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MEMO

TO: Board of Selectmen

FROM: Joseph F. Powers, Town Administrator *JFP*

CC: Meggan M. Eldredge, Assistant Town Administrator
Carol Coppola, Finance Director

RE: Budget Message for Fiscal Year 2023

DATE: Monday, February 7, 2022

This memorandum complies with the requirements of the Harwich Charter, Chapter 9, Section 2, Clause 9-2-4 which states, "On or before the second Tuesday of February, the town administrator shall submit to the board of selectmen a comprehensive budget for all town functions for the ensuing fiscal year and shall submit to the selectmen a budget message."

Philosophical approach

I am relying upon a philosophy of using the funds for items which may only be provided through the government.

If something can be obtained from another government or private source, then I would not prioritize using funds for the town to pursue that resource or program.

Headwinds and new realities

As we approach our Annual Town Meeting, there are several budgetary impacts either from past years' votes or current events that will impact on the overall budget over which the town may exercise little or no control. Such headwinds include:

- **Debt exclusions from past years** — one example is the debt related to the Phase II construction related to the CWMP which will impact on Fiscal Year 2023 as well as future years;
- **Public education assessments-** While we have been discussing the assessment mechanism of the Monomoy Regional School District wherein we have experienced rapid growth in Harwich's assessment over the years, we now anticipate an increase in the town's assessment for the Cape Cod Regional Vocational School District's budget in addition to the Monomoy Regional School District;
- **Negotiated cost-of-living-adjustment (COLA)** – The town is actively engaged in collective bargaining negotiations with each of the eight collective bargaining associations (CBA aka "unions"). The conclusion of those negotiations will have an impact on salaries and wages beyond what is presently budgeted for in Fiscal Year 2023. Additionally, the

town traditionally provides the same rate of COLA to employees covered under the Personnel Bylaws;

- **External impacts** — We know that our local economy as well as the national economy is facing inflation at rates not seen in thirty years as well as one of the tightest job markets in years. Additionally, as the workforce population ages and reaches retirement, we may see a double-edged impact with more retirees making Harwich their year-round home (therein increasing the need for services) as well as more Harwich employees retiring (therein creating vacancies in a tight labor market).

Priorities

As I say often, a municipal budget is a statement of a town's priorities. Mindful of my philosophical approach as well as the financial "headwinds" and new realities, I have prioritized the following areas in the Fiscal Year 2023 Budget:

- **Culture** – The town has been pursuing the establishment of two state-approved cultural center districts in Harwich Center and Harwich Port. This effort, which will hopefully culminate in the spring of 2022 with the designation of the two districts dates back several years. A map delineating the proposed districts was first discussed in 2014. The town, through the Board of Selectmen, voted in 2018 to establish the districts and sent a resolution in December 2021 to the Commonwealth of Massachusetts seeking formal approval by the Massachusetts Cultural Council.

The town has affirmed its support of the district goals of "attracting artists and cultural enterprises, encouraging businesses and job development, establishing visitor destinations, preserving and reusing historic buildings, enhance property values, and fostering cultural and economic development." Additionally, the town committed to appointing a town official to represent the town on behalf of the partnerships deriving from the district designation.

The effort to establish the two districts follows the town's prior efforts and ongoing commitment to cultural affairs in the town with:

- The creation of the Cultural Center presently housed in the former Harwich Middle School on Sisson Road; and
- The creation of the Artisan Shacks at Saquatucket Harbor.

I would be remiss if I did not take this opportunity to recognize Carolyn Carey, Community Center Director, Cyndi Williams, Harwich Chamber of Commerce Executive Director and the members (past and present) of the Harwich Cultural Council and their current Chair Bernadette Waystack as well as the countless artisans, craftspeople and supporters of our many cultural programs for their support and efforts.

Building off of the successes noted above and in anticipation of the two cultural districts becoming reality in the present fiscal year, I am proposed the creation of a new, full-time position of **Director of Cultural Affairs** in the budget for Fiscal Year 2023.

I am mindful of the process that must be undertaken with regard to creating new, full-time positions in accordance with the Harwich Charter and will be presenting this proposed role at a Board meeting in the coming weeks as part of the warrant article discussions.

