

**Town of Ipswich  
Finance Committee**



**Annual Report  
For the Town Meeting  
Tuesday, May 14, 2013**

**Please bring this report to Town Meeting**



## **TABLE OF CONTENTS**

### **Town Meeting Overview**

- List of Warrant Articles Involving Spending Authority
- Summary of Finance Committee Budget Recommendations

### **Message to Voters**

- Introduction
- Base Budgets – Determining Where to Start the Annual Budget Discussion
- Ipswich Comparative Analysis
- Municipal Budget Highlights
- School Budget Highlights
- Capital Spending
- Long Range Financial Planning Subcommittee – Summary Report
- Unfunded Liabilities
- Feoffees of the Grammar School – Reform and Sale of Little Neck

### **Financial Summaries**

- Budget Summary Chart
- Proposed FY2013 Municipal Operating Budget
- Proposed FY2013 School Operating Budget

### **Town Meeting Warrant and Recommendations**

### **Exhibit A: Glossary of Terms**

If you have difficulty hearing and wish to have the services of a sign language specialist at the Annual Town Meeting, please contact the Town Clerk's office no later than 12:00 noon, May 6 to make arrangements.

## **Town Meeting Overview**

### Articles Involving Spending Authority

#### ARTICLE 5 – FY'2014 Municipal Budget

Overview –The FY 2014 proposed municipal budget of \$15,455,120, represents a 2.3% increase over FY 2013 (the difference between this number and the number in the chart below, \$15,517,058, is a \$61,938 contribution from the Waterways Fund). This includes an increase in the municipal operating budget of 4.0%, offset by removal of any capital expenditures, which this year are funded from free cash (Article 8), and a 2.9% reduction in the debt exclusion override payments, which in FY 2013 was \$936,567. Staffing increases included in the municipal budget include increasing the Council on Aging (COA) director to full time with a net cost to the town of \$1,500 as a result of reallocation of COA formula grant funds to free up general funds. Also, there is a new position of Director of Recreation and Culture. This position, entailing a net increase of \$37,259, combines the current part-time recreation director position with responsibilities for working with downtown businesses and organizations in developing cultural and recreational programming, to draw residents and visitors to Ipswich's downtown and enhance cultural life of the community.

It should be noted that the municipal budget is presented this year in eight (8) departments, as shown in the table below. This grouping will allow the Town Manager, with the approval of the Board of Selectmen, the flexibility to move funds within each grouping without Finance Committee approval. The Finance Committee supports this change for this year to provide opportunity for improved management of the overall budget. (Note: The table below includes Water and Sewer, listed separately as “Water Enterprise” and “Sewer Enterprise” in the table below, “Summary of Finance Committee Budget Recommendations.”)

#### ARTICLE 6, 7 – FY'2014 School Budget/ High School/Middle School Debt

Overview – The FY2014 proposed school budget of \$24,963,921, represents a 2.5% increase over FY 2013. This includes an increase in the school operating budget of 2.8%, offset by virtually no change in the debt exclusion override payments. Capital expenditures for the schools are included, along with the municipal capital request, in a separate capital request warrant article.

#### ARTICLE 8 – Capital Plan for FY'2014

Overview - A five year capital plan has been developed with the input from all town departments and the schools. This article, requesting \$678,600 from Free Cash and \$37,000 from the Waterways Fund, represents the first year of funding. A long-term funding source must be identified in order to maintain a suitable level of regular capital funding. This will be a topic of discussion among policy boards during the remainder of 2013.

#### ARTICLE 9 – Linebrook Road Reconstruction

Overview - Linebrook Road has been identified in the pavement management plan as one of the roads needing substantial reconstruction. Costs to do this work, expected to be close to

\$3,000,000, are in excess of funds available in the capital budget and the project is proposed as a debt-excluded capital project. As of this writing plans for this project are evolving to include bicycle paths and sidewalk repairs, which, though best completed as part of this project rather than later, have caused the cost of this project to increase from \$2,000,000 to \$3,000,000. This requires a 2/3 vote.

