenue and expenditures for sewer operations, rather than having those commingled with the Town's general operating budget. Employee benefits and administrative functions performed by the Town's general operations in support of the sewer operations are reimbursed by the Sewer Enterprise Fund. This reimbursement is included in the Revenue budget under Available Funds.

Golf Course Enterprise Fund

Town Meeting voted in October 2011 to establish an Enterprise Fund for the Chelmsford Country Club golf course beginning in FY2013. This will allow the Town to retain any surplus revenue earned from operations including golf course play and function hall rentals within the Enterprise Fund. This allows the Town to dedicate these retained earnings toward future capital improvements at the golf course facility.

Revenue and Expenditure details for both Enterprise Funds may be found at the end of Section G.



FY2015 Expenditure Budget Overview

The Town's expenditures are divided into functional categories which become the legal budget appropriated at Town Meeting. These functional categories include Municipal Administration, Education, Public Safety, Public Works, Community Services, Benefits & Insurance, and Debt Service. State assessments and the Overlay account set aside for tax abatements are not appropriated at Town Meeting, but are a significant part of the Town's expenditures. Finally, financial warrant articles are the final piece of the Town's appropriations for the Fiscal Year.

Expenditure Budget Summary

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 Revised	FY2015 Recommended	\$ Change	% Change
EXPENDITURES							
Municipal Administration	\$2,314,116	\$2,368,857	\$2,614,330	\$2,721,066	\$2,797,257	76,191	2.80%
Chelmsford Schools	\$43,928,940	\$45,233,763	\$47,824,702	\$49,259,443	\$50,000,000	740,557	1.50%
Nashoba	\$1,853,897	\$1,840,866	\$2,044,633	\$2,187,180	\$2,568,811	381,631	17.45%
Out of District							
Public Safety	\$9,758,834	\$10,396,710	\$10,856,903	\$11,278,581	\$11,648,375	369,794	3.28%
Department of Public Works	\$5,652,380	\$5,275,605	\$5,843,796	\$6,160,001	\$6,282,920	122,919	2.00%
Municipal Facilities	\$1,103,569	\$1,184,893	\$1,237,237	\$1,249,424	\$1,299,995	50,571	4.05%
Sewer Commission	\$2,967						
Cemetery Commission	\$259,827	\$277,424	\$289,578	\$306,586	\$318,224	11,638	3.80%
Community Services	\$782,488	\$834,293	\$908,918	\$935,976	\$980,848	44,872	4.79%
Library	\$1,500,036	\$1,596,744	\$1,679,701	\$1,719,599	\$1,777,981	58,382	3.40%
Benefits & Insurance	\$17,000,827	\$17,653,944	\$17,928,434	\$18,829,295	\$18,850,706	21,411	0.11%
Debt and Interest	\$12,105,468	\$12,956,019	\$13,163,640	\$13,730,478	\$14,551,795	821,317	5.98%
Warrant Articles	\$1,140,748	\$4,715,744	\$1,892,855	\$448,723	\$400,000	-48,723	-10.86%
State Assessments & Overlay	\$2,740,156	\$2,786,991	\$3,492,430	\$3,294,052	\$3,273,242	-20,810	-0.63%
Total	\$100,144,253	\$107,121,853	\$109,777,157	\$112,120,404	\$114,750,154	2,629,750	2.35%

The Town of Chelmsford's Fiscal Year 2015 budget is projected to increase by \$2,629,750 or 2.4% from the revised FY2014 appropriations. The budget continues to be based upon the principle that the Town's Recurring revenues equal recurring expenditures. However, the proposed budget includes \$1M in funding for OPEB (Other Post-Employment Benefits). Previously in FY13 - FY14, the Town funded OPEB through a transfer of free cash at the Fall Town Meeting.

The FY15 recommended budget maintains essentially the same amount of service and staffing level of operations for all Town departments. Personnel budgets include a 2% cost-of-living adjustment for non-union employees and step increases for eligible General Government staff as well as step and degree increases for eligible School staff.

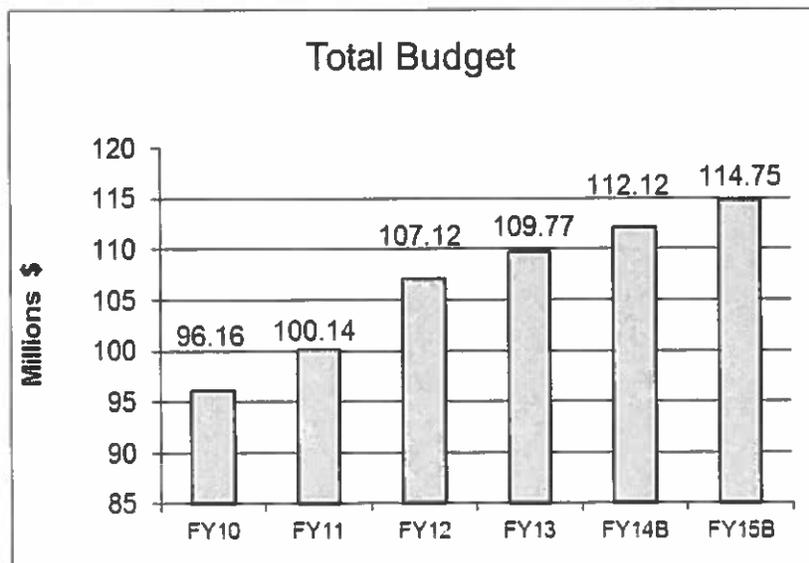


The FY15 budget increases due to three major cost drivers. Public Education, which includes the Chelmsford Public Schools, Nashoba Valley Technical High School, and the Charter School Assessment (included under State Assessments) increases \$1.16M. This is explained in greater detail under the Public Education section beginning on page A-15. Debt Service increases by \$821,317 as the Town incurs the first year of debt service costs for the Energy Services Management contract (ESCO). Finally, the Public Safety budget increases by \$369,794 to maintain current staffing levels for the Fire and Police Departments.