- **Health & Human Services** – Prior to the onset of the pandemic, the town has supported the efforts of the Health Department and the many programs and services that can be classified as Human Services which is led primarily through our Council on Aging department. Since the pandemic, the Board of Selectmen has strived to strengthen the town’s commitment to health and humans services and the proposed continues that effort.

Both the Health Department and Council on Aging have identified critical enhancement of services by way of additional staffing and increased expenses in support of vital programs and services. In addition to elevating the part-time **Health Inspector** to full-time beginning in FY 2022, I am recommending an additional role for Council on Aging by adding a **Program Specialist II** position. While these positions are new to their respective departments, they are not new positions in the town and therefore do not require separate town meeting approval under the warrant articles.

The proposed budget also supports these department with additional support for **food code inspectional services** via software as well as a **supplemental nutrition program**.

- **Housing** – The town has relied upon the ongoing support of the Community Preservation Committee (CPC) and the allocated resources for affordable housing for the past several years in the form of a housing coordinator role funded for salary and wages only by CPC.

The Harwich Affordable Housing Trust (Trust) has been the primary beneficiary of the housing coordinator since its inception in 2018. The role has been filled in past years’ by representatives a local firm specializing in housing advocacy and support. The Trust’s recent acquisition of several parcels covering nearly 14 acres of land to be used in the future for affordable housing signals the proper time to move beyond a CPC-funded administrative support role. I propose the creation of the position of **Housing Advocate** funded directly within the town’s operating budget and working through administration to be a full-time proponent and subject-matter-expert on all things housing. This role will solidify the town’s commitment to seeking opportunities and outcomes to dramatically change our efforts toward truly affordable housing for Harwich.

Given that this is new to our current personnel structure, I will also be presenting this proposed role at a Board meeting in the coming weeks as part of the warrant article discussions.

- **Public Safety** – Fire Fighters and Police Officers have always had inherently dangerous and difficult jobs and the town has not wavered in supporting public safety. However, the pandemic, coupled with the ongoing discussion, as a nation, on policing and community engagement demonstrate the need for restoration of **community engagement** efforts, increased support for **training** and expanded **mental health resources** to aid our public safety officers as they navigate these unprecedented times.

In addition to these program restorations and/or enhancements, Administration is working with Fire Administration in evaluating the efficacy of moving forward on a grant opportunity to expand the ranks of firefighters with financial support for the first three fiscal years in which the positions are brought on board.

- **Technology** – Woven throughout our departmental organization and inherent in the priorities outlined above is a need to expand our present investment in **technology resources**. The Board has consistently emphasized the ongoing objective to utilize and enhance technology solutions to increase efficiencies in an effort to streamline processes and to allow for flexibility in operational processing. This budget prioritizes that effort.

Capital Outlay

Despite inconsistencies and omissions in the Harwich Charter relating to the development of a capital outlay program with requisite budgets for the next five fiscal years as well as a concurrent plan, the Capital Outlay Committee endorsed my proposed **Capital Outlay Budget for Fiscal Year 2023**. The Capital Outlay Committee will join me at meeting to be scheduled and held jointly between the Board of Selectmen and Finance Committee to review the proposed capital budget for the next fiscal year.

What is missing

Every department can and has made cogent arguments to support enhancements of services to support their departmental mission and/or program of services. Beyond what was outlined above, those enhancements are not incorporated into this budget. Furthermore, most departmental budgets are essentially level-funded with most operating below a 2% increase year over year.

Next steps

The presentment of the budget message of the Town Administrator serves not to end the budget discussion but rather to initiate and engage in substantive discussions. Although there has been much thought and effort into the proposed budget to this point, the real work begins now.

In accordance with the Harwich Charter, the Board of Selectmen have until **Tuesday, February 22, 2022** to discuss and other amendments to the proposal before sending the comprehensive budget over to the Finance Committee. The Finance Committee is obligated by charter to conduct discussions at their public meetings over the remainder of February and through March. They must provide their recommendation no later than **March 31, 2022**.

I will be submitting the supporting financial documents to you by the close of business on Tuesday, February 8, 2022.

Conclusion

As we set out to debate and discuss this proposed budget ahead of our **Annual Town Meeting on Monday, May 2, 2022**, I offer my sincerest expression of gratitude to our department heads, their staff, the Finance Director and the Administration team for their efforts on aiding me in the development of this proposed, comprehensive budget. It is my professional honor and privilege to offer this budget message to you for your review and consideration.