#### ARTICLE 10 – Water Treatment Plant and Town Hall Water Tank

Overview - The water treatment plant is now 24 years old and much of the equipment and building have exceeded its design life of 20 years. \$900,000 is requested to paint the Town Hill Water Tank and \$867,000, is requested to make repairs and upgrades to the water treatment plant. Repairs and upgrades were identified during the capital process and include repairs to the building and filters, as well as treatment improvement in conformance with requirements by the Massachusetts Department of Environmental Protection. Water tanks require repainting every 10 to fifteen years: the town hill tank was last painted approximately eighteen years ago. This requires a 2/3 vote.

#### ARTICLE 11 – FY14 Whittier Regional High School Budget

Overview - This article funds the Town's portion of the fiscal year 2014 annual operating, capital, and debt service expenses of the Whittier Regional Vocational Technical High School District. This year's request for \$340,000 represents a 24.6% increase over FY 2013. This increase is due to needed capital expenditures, which significantly expanded Whittier's budget.

#### ARTICLE 12 – Stabilization Fund

Overview - The 2007 Fiscal Management Review report prepared by the Department of Revenue recommends the town establish a target of 3% to 5% of total general fund operating costs for a reserve in the stabilization fund, also recommend range by credit rating agencies. The present balance in the stabilization fund is \$ 621,399 or 1.54 percent; this appropriation would bring the balance to \$ 747,445 or 1.85 percent. An ongoing program of regular contribution will raise the reserve to a suitable level. A healthy stabilization fund is important in the event of unforeseen events, such as major emergencies or to stabilize the budget in the event of unforeseen sudden economic changes.

#### ARTICLE 13 – OPEB

Overview - This article requests transfer, from free cash to the special Other Post-Employment Benefits account (OPEB), of \$86,000. This transfer will help defray future costs associated with retiree health insurance. After this transfer, the balance in the OPEB trust fund will be approximately \$1,396,000.

#### ARTICLE 14 – Adoption of Sewer Enterprise Fund

Overview - This action was recommended in the 2007 Fiscal Management Review prepared for the town by the Massachusetts Department of Revenue. Enterprise fund accounting enables a community to identify the costs of providing a service and establish rates to cover those costs; allows payments for indirect costs to flow to the general fund to reimburse the general fund for

time spent by employees on enterprise activities; and any surplus is retained in a separate fund and accrues interest, and may be used to fund operations, capital, debt or to reduce rates.

#### ARTICLE 19 – Citizen’s Petition

Overview – This Citizen’s Petition seek to appropriate from Free Cash the sum of \$15,045 to reimburse the Estate of Roberta C. Foster for real property taxes that the Petitioners report were incorrectly paid to the Town due to the Town’s failure to notify the taxpayer of the 100% exemption to which she was entitled pursuant to M.G.L. Chapter 59, Section 5, Clause 22D.

**TOWN OF IPSWICH**  
**Summary of Finance Committee's Budget Recommendations**  
**For the May 14, 2013 Annual Town Meeting**