The Town's second largest budgetary expenditure behind education is employee benefits. For the upcoming fiscal year, the Town is budgeted to expend \$18.8 million for health insurance, retirement assessments, and other employee benefits. This amounts to 16.4% of the Town's budget. In FY15, out of every dollar the Town spends, 16.4 cents is for health insurance, retirement, and other employee benefits. This represents an increase of \$21,411 from the prior year. This area of the budget is explained in greater detail on page A-21. Debt service payments of \$14.5 million follow right behind employee benefits in the rank of Town expenditures. These two expenditure areas constitute nearly 29% of the Town's budget.

After reaching a low of \$1.2M in 2008, the Town's Stabilization Fund balance has increased during recent years. The current Stabilization balance is over \$7.0M. The FY15 operating budget does not rely on any transfers from Stabilization to allow us to maintain this fund balance at 6.2% of budgeted operating revenues. This is below the midpoint of the 5-10% level required by our Town Financial Policies. The Town's long term goal is to maintain the Stabilization Fund at 7.5% of budgeted operating revenues. Our level of cash reserves has a direct impact on the Town's bond rating assigned by rating agencies such as Standard and Poor's.

The following pages of this Expenditure Budget overview provide more detail by functional category of the impacts proposed by the FY2015 budget.





Municipal Administration

The first of the budget categories is Municipal Administration, which increases in FY15 by \$76,191 or 2.8% to \$2.79 million, and represents just over 2.4% of the total budget. These budgets include the offices and departments which support the direct service departments of the Town through overall management, legal services, financial management (including the collection of revenues and the maintenance of financial records), administration of elections, information technology, maintenance of municipal corporate records, personnel administration, and related ancillary services. Municipal Administration also currently includes planning and development services including conservation, appeals, and development review.

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 Recommended	\$ Change	% Change
MUNICIPAL ADMINISTRATION							
<i>Personnel Services</i>	\$1,422,627	\$1,490,081	\$1,565,803	\$1,665,818	\$1,708,278	42,460	2.55%
<i>Expenses</i>	\$890,874	\$878,647	\$1,048,527	\$1,055,248	\$1,088,979	33,731	3.20%
<i>Assessor's Legal Services</i>	\$615	\$130					
TOTAL BUDGET:	\$2,314,116	\$2,368,858	\$2,614,330	\$2,721,066	\$2,797,257	76,191	2.80%

The Town's General Government operations will continue to have one full-time Information Technology (IT) employee supporting all network and computer operations.

The Town continues to work in cooperation with the Northern Middlesex Council of Governments (NMCOG) and the neighboring communities of Bedford, Billerica, Burlington, and Lowell in a State-supported effort to market the Route 3 corridor for research and development, high technology, and other cutting-edge job growth. NMCOG's assessment to member communities increases 2.5% in FY15 to \$9,449. The Town is also participating in the Merrimack Valley Region economic development initiative to foster economic growth.



Public Education

Chelmsford offers three major opportunities for education for its student population: the Chelmsford Public Schools (grades K-12); the Nashoba Valley Technical High School which offers specialized vocational education for grades 9-12, both of which are included within the functional area of Public Education; and access to public charter schools which is funded in the non-appropriated category of State Assessments and Overlay. The total expenditure for education in FY15, including all three systems, is projected at \$54 million representing an increase of 1.16 million or 2.2%. Education spending in FY14 represents 47.1%, inclusive of Charter School spending, of the total budget not including overhead costs such as insurance, employee benefits, debt service and administrative and maintenance services.

The proposed Chelmsford Public School system budget increases by \$740,557 to \$50.0M in FY2015. This represents a budget increase of 3.0% less estimated energy and utility savings of \$737,226 that will be realized due to the installation of solar electricity systems, boiler replacements, and other energy savings measures completed through the Town's ESCO (Energy Management Services Contract). This budget increase will allow the School Department to absorb \$1.38M in fixed cost increases that include: \$1,200,000 in employee step and degree compensation costs and a \$180,000 increase in Special Education costs. The School Department will continue to assume responsibility for \$49,569 in benefit costs of those employees enrolled in the school lunch program as well as the \$130,158 in benefit costs for child care (daycare) employees.

