

## Harwich Board of Selectmen

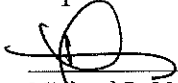


It is clear from the Five Year Fiscal Analysis, that it is time for the Board of Administration, Department Heads and the Finance Committee to work together to create efficiencies, critically review all expenditures and find creative solutions for new revenue streams. The current spending trends are not sustainable and will result in either operational overrides or major cuts in staffing and services in order to balance budgets. It is the goal of the Board to implement a two year budgeting and financial review strategy to slow the rate of spending so that it is more in line with the projected revenues. In order to meet this goal, the Board recommends the following guidelines be implemented for Fiscal 19.

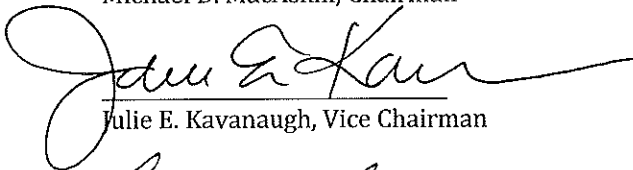
- I. Budget increases limited to 2% to fulfill contractual obligations and rising benefit costs; general expenses are to be level funded for FY19. This guideline shall apply to all departments, including School Budgets. Budget guidelines should no longer assume an automatic 2.5% increase just because that is what is allowable under the law.
- II. Staffing levels are to remain level with no new hires and no increases in hours of part-time employees. Departments shall review overtime practices and policies and implement strategies to reduce overtime spending. The Board did decide in Fiscal 18 to prioritize the hiring of two firefighters and one police officer. The Board will revisit this budget priority in FY19 and determine how funding can be accomplished within the limits of the 2% cap.
- III. The use of Capital/debt exclusions to fund normal budgetary items shall be eliminated as a budgeting practice.
- IV. All Departments will submit Capital Budget requests with funding sources and justification of expenditures. Decisions regarding Capital Expenditures will not be made until Free Cash has been certified and a plan for the use of Free Cash has been presented to the Board.
- V. The Board of Selectmen continues to have an active interest in providing for the proper maintenance of our existing facilities and equipment. In order to meet this goal, a full assessment of the condition of current buildings and equipment, including all vehicles will continue to be evaluated in the next year to better understand the maintenance and capital requirements town-wide and to expand the life of current assets. Analysis should include where sharing assets between departments could create greater efficiencies and consideration of fleet reductions. Adequately funding the maintenance budget based on this analysis should be an annual budget consideration and will be overseen by the Maintenance department in conjunction with department heads.
- VI. Strategies to minimize and reduce Health Insurance increase costs should be evaluated by administration and presented to the Board for review, including the investigation of alternate health plans and analysis of comparative off-Cape programs.
- VII. Evaluate and create a Wastewater reserve fund including the identification of one time and reoccurring funding sources.

- VIII. Identify both one time and reoccurring fund sources for OPEB fund, including potential use of free cash, overlay surplus or growth.
- IX. A newly formed Municipal Revenue and Economic Development Committee is charged with generating ideas to offset municipal financial obligations by helping the Town generate additional revenue. The Committee will also explore potential operational efficiencies to reduce costs and regulatory procedures to further encourage a positive environment for economic development.
- X. Analyze legal expenses and identify areas and ways that the Legal Budget can be reduced.
- XI. Explore use and availability of County Services, particularly for services that may currently be outsourced by the Town.
- XII. Research and identify grant opportunities for the Town.
- XIII. Develop a plan to implement a Zero Based Budget Approach in FY20, including a presentation to the Board and the Finance Committee on the merits of Zero Based budgeting.
- XIV. All Departments and the Town as a whole should re-examine their core mission and functions and will produce budgets that align in the most efficient and effective manner possible.
- XV. Citizens shall be engaged in the decision making process before budgets are presented to them at Town Meeting and information should be presented in a way that it is clear to residents where their tax dollars are being spent and what the impact on their taxes is for every major expenditure.

The Board seeks to implement the most fiscally responsible and conservative practices in place in order to create sustainable financial outcomes which do not rely solely on the backs of our residents. In order to continue to provide essential services and invest in the infrastructure of our community, each of us has a responsibility to ensure our budgeting decisions are solid and impactful. Thank you for your full cooperation in attaining these goals.



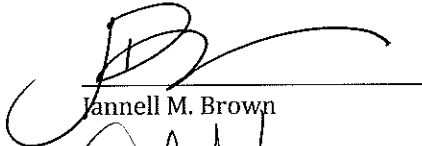
Michael D. MacAskill, Chairman



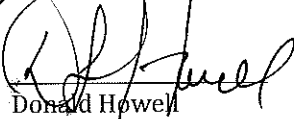
Julie E. Kavanaugh, Vice Chairman



Larry G. Ballantine, Clerk



Jannell M. Brown



Donald Howel