	Budgeted FY 2013	Recommended FY 2014	Increase/(decrease) from FY2013	% change
<b>Municipal Budget</b>				
Municipal Operating Budget	13,982,606	14,546,085	563,479	4.0%
Includes Municipal Capital Budget	191,000	0	(191,000)	-100.0%
Includes Excluded Debt Service	<u>936,567</u>	<u>909,035</u>	<u>(27,532)</u>	<u>-2.9%</u>
<b>Subtotal-Municipal Budget</b>	<b>15,110,173</b>	<b>15,455,120</b>	<b>344,947</b>	<b>2.3%</b>
Harbormaster Budget	58,314	61,938	3,624	6.2%
Water Enterprise	2,922,076	2,860,446	(61,630)	-2.1%
Sewer Enterprise	1,929,120	2,060,418	131,298	6.8%
<b>Total - Municipal Omnibus Budget</b>	<b>20,019,683</b>	<b>20,437,922</b>	<b>418,239</b>	<b>2.3%</b>
<b>School Budget</b>				
School Operating Budget	21,819,907	22,428,538	608,631	2.8%
School Capital Budget	0	0	0	0.0%
Excluded Debt Service: HS/MS	<u>2,535,613</u>	<u>2,535,382</u>	<u>(231)</u>	<u>0.0%</u>
<b>Total - School Budget</b>	<b>24,355,520</b>	<b>24,963,920</b>	<b>608,400</b>	<b>2.5%</b>
<b>Tax Revenue</b>				
Property Taxes	28,978,506	30,009,817	1,031,311	3.6%
Overrides & Debt Exclusions -Town	932,059	904,909	(27,150)	-2.9%
Overrides & Debt Exclusions -Schools	<u>1,145,813</u>	<u>1,145,582</u>	<u>(231)</u>	<u>0.0%</u>
<b>Total - Tax Revenue</b>	<b>31,056,378</b>	<b>32,060,308</b>	<b>1,003,930</b>	<b>3.2%</b>
<b>Non-Tax Revenue</b>				
State Aid/Cherry Sheet	5,199,923	5,416,838	216,915	4.2%
School Building Authority	1,389,800	1,389,800	0	0.0%
Estimated Local Receipts	3,061,703	3,127,903	66,200	2.2%
Other Available Funds	151,000	151,000	0	0.0%
Free Cash	305,000	0	(305,000)	
Fund Balance Reserved for Debt Premium	4,508	4,126	(382)	-8.5%
Waterways Improvement Fund	58,314	61,938	3,624	6.2%
Sewer Revenue & Surplus	1,929,120	2,060,418	131,298	6.8%
Water Revenue & Surplus	2,922,076	2,860,446	(61,630)	-2.1%
Electric Department PILOT	<u>325,000</u>	<u>325,000</u>	<u>0</u>	<u>0.0%</u>
<b>Total - Non-Tax Revenue</b>	<b>15,346,444</b>	<b>15,397,469</b>	<b>51,025</b>	<b>0.3%</b>
<b>TOTAL REVENUE SOURCES</b>	<b>46,402,822</b>	<b>47,457,777</b>	<b>1,054,955</b>	<b>2.3%</b>
<b>Charges &amp; Assessments</b>				
Tax Title Legal Counsel	(5,000)	(5,000)	0	0.0%
Cherry Sheet Offsets	(840,443)	(825,443)	15,000	-1.8%
Additional Veterans Benefits	(50,000)	(54,000)	(4,000)	8.0%
Cherry Sheet Charges	(372,997)	(405,871)	(32,874)	8.8%
Whittier Assessment	(272,957)	(328,809)	(55,852)	20.5%
Overlay Deficits	(50,000)	0	50,000	-100.0%
Unpaid Bills	(20,000)	(20,000)	0	0.0%
Allowance for Abatements	<u>(380,000)</u>	<u>(390,000)</u>	<u>(10,000)</u>	<u>2.6%</u>
<b>Total - Charges &amp; Assessments</b>	<b>(1,991,397)</b>	<b>(2,029,123)</b>	<b>(37,726)</b>	<b>1.9%</b>
<b>TOTAL AVAILABLE REVENUE</b>	<b>44,411,425</b>	<b>45,428,654</b>	<b>1,017,229</b>	<b>2.3%</b>
<b>TOTAL EXPENSES</b>	<b>44,375,203</b>	<b>45,401,842</b>	<b>1,026,639</b>	<b>2.3%</b>
<b>Total Under Levy Limit</b>	<b>36,222</b>	<b>26,812</b>		

## **Introduction**

The principal purpose of the Town of Ipswich Finance Committee is to make independent recommendations to Town Meeting concerning the annual Town and School budgets and all warrant articles. By doing so, the Finance Committee seeks to ensure the long term financial health of town government. Moreover, the Finance Committee seeks to guide the town's finances to contribute to a fulfilling quality of life for its citizens. We believe that this is achieved by efficiently providing capable schools, quality town services, and a well-maintained town infrastructure, all funded in part by a property tax rate that compares favorably with peer communities. The Committee reviews and considers any matter which may have a long- or short-term fiscal impact on the town, including gathering relevant and accurate information from Town boards, departments, and employees. The Town Charter charges the Finance Committee with providing an annual report prior to the Annual Town Meeting to every registered Ipswich voter.