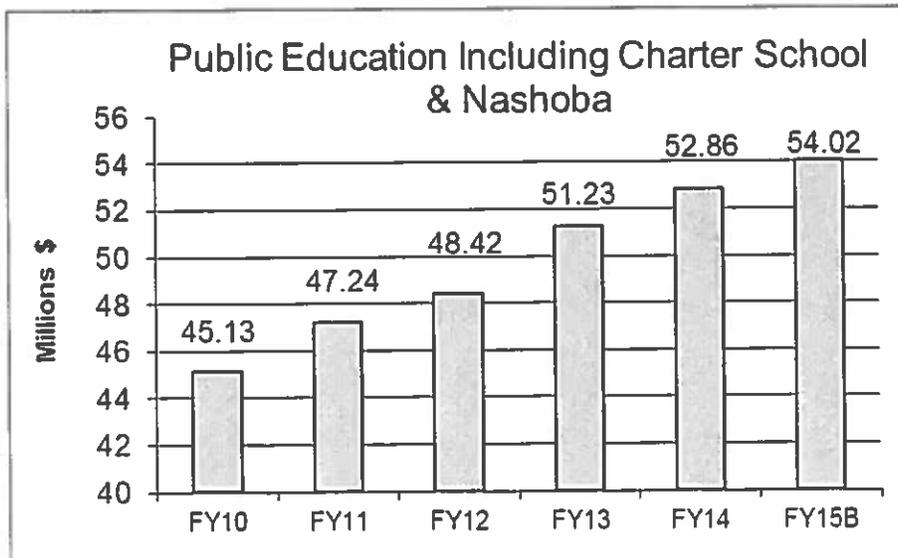
Chapter 70 State education funding is projected to be funded at \$10.3M for the upcoming fiscal year, an increase of \$128,050 or 1.25%. Despite limited State Aid funding, the School budget continues to be funded above State Net School Spending Requirements, demonstrating the strong commitment of the Town to education. For more detail on the proposed education budget, interested readers should refer to the School Department's FY2015 budget document.



	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 Recommended	\$ Change	% Change
CHELMSFORD PUBLIC SCHOOLS	\$43,928,940	\$45,233,763	\$47,824,702	\$49,259,443	\$50,000,000	740,557	1.50%
NASHOBA TECH. HIGH SCHOOL	\$1,853,897	\$1,840,866	\$2,044,633	\$2,187,180	\$2,568,811	381,631	17.45%
OUT OF DISTRICT							
CHARTER SCHOOLS (State Assessments)	\$1,457,403	\$1,355,015	\$1,366,345	\$1,422,562	\$1,460,820	38,258	2.69%
TOTAL PUBLIC EDUCATION	\$47,240,240	\$48,429,644	\$51,235,680	\$52,869,185	\$54,029,631	1,160,446	2.19%

Chelmsford is one of seven member towns in the Nashoba Valley Technical School District. The Town's assessment for FY15, plus funds for capital, transportation and debt service, has been certified by the Nashoba Tech School Committee to be \$2,568,811. The assessment represents an increase from FY14 of \$381,631 or 17.5%. The increase is due to the increased enrollment of 19 additional Chelmsford students at Nashoba Tech to a total of 173 students. The increase in the number of Chelmsford students increases the Town's share of the total number of district students thereby increasing Chelmsford's portion of shared costs.

The Charter School/ Tuition Assessment costs are contained within the budget category of State Assessments and Overlay expenses. Calculation of the cost of the Public Charter Schools is made by multiplying the average cost per pupil in the Chelmsford Public Schools by the number of Chelmsford students attending Charter Schools or out of district technical schools. Accordingly, as per pupil costs increase in the public school system, a larger amount is transferred to the Charter School. In FY15 the Charter School and School Choice costs have been preliminarily set by the State at \$1,460,820 with a reimbursement of \$167,236. The final calculation of the Charter School cost may change upon final enrollment figures on October 1.





Public Safety

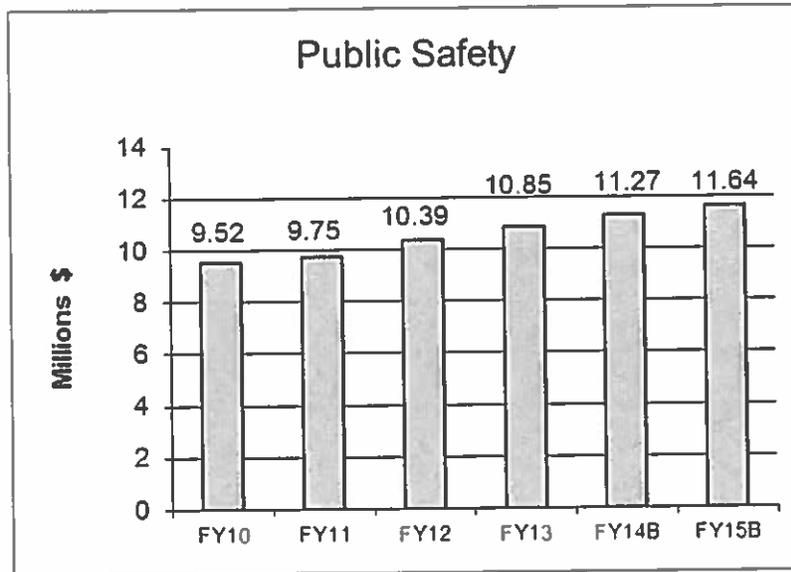
Public Safety consists of Police, Fire, Inspections & Enforcement, Animal Control and Emergency Management Services is the second largest functional component within the Town’s budget, representing approximately 10.1% of total expenditures. For FY2015, Public Safety is proposed to increase by 3.28% from FY2014 levels to \$11.64 million. Personnel costs account for approximately 90% of the Public Safety budget. The demand for public safety services has continued to increase during recent years.