Two sources primarily comprise the Town's revenue: property taxes and state assistance. This year Ipswich continues an extended period of modest growth, as town revenues from property taxes can increase as much as 3.2%, reflecting the combination of new growth and increases allowed by Proposition 2½. The Finance Committee anticipates that the town's other major source of revenue, state local aid in various forms, will remain unchanged from the previous year. Although legislative proposals entail an increase in this important source of revenue for the next fiscal year, the Finance Committee considers it imprudent at this juncture to integrate the proposed increase in the proposed budget. Nonetheless, level funding of state aid evades the long term trend in diminishing state assistance, which declined 7.3% during the FY 2008 to FY 2013 period. The Finance Committee anticipates that the other primary source of town revenue, local receipts from various fees, will increase 2.2% in FY2014.

A significant change in revenue from previous years is the availability of free cash. Free cash is a revenue source resulting from a locality's operations in the previous fiscal year, that is, actual receipts in excess of revenue estimates and unspent amounts in departmental budgets. The Massachusetts Department of Revenue certified that the Town of Ipswich has \$995,978 in free cash as of FY 2013. The Board of Selectman and Town Manager are proposing to substantially expend these funds on various capital projects, a neglected use of funds in preceding budget years. The capital plan and budget for FY2014 addresses both town and Schools' capital needs. The Finance Committee fully supports this collaborative approach.

While Ipswich's total income has expanded modestly, the growth in some expenses has outpaced revenues. Health insurance, for example, has increased at a pace exceeding recent trends. The result is that again this year both the school and municipal budgets faced challenges in maintaining level services, especially the Schools. This situation continues a trend of restrictive budgets, occasioned by the recession besetting the Commonwealth and Ipswich beginning in 2008. The growth in available revenues, which exceeded the growth rates in recent years, as well as the proposed increase in state aid for FY 14, signal that the worst of the recession may have passed, but remains constraining relative to trends in key expenses.

This trend towards modest revenue increases has required the town to budget conservatively, maintaining a comprehensive effort to limit and, if possible reduce all expenses. In recent years, the town has resourcefully reduced expenses in ambulance services and trash disposal that averted a reduction in town services as other expenses increased. Identifying redundancies in its Recreation Department, the town reduced expenditures in this department in FY12 and re-allocated funds to the Schools to improve recreational services to school children. The Finance Committee urges the town and the Schools to continue such creative, cost saving efforts.

Compared to similar communities, Ipswich's average single family home tax bill is in the lowest one third tier. This level of taxation contributes to economic diversity in our community, as a range of households can afford to live and pay taxes here.

Even with signs of an improving economy, the Finance Committee anticipates that revenue growth in future years may be unable to keep pace with factors driving budget increases, such as health insurance, pensions, staff salaries, capital investment to sustain our infrastructure, and the demand for new and expanded services. The Long Range Planning Subcommittee section in this report discusses trends in revenue and expenses in more detail. This trend of expenses exceeding revenues is especially applicable to the Schools in FY15 and beyond. The Finance Committee supports the School Committee in utilizing funds from the Feoffees, estimated to total \$800,000 annually in fiscal years 2013, 2014, and 2015, to minimize this adverse fiscal trend by providing enhancements to the Schools and the educational experience its students. In any event, a rigorous assessment of priorities continues to be an annual requirement in order to craft a workable budget for both the town and the Schools.

Two years ago Town Meeting approved implementation of a 0.75% meals tax to raise about \$150K in additional revenues; this year no such ready source is available. The Finance Committee supports Board of Selectmen stated intention to carry out efforts to improve the Ipswich economy and tax base in order to generate revenues to keep pace with necessary expenditures, thus avoiding cutbacks in already lean budgets. Fortunately, Ipswich enjoys viable economic assets and established sectors and businesses from which to build. The experience of other communities suggests that capable efforts in economic development can yield economic benefits for local government and residents.

Despite our challenging financial situation and conservative budget approach, Ipswich continues to provide the services residents rely upon, while investing in infrastructure improvements and protection of our natural treasures. In FY 2012, the town completed major improvements along Washington Street. Improvements to the North Green will conclude in FY2013. Stewarding our resources during financially precarious times enhances the daily experience of our residents, while retaining businesses and attracting tourists, which will in turn support our revenue stream. To this end, the Town invested this past year in renewable energy and environmental conservation programs, including the development of second wind turbine and acquisition of important open space. These investments will serve the town for years to come.

Ipswich Public Schools continue to attract and retain residents by providing an inclusive, quality educational experience for our children. The Finance Committee believes that key indicators

reveal consistent educational quality. In 2012, the four year high school graduation rate exceeded 95%, and 84% of Ipswich High School students were accepted into four and two year college programs upon graduation. Then too, the Ipswich School district performed in the top 25% in the state on the MCAS (a required state-wide exam). Additionally, Ipswich Athletic, Arts and Music programs continued to excel.

Measured by per pupil expenditures, Ipswich Schools remain a bargain for the taxpayers. This rate of expenditure in Ipswich was among the lowest compared to nine nearby school districts. Yet changes in important educational factors indicate that the Ipswich Schools are clearly facing financial challenges threatening educational quality. For example, class size is increasing in some grades, school libraries are less available, and investments in educational technology and textbooks lag behind reasonable schedules. The advent of the Common Core Curriculum presents a short term challenge that the Schools anticipate transposing into long term performance.

As it had in past years, the Finance Committee remained steadfast in the past year in its commitment to working with the School Committee and the Selectmen to ensure that the school children of Ipswich benefit fully and equitably from the Feoffees of the Grammar School Trust. Late in 2011, the School Committee voted to accept a settlement of a lawsuit allowing sale of Little Neck land to generate substantial funds in trust for the Schools, which began flowing in FY2013. The Board of Selectmen, the School Committee, and the Finance Committee each participated in appointing capable new Feoffees committed to transparent governance in managing the substantial funds flowing from the sale of Little Neck. The Finance Committee remains committed to supporting the School Committee in prudently utilizing these funds, as soon as possible, to benefit the school children of Ipswich, as Mr. Paine intended.

A looming financial issue affecting both components of town government is the town's unpaid liability for Other Post Employment Benefits (OPEB), discussed in more detail in this report. The Finance Committee is pleased that the Legislature recently changed laws governing this liability that will likely reduce it, albeit modestly. While reasonable opinions vary about how to address this liability, the Finance Committee continues to believe that a tangible annual contribution will not only temper increased liability over time, but also signal to bond rating agencies that the town seeks to address this liability.

Regarding financial matters, all the financial data in this report represent the latest figures available, given the schedule for printing and delivering this report to every household prior to Town Meeting. It is possible that that some of the budget totals will change slightly prior to Town Meeting as a result of changes made to the school and municipal budgets. The Finance Committee is committed to continue to maintain the clarity, accuracy, timeliness, and consistency of the data in this report.

The Finance Committee also recommends that the Schools and the Town continue to participate in the Long Term Financial Planning Subcommittee. This process facilitates an understanding of key financial trends and the performance of comparable communities, informing a carefully planned allocation of Town revenues in the long term.

Finally, the Finance Committee is grateful for the opportunity to work with the Board of Selectmen and School Committee in serving the residents of Ipswich. The town hired a new town manager, Robin Crosbie, in FY 2013. The Finance Committee looks forward to working with Ms. Crosbie, who brings considerable experience to the goal of maintaining and improving the performance of town government. Further, the Finance Committee appreciates the opinions and information residents have offered during the budget process, as well as to our ongoing deliberations throughout the fiscal year.

**Base Budgets – Determining Where to Start the Annual Budget Discussion**

The Finance Committee begins the annual budget process each December by meeting with the Board of Selectmen and School Committee to establish the “base budgets” for both the schools and municipal departments. In this meeting we establish a starting point based on core operating expenses for the current fiscal year (FY 2013) and then move to consideration of new revenues for FY 2014.

This year’s projections from the Governor on State and Federal Aid combined with careful tracking of property taxes, new growth, licenses and fees generated through the town suggested that Ipswich build its FY2014 budget with a 2.8% increase over the FY 2013 base budget approved at the Annual Town Meeting in May, 2012 and amended at the Fall 2012 Special Town Meeting.

<b>FY 2014 BASE BUDGET CALCULATION</b>				
	<b><u>School</u></b>		<b><u>Town</u></b>	
5/8/12 ATM	21,819,907		15,110,173	
1X Free Cash	(226,000)		(79,000)	
STM 10/12	187,437		30,963	
			<u>(936,567)</u>	Excluded Debt
Beg Base	<b>21,781,344</b>		<b>14,125,569</b>	
1X Medicaid Inc	37,316		25,000	new fees
	<b>2,535,382</b>	School Debt	<b>909,035</b>	Town Debt

With these numbers established, the schools and municipality embark on an intensive 5 month budgeting process, (as outlined below), to assesses current services and make recommendation for the upcoming fiscal year. As you will see below, frequent opportunities are available throughout this process for public inquiry and input.

**FY14 Budget Timeline of Events**

**November - December 2012: Goal Setting and Projections**

- Town Manager and Departments meet on **September 28<sup>th</sup>** to develop 5 year capital budget
- Tri-Board Meets on **November 29<sup>th</sup>**, where the Finance Committee sets target at a **2.8%** increase
- School Administrators meet to review FY13 appropriations within the target on **November 15<sup>th</sup>**
- Capital Plan delivered to Board of Selectmen on **December 4<sup>th</sup>**

- Budget history and detailed spreadsheets distributed to school and municipal department detailing FY11 actual, FY12 actual, the FY13 budget as adopted and revised at the 2012 Special Town Meeting and FY13 salaries, categories and steps reflected on **December 5<sup>th</sup>**
- School Committee meets with the Superintendent/Director of Finance & Operations to review target numbers for FY13 Budget on **December 5<sup>th</sup>**
- Using the Finance Committee template and incorporating the Selectmen's goals', each Municipal Director, Department and Board Head creates measurable FY14 goals, projects revenue and calculates FY 2014 funding requests within the 2.0% target. Completed budgets are submitted to the Town Manager and Finance Director no later than **Monday, February 27<sup>th</sup>**
- The Town Manager and Finance Director review municipal operating budget requests with Directors, Department Heads and Board Chairmen from **mid-December to January 20<sup>th</sup>**

#### **January & February 2012: Presentation and Integration**

- Principals return completed budget worksheets and backup detail on **December 5<sup>th</sup>**
- Board of Selectmen approved the FY14 capital spending priorities and use of free cash to fund the plan on **December 17<sup>th</sup>**
- Principals and Department Heads meet with Administration to review budgets on **January 8<sup>th</sup>**
- School Committee and Administrators hold Budget Workshop **January 24<sup>th</sup>**
- The Town Manager submits draft budget to Board of Selectmen no later than **January 27<sup>th</sup>**
- Final budget presentations due to the School Department Central Office **February 1<sup>st</sup>**
- Principals and Department Heads present to School Committee **February 6<sup>th</sup> and 7<sup>th</sup>**
- School Committee and Selectmen make final adjustments in preparation of submission to the Finance Committee

#### **March & April 2012: Hearings and Final Agreement**

- School Committee holds Public Hearings on the FY 2014 Budget on **March 7<sup>th</sup>**
- Selectmen submits FY14 Operating Budget to the Finance Committee on **March 5<sup>th</sup>**
- School Committee submits FY14 School Budget to the Finance Committee on **March 13<sup>th</sup>**
- The Finance Committee conducts Municipal and School Budget hearings **March 5<sup>th</sup> – March 21<sup>st</sup>** culminating in The Selectman, School Committee and Finance Committee meeting to finalize the budget for Town Meeting at **Bean Counting on Saturday, April, 6<sup>th</sup>, 2013**

**Annual Town Meeting votes on budgets on Tuesday, May, 14<sup>th</sup>, 2013**

## Ipswich Comparative Analysis

Municipality	County	General						
		2010 Population	2012 Average Single Family Tax Bill	2008 DOR Income Per Capita	2010 EQV Per Capita	Land Area	Population Density	2009 Total Road Miles
Ipswich Ranking (1 is low)		11/17	5/17	9/17	9/17	17/17	5/17	14/17
Median		11,048	6,775	51,422	208,494	15	1,037	70
Amesbury	ESSEX	16,283	5,855	29,712	124,398	12.4	1,313	73.8
Boxford	ESSEX	7,965	8,021	69,823	236,516	24.0	332	99.7
Danvers	ESSEX	26,493	4,883	32,778	159,932	13.3	1,995	127.4
Essex	ESSEX	3,504	7,060	44,554	258,299	14.2	247	30.0
Georgetown	ESSEX	8,183	4,973	35,022	145,728	12.9	632	65.4
Hamilton	ESSEX	7,764	7,988	56,113	183,150	14.6	532	51.8
<b>Ipswich</b>	<b>ESSEX</b>	<b>13,175</b>	<b>5,545</b>	<b>44,593</b>	<b>192,542</b>	<b>32.6</b>	<b>404</b>	<b>96.0</b>
Lynnfield	ESSEX	11,596	7,380	52,997	213,083	10.1	1,144	75.1
Manchester By The Sea	ESSEX	5,136	10,125	110,964	467,818	9.3	553	39.4
Newbury	ESSEX	6,666	4,476	42,536	207,835	24.3	275	64.9
Newburyport	ESSEX	17,416	5,699	41,179	209,390	8.4	2,078	76.0
North Reading	MIDDLESEX	14,892	6,473	45,089	189,658	13.3	1,124	87.0
Rowley	ESSEX	5,856	5,089	37,223	164,278	18.7	313	48.1
Scituate	PLYMOUTH	18,133	5,899	44,369	236,473	17.2	1,055	120.4
Swampscott	ESSEX	13,787	8,377	52,367	174,067	3.1	4,520	46.4
Topsfield	ESSEX	6,085	7,842	63,183	207,611	12.7	478	60.6
Wenham	ESSEX	4,875	9,482	71,665	173,621	7.7	631	32.1

While comparisons of Municipal statistics can sometimes be difficult due to some variability in reporting and community makeup, a baseline review of relative tax rates is a useful and enlightening exercise. Also, please note that this analysis reflects the FY 2012 budget. While some of this data is a little old, the comparisons remain valid. As you will note from the above table, Ipswich ranks in the lowest quartile within a portfolio of communities chosen because they possess similar characteristics to our Town. These communities may vary by population size and density or land area, but all would be considered instructive measuring sticks to weigh the trade-offs between tax rates and quality of services. It is noteworthy that relative to this group of communities Ipswich has the greatest land area and amongst the most road miles requiring support. The very geography of Ipswich presents a budgetary challenge that requires careful review of road maintenance and capital programs to assure proper maintenance of infrastructure while sustaining a reasonable tax rate.