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 Recommended	\$ Change	% Change
SUMMARY							
PUBLIC SAFETY							
<i>Personnel Services</i>	\$8,711,579	\$9,318,556	\$9,765,505	\$10,132,259	\$10,501,233	368,974	3.64%
<i>Expenses</i>	\$1,047,255	\$1,078,153	\$1,091,398	\$1,146,322	\$1,147,142	820	0.07%
TOTAL BUDGET:	\$9,758,834	\$10,396,709	\$10,856,903	\$11,278,581	\$11,648,375	369,794	3.28%

The Police Department budget increases overall by \$86,521 or 1.4%. Police Department personnel costs have increased by nearly 1.5% or \$76,951. At the time of publication, no labor agreement has been reached with the patrol officers and sergeants unions. The FY15 personnel budget maintains staffing of 37 patrol officers, which is approximately the same number of employees the Town employed five years ago. The FY2015 Police expense budget provides \$145,000 for the replacement of four newer-style police cruisers.

The Fire Department budget increases overall by \$272,532 or 5.5%. This budget provides funding for 51 full-time firefighters and provides staffing for the continued operation of all five fire stations. Limited funding for overtime coverage means the Fire Department will occasionally operate with a compliment of only 10 firefighters on duty.

The final component of the Public Safety function is Inspection and Enforcement Services which includes the Building Inspector, Plumbing and Gas Inspector, Electrical Inspector, Animal Inspector, and Sealer of Weights and Measures. These individuals are responsible for the enforcement of state and local safety and regulatory laws. The Town contracts with NMCOG for services provided by a regional Sealer of Weights and Measures. The budget for these departments is funded at \$292,459 for the next fiscal year.



Public Works

One of the most important aspects of a community is its infrastructure such as roads, sewers, drainage system; and its facilities such as parks, cemeteries, and public buildings. All of these are assets of the Town that need to be maintained in order to protect the public’s investment and to operate the facilities properly. The Town’s Public Works function is divided into three entities: the Department of Public Works (DPW), the Cemetery Commission, and Municipal Facilities. The DPW includes Engineering, Highway, Sewer Operations (Enterprise Fund discussed in next section), Parks, Solid Waste, Streetlights, Public Trees and Public Buildings. The Cemetery Commission maintains and operates the Town’s public cemeteries. The Municipal Facilities Department provides for central administration of maintenance for all schools and other buildings owned by the Town.

PUBLIC WORKS SUMMARY (Includes Cemetery Commission)

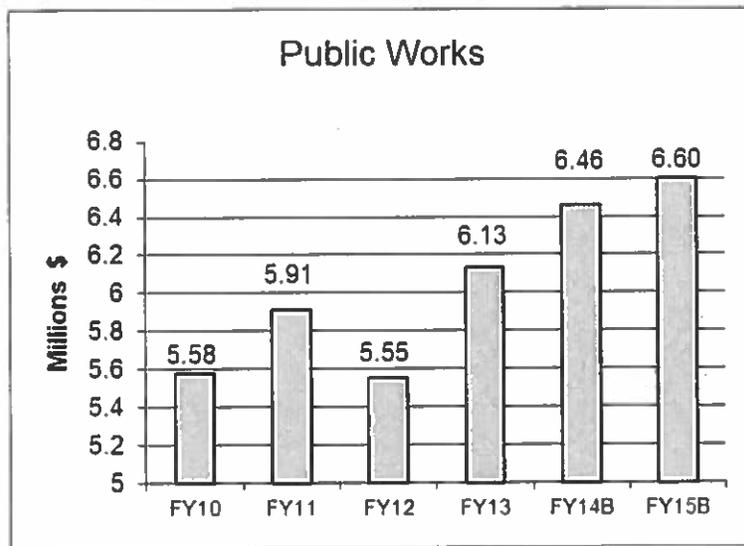
	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 Recommended	\$ Change	% Change
SUMMARY							
PUBLIC WORKS							
<i>Personnel Services</i>	\$1,652,310	\$1,749,029	\$1,834,830	\$1,930,013	\$1,992,016	62,003	3.21%
<i>Expenses</i>	\$2,986,661	\$3,023,804	\$3,158,768	\$3,393,074	\$3,465,628	72,554	2.14%
<i>Snow & Ice</i>	\$1,276,204	\$780,197	\$1,139,776	\$1,143,500	\$1,143,500		
TOTAL BUDGET:	\$5,915,175	\$5,553,030	\$6,133,374	\$6,466,587	\$6,601,144	134,557	2.08%

For FY2015, the budget for Public Works increases by \$134,557 or 2.0%. The proposed FY15 snow and ice budget of \$1,143,500 is level funded from FY14. It should be adequate for a



typical winter season and is estimated to reflect an average of actual snow and ice expenditures over the past five years. State law allows a municipality to over-expend the Snow and Ice account. However, the deficit must be raised within the property tax levy during the subsequent fiscal year.

Solid waste collection expenses are projected to increase by over \$141,000 in FY15. The Department of Public Works will continue to operate with 40.0 FTE positions during the upcoming fiscal year. Excluding the Sewer Division, this represents a decrease of two DPW personnel since earlier this decade. The reduction in personnel has resulted in delays in the sidewalk construction plan, as well as an inability to fully address drainage, maintenance, and construction needs.



Municipal Facilities Department

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 Recommended	\$ Change	% Change
MUNICIPAL FACILITIES							
<i>Personnel Services</i>	\$584,837	\$583,075	\$661,677	\$716,864	\$742,510	25,646	3.58%
<i>Expenses</i>	\$518,732	\$601,818	\$575,560	\$532,560	\$557,485	24,925	4.68%
TOTAL BUDGET:	\$1,103,569	\$1,184,893	\$1,237,237	\$1,249,424	\$1,299,995	50,571	4.05%

The Municipal Facilities department was established by Town Meeting in October 2004 and was included in the amendments to the Town Charter that were approved by the voters a year ago.



The maintenance of School and General Government buildings is performed by an integrated department. The HVAC Technician, HVAC Apprentice, and General Maintenance positions that were originally envisioned for the department has never been realized due to budgetary constraints.

The proposed Municipal Facilities budget increases by \$50,571 or 4.0% for the coming fiscal year. The budget provides funding for all current maintenance employees. The reopening of two historic town hall buildings, the new DPW headquarters on Alpha Road, and privatization of School custodial employees has increased the maintenance responsibilities of the Facilities Department. The Municipal Facilities union agreed to assume the responsibility for maintaining streetlights as a cost savings measure back in FY10.

Community Services and Library

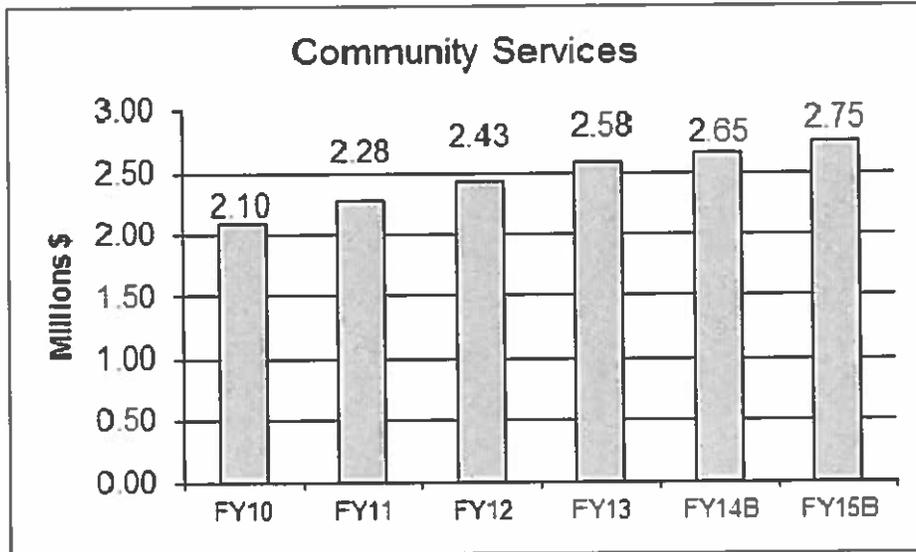
The final operational element of Chelmsford's government is the variety of human service, cultural and recreational programs and departments that are included within the category of Community Services. This includes Veterans Services, the Council on Aging/Senior Center, Board of Health, and volunteer committees such as the Historical Commission and the Cultural Council. The Library Department will also be highlighted in this section.

For FY15, the \$980,848 in total funding for Community Services increased by 4.8% in the amount of \$44,872 from the current fiscal year. A new 0.5FTE Part-Time Substance Abuse Prevention Coordinator has been included in the Board of Health's personnel budget with the support of the Finance Committee to increase education efforts regarding opiate abuse in the community. The budget for the Council on Aging increases by \$11,897 or 3.1% to maintain current staffing levels and programs at the Senior Center. Although low market interest rates have decreased investment earnings, the Friends of the Senior Center will continue its efforts to support the operations of the facility. Additionally, \$25,000 has been included in the budget to hire lifeguards for the Town's beaches at Freeman Lake and Heart Pond.

The budget for the Library increases by \$58,382 or 3.4% to provide a budget that exceeds certification requirements from the Massachusetts Board of Library Commissioners. State certification maintains the Town's eligibility for State library aid of approximately \$39,000 per year and allows the Town to participate in the Merrimack Valley regional consortium that provides inter-library loan of materials. The proposed personnel budget includes funding to maintain Sunday hours at the Adams Library.



Community Services Summary including Library



Benefits and Insurance

The Benefits and Insurance budget funds the Town-wide insurances for municipal buildings, vehicles, and workers compensation. The employee benefit costs for health insurance premiums, retirement assessments, Medicare payroll taxes, and unemployment costs are centrally administered and funded for the sake of efficiency.

Behind education, employee benefits are the second largest budgetary expense for the Town. The FY15 health insurance budget of \$9.8M represents approximately 8.5% of the overall budget. Although the number of active employee health insurance subscribers has remained fairly level in recent years, the number of retiree subscribers has continued to increase over the same period. Of the 1,444 total subscribers, retirees now account for 834 or 58% of the total.

To address the high cost of employee benefits, the Town has adopted the 2011 municipal health insurance reform law which has altered the plan benefits to a level that is equivalent to those provided under the most subscribed plans under the Massachusetts Group Insurance Commission (GIC). This reform has generated significant savings for the Town. In FY15, the health insurance budget decreases \$525,000 due to a reduction in premiums.

The Town's FY15 assessment by the Middlesex County Retirement System (MCRS) increases by 6.4% or \$391,617 to \$6.48M. This assessment reflects the funding obligations that are necessary to eliminate the unfunded pension liability by 2035. Although the stock market is currently near record highs, the investment losses of 2008 will continue to have an impact on future assessments. Investment losses and gains for the portfolio are recognized over multiple years to smooth the effect of sharp gains and losses on the annual assessment. Future pension assessment increases are expected to reflect these changes as well as demographic changes for greater assumed life expectancies.



The Town contributes to the State Unemployment Fund on a claims incurred basis. The budget for unemployment compensation has been level funded at \$150,000. The Employee Benefits budget includes \$1.0M in funding toward the Town's \$85M OPEB liability.

Debt and Interest

In order to complete certain capital projects, such as the construction of the sewer system, the renovation and expansion of the high school and middle schools, and the acquisition of the Alpha Road property for the Department of Public Works, it is necessary and advantageous for the Town to borrow funds through the sale of municipal bonds. With this borrowing comes the responsibility to effectively manage this debt and the obvious requirement of repayment until it is retired.

The Town's total outstanding debt was \$103,752,080 at the close of FY2013. Nearly 57% of this amount is for the town-wide sewer project. The current fiscal year's budgeted debt service amounts to \$13,730,478. For FY2015, the Town's debt service payments are estimated to be \$14,551,795. This is an increase of \$821,317 or 5.9%. Non-excluded debt service, which is funded within the tax levy, increases by \$1,340,418 for the first full year of payments on the ESCO (Energy Management Services Contract) bonds. It is important to note that this increase will be offset by energy and utility savings in other areas of the budget. Excluded debt service or the amount of the debt service that is excluded from the property tax limitations of Proposition 2½ for the sewer, school, and DPW construction projects is forecasted to decrease by over \$521,000 (9.3%) to a total of \$5,072,375.

The non-excluded debt service budget funds the continuation of the Town's long-term capital improvement program, which is described in more detail under Article 11. It also funds three completed building projects: Adams Library, Center School, the Police Station, as well as the Center Fire Station, currently under construction. Betterment-funded debt service, for sewer construction project phases financed after 2003, increases by \$2,352 or 0.1% to \$2,417,250 as the Town continues making payments on loans used to finance the final phases of the sewer project. Betterment-funded debt service is funded outside the tax levy through betterment and sewer capital construction fee revenue.

The Town's actual debt service costs for FY15 will not be known until the Town issues some new long-term bonds in June 2014. Once actual debt service for the upcoming fiscal year is known in July, the debt service budget will be adjusted at the Fall Annual Town Meeting.

The Town Manager and Board of Selectmen support a repayment schedule of 20 years or less for all General Obligation Debt. Typically, larger building projects such as the police station, library, and DPW facility are bonded for 20 years, while General Fund debt for projects listed in the Capital Budget is usually retired within five to ten years.



The goal is to finance projects for the shortest term feasible to ensure bonds are paid off well before the useful life of the capital asset expires.

Bond-rating agencies recommend that long-term debt payments range between 5% and 15% of a town's total operating budget. For FY2015, it is projected that approximately 12.6% of the operating budget of the Town will go towards principal reduction and interest on debt. In January, Standard and Poor's upgraded the Town's bond rating to an unprecedented AA+. Analysts noted that the improved rating reflected sustained improvement in the Town's financial position and strong financial management practices. The current Stabilization balance of just over \$7.0M represents 6.2% of the Town's proposed FY15 operating budget.

Warrant Articles and Non-Appropriated Expenses

In addition to the omnibus budget article that is put before Town Meeting, there are often several articles of financial consequence brought before Town Meeting. The FY15 appropriation to the Finance Committee Reserve Fund has been level funded at \$400,000 to provide additional budgetary flexibility for unanticipated expenditures or revenue reductions. This fund is utilized for extraordinary and unforeseen expenses that may arise during the course of the fiscal year. This amount may be adjusted at the Fall Town Meeting.

At the Fall Town Meeting, an article will be presented to transfer approximately \$39,000 in E-Rate reimbursements received from the federal government to the School Department. Once the current fiscal year's budget is closed and the Town's balance sheet is submitted to the Massachusetts Department of Revenue this summer for certification of free cash.

The total FY2015 Budget also includes certain costs that are not voted upon by Town Meeting. These non-appropriated expenses consist of State Assessments and the Town's Overlay account that funds property tax abatements. The State Assessments are primarily composed of tuition assessments for the Charter and School Choice program and for the Town's participation in the Lowell Regional Transit Authority.

State Assessments are budgeted at \$1.8 million during the upcoming fiscal year. This is an increase of 2.4% or \$41,499 for FY15. Nearly 92% of this increase is attributable to the projected Charter School and School Choice tuition assessments. Traditionally, fluctuations in projected and actual Charter School enrollment figures have made it difficult to forecast State Assessments and reimbursement levels.

The Town's Overlay account for property tax abatements is funded at \$1.2M, a decrease of \$111,000 from the current fiscal year. FY14 was a triennial certification year which required a town-wide property revaluation. Property tax abatements for the senior work program are funded from this account.



Detailed line items for the Town's FY15 operating budget are found in the upcoming pages. This is followed by the budget information for the Sewer Enterprise Fund and Golf Course Enterprise Fund. Finally, the Town's FY15 Capital Expenditure Plan is presented in Section H.

Sewer Enterprise Fund

The Town established a Sewer Enterprise Fund in FY2006 in accordance with Chapter 44, Section 53F1/2 of Massachusetts General Law. This created a separate accounting and financial reporting mechanism for the Town's sanitary sewer system services that are provided for a fee. Sewer revenues and expenditures are accounted for separately and are not commingled with the Town's general fund operating budget.

The total FY15 Sewer Enterprise budget increases by \$64,644 or 1.65% to \$3,983,856. Sewer Personnel Services expenditures increase by \$2,741. Total Direct expenses increase by \$39,501. Capital outlay includes \$400,000 of funding for improvements at the Mill Rd., Katrina Rd., and Progress Ave. pump stations. The user fee paid to the City of Lowell for treatment and disposal increases by \$71,539 or 5.0%. The increase reflects recently completed capital investments for equipment modernization at the Duck Island treatment plant. Sewer Indirect expenses of \$520,853 increase by \$22,402 or 4.5% over FY14, due to increasing salary and retirement costs. Indirect costs are appropriated in the FY15 Town operating budget as a revenue source under Available Funds and pay for administrative costs, including accounting, collections and employee benefits, which are provided by the Town.

Golf Course Enterprise Fund

Town Meeting voted in October 2011 to establish an Enterprise Fund for the Chelmsford Country Club golf course beginning in FY13. This will allow the Town to dedicate any surplus revenue earned from operations, including golf course play and function hall rentals, toward future capital improvements at this facility. The expense budget for FY15 is \$15,000.



FIVE YEAR STAFFING HISTORY (Full Time Equivalency)

		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY14-15	4 YR
		FTEs	FTEs	FTEs	FTEs	FTEs	Change	Change
GENERAL GOVERNMENT DEPARTMENTS								
EXECUTIVE OFFICE		4.60	4.60	4.60	4.10	4.10	0.0	-0.5
FINANCE DEPARTMENT		12.83	12.83	13.00	13.00	13.00	0.0	0.2
TOWN CLERK		3.00	3.00	4.00	4.00	4.00	0.0	1.0
PLANNING & DEVELOPMENT		3.00	3.00	3.00	3.00	3.00	0.0	0.0
POLICE DEPARTMENT		64.00	65.00	69.00	69.00	69.00	0.0	5.0
FIRE DEPARTMENT		54.00	59.00	62.50	62.50	62.50	0.0	8.5
INSPECTIONS & ENFORCEMENT		3.98	3.98	3.98	3.98	3.98	0.0	0.0
DEPT OF PUBLIC WORKS (EXCL. SEWER)		25.00	25.00	27.00	27.50	27.50	0.0	2.5
DPW - SEWER DIVISION		12.20	13.20	13.20	12.50	12.50	0.0	0.3
CEMETERY COMMISSION		4.33	4.40	4.40	4.40	4.40	0.0	0.1
MUNICIPAL FACILITIES		11.00	11.00	13.00	13.50	13.50	0.0	2.5
HUMAN SERVICES		5.00	5.15	5.15	5.15	5.15	0.0	0.2
RECREATION		0.00	0.00	0.00	0.00	0.00	0.0	0.0
BOARD OF HEALTH		3.60	3.60	3.60	3.60	4.10	0.5	0.5
LIBRARY		23.02	24.33	24.38	25.51	25.43	-0.1	2.4
General Government Sub-Total		229.56	238.09	250.81	251.74	252.16	0.42	22.60
SCHOOL DEPARTMENT								
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY14-15	4 YR
		FTEs	FTEs	FTEs	FTEs	FTEs	Change	Change
ADMINISTRATIVE								
	PROFESSIONA	5.00	5.00	5.00	5.00	5.00	0.00	0.00
	SUPPORT	10.10	6.30	6.30	6.30	6.30	0.00	-3.80
PRINCIPALS								
	PROFESSIONA	12.00	12.00	12.00	12.00	12.00	0.00	0.00
	SUPPORT	12.00	12.00	12.00	12.00	12.00	0.00	0.00
CURRICULUM COORDINATORS								
	PROFESSIONAL	3.00	3.00	9.90	9.90	9.90	0.00	6.90
	SUPPORT	1.00	1.00	1.00	1.00	1.00	0.00	0.00
DEPARTMENT HEADS								
	PROFESSIONAL	2.00	2.00	1.00	1.00	1.00	0.00	-1.00
TEACHING								
	PROFESSIONA	284.80	286.80	304.30	313.00	313.00	0.00	28.20
	SUPPORT	38.40	38.40	35.00	27.00	27.00	0.00	-11.40
LIBRARY								
	PROFESSION	5.10	5.10	5.10	5.10	5.10	0.00	0.00
	SUPPORT	8.00	8.00	3.30	3.30	3.30	0.00	-4.70
TECHNOLOGY								
	PROFESSIONAL			6.00	6.00	6.00	0.00	
	SUPPORT	5.90	5.90	4.60	4.60	4.60	0.00	-1.30
GUIDANCE								
	PROFESSIONA	18.00	18.80	22.70	22.70	22.70	0.00	4.70
	SUPPORT	2.00	2.00	2.00	2.00	2.00	0.00	0.00
NURSING								
	PROFESSIONAL	9.30	9.30	9.50	9.50	9.50	0.00	0.20
ATHLETICS								
	PROFESSIONA	2.00	2.00	2.00	2.00	2.00	0.00	0.00
	SUPPORT	0.80	0.80	0.80	1.00	1.00	0.00	0.20
SCHOOL SECURITY								
	SUPPORT	4.00	4.00	4.00	4.00	4.00	0.00	0.00
TRANSPORTATION								
	PROFESSIONAL	0.80	0.50	0.50	0.50	0.50	0.00	-0.30
	SUPPORT	0.50	0.00	0.00	0.00	0.00	0.00	-0.50
CUSTODIANS/MAINTENANCE								
	PROFESSIONAL	1.00	0.00	0.00	0.00	0.00	0.00	-1.00
	SUPPORT	24.20	0.00	0.00	0.00	0.00	0.00	-24.20
SPED SUPERVISION								
	PROFESSIONAL	4.00	5.00	5.00	5.00	5.00	0.00	1.00
	SUPPORT	3.00	2.00	2.00	2.00	2.00	0.00	-1.00
SPED TEACHING								
	PROFESSIONAL	58.10	58.10	64.20	65.00	65.00	0.00	6.90
	SUPPORT	96.10	101.20	102.10	99.10	99.10	0.00	3.00
School Sub-Total		611.10	589.20	620.30	619.00	619.00	0.00	7.90
TOTAL GENERAL GOV'T & SCHOOL FTEs		840.66	827.29	871.11	870.74	871.16	0.42	30.50



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**Town of Chelmsford
FY2015
Town Manager's
Final Recommendation
April 1, 2014**

BUDGET SUMMARY

REVENUES

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 BUDGET	\$ Change	% Change
Local Taxes	\$73,559,750	\$76,361,143	\$78,965,974	\$80,392,117	\$84,216,426	\$86,682,968	2,466,562	2.93%
State Aid	\$14,509,431	\$14,837,293	\$14,472,813	\$14,993,324	\$15,328,574	\$15,654,217	325,643	2.12%
Available Funds	\$3,738,144	\$3,298,068	\$8,100,749	\$6,814,765	\$4,396,594	\$3,453,476	-943,118	-21.45%
Local Receipts	\$8,105,952	\$6,938,882	\$9,212,628	\$8,350,955	\$9,225,000	\$8,400,000	175,000	2.13%
Total	\$99,913,277	\$103,435,385	\$110,752,164	\$110,551,161	\$112,166,594	\$114,190,681	2,024,087	1.80%

EXPENDITURES

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REVISED	FY2015 BUDGET	\$ Change	% Change
Municipal Administration	\$2,205,440	\$2,314,116	\$2,368,657	\$2,614,330	\$2,721,066	\$2,797,257	76,191	2.80%
Chelmsford Schools	\$41,975,359	\$43,928,940	\$45,233,763	\$47,824,702	\$49,259,443	\$50,000,000	740,557	1.50%
Nashoba Out of District	\$1,766,141	\$1,853,897	\$1,840,866	\$2,044,633	\$2,187,180	\$2,568,811	391,631	17.45%
Public Safety	\$9,526,012	\$9,758,834	\$10,396,710	\$10,856,903	\$11,278,581	\$11,648,375	369,794	3.28%
Department of Public Works	\$5,306,217	\$5,652,360	\$5,275,605	\$5,843,796	\$6,160,001	\$6,282,920	122,919	2.00%
Municipal Facilities	\$1,117,305	\$1,103,569	\$1,184,893	\$1,237,237	\$1,248,424	\$1,299,995	50,571	4.05%
Sewer Commission	\$3,581	\$2,967	\$277,424	\$289,578	\$306,586	\$318,224	11,638	3.80%
Cemetery Commission	\$270,870	\$259,827						
Community Services	\$671,886	\$782,488	\$834,293	\$908,918	\$935,976	\$980,848	44,872	4.79%
Library	\$1,436,270	\$1,500,036	\$1,596,744	\$1,679,701	\$1,719,599	\$1,777,981	56,382	3.40%
Benefits & Insurance	\$16,572,533	\$17,000,827	\$17,923,845	\$17,928,434	\$18,829,295	\$18,850,706	21,411	0.11%
Debt and Interest	\$11,581,193	\$12,105,468	\$12,956,019	\$13,163,640	\$13,730,478	\$14,551,795	821,317	5.98%
Warrant Articles	\$1,451,852	\$1,140,748	\$4,445,843	\$1,892,855	\$448,723	\$400,000	-48,723	-10.86%
State Assessments & Overlay	\$2,264,496	\$2,740,156	\$2,786,991	\$3,492,430	\$3,294,052	\$3,273,242	-20,810	-0.63%
Total	\$86,165,655	\$100,144,253	\$107,121,852	\$109,777,157	\$112,120,404	\$114,750,184	2,629,750	2.35%

Balance \$46,190

-\$559,473



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