## FY2012 Revenues by Source

Municipality	ELD?	Tax Levy	State Aid	Local Receipts	Other Revenue	Total Budget	Tax Levy % of Budget	State Aid % of Budget
Ipswich Rank		11/17	13/17	12/17	14/17	12/17	6/17	15/17
Median		22,373,962	2,440,702	4,761,155	1,257,625	27,188,579	72.58	7.69
Boxford	No	22,716,196	2,440,702	2,337,886	685,090	28,179,874	80.61	8.66
Danvers	Yes	60,347,100	7,587,770	24,832,871	5,909,289	98,677,030	61.16	7.69
Essex	No	10,811,554	230,301	3,572,209	602,932	15,216,996	71.05	1.51
Georgetown	Yes	14,947,935	6,058,490	4,678,743	1,503,411	27,188,579	54.98	22.28
Hamilton	No	22,373,962	690,155	3,267,443	483,736	26,815,296	83.44	2.57
Ipswich	Yes	30,182,087	6,504,907	7,077,439	2,088,019	45,852,452	65.82	14.19
Lynnfield	No	32,782,501	4,744,600	5,242,045	594,999	43,364,145	75.60	10.94
Manchester By The Sea	No	21,117,352	193,495	4,761,155	394,300	26,466,302	79.79	.73
Newbury	No	13,320,602	1,335,150	1,844,366	1,503,955	18,004,073	73.99	7.42
Newburyport	No	42,107,002	6,873,112	15,570,262	1,672,820	66,223,196	63.58	10.38
North Reading	No	36,042,373	8,244,900	9,687,704	3,325,710	57,300,687	62.90	14.39
Rowley	Yes	11,698,259	528,094	3,048,339	428,949	15,703,641	74.49	3.36
Salisbury	No	15,942,981	923,657	6,578,675	316,809	23,762,122	67.09	3.89
Scituate	No	46,672,327	6,541,049	17,561,858	1,406,233	72,181,467	64.66	9.06
Swampscott	No	42,240,533	3,687,897	9,852,675	2,420,000	58,201,105	72.58	6.34
Topsfield	No	17,802,440	2,092,141	2,305,312	1,257,625	23,457,518	75.89	8.92
Wenham	No	12,481,539	365,534	2,476,209	587,509	15,910,791	78.45	2.30

As noted above, Ipswich operates with a tax levy that falls above the median for communities compared, but is in the middle on an absolute basis. State Aid comprises a relatively larger portion of the Total Budget than many other communities, due in large measure to their participation in regional school districts. This relative benefit helps Ipswich maintain and support its services from a lower per capita tax base.

### Municipal Budget Overview

In November 2012, through consensus of the Board of Selectmen, School Committee and Finance Committee estimated FY 2014 General Fund revenues in the amount of \$40,419,040 were allocated as follows:

**Town            \$15,455,120    (38.34%)**

**School         \$24,963,921    (61.76%).**

(Waterway, water and wastewater funds are excluded from this calculation, since they are statutorily dedicated.)

General Fund revenue increases for FY2014 are expected to be moderate, with state aid expected to remain at FY2013 levels at the time of preparing this report. Real estate and personal property tax revenue is expected to increase from \$31,141,645 to \$32,060,308, an increase of \$918,663. Of this amount, \$219,450 is attributable to “new growth” – those projects which have been constructed during the past year and are now included in the tax levy. Overall, the net increase in new General Fund revenue is expected to be \$635,565. No use of Free Cash is proposed at this time for the FY 2014 operating budget.

The FY 2014 municipal budget for the Town of Ipswich is \$15,455,120 which represents a 2.3% increase over the FY 2013 budget. This budget meets the target established by the Finance Committee, and is based upon conservative revenue estimates and no new state aid. The budget seeks to improve services, meet the goals established by the Selectmen, and comply with all mandates. The improvement in services is, in part, enabled by the use of \$678,600 of Free Cash to fund certain capital projects and \$86,000 to fund the OPEB Trust Fund for the Town and School. In prior years, these items were funded from a combination of the operating budget and Free Cash.

The municipal operating budget for FY 2014 is projected to increase \$563,479 or 4.0% over FY 2013. Following are brief descriptions of the primary drivers of the increase. Salaries, wages and overtime are the largest drivers of municipal expense, representing about 50% of the budget in FY2014. These categories are projected to increase, in FY2014, by about \$205,000, or approximately 2.7% over FY13. Contracts for most municipal employees expire in 2013 so careful attention will have to be paid to negotiation to keep future salary costs within the bounds of anticipated increases in revenue, likely to be from 2% to 3% in the foreseeable future. Benefits and insurance are projected to increase \$230,769 or approximately 9% over FY2013. Specifically, health insurance is projected to increase to increase by 5.5% (\$86K) while in FY 2013 the increase was less than 2%, comprising a significant factor driving the budget increase. Adding to the benefit increase is Ipswich's retirement assessment, which is projected to increase by approximately \$150,000 or 13% over FY2013, as the Essex Regional Retirement Board, in order to satisfy its long term obligations, seeks to recover principal lost during the Great Recession.

Other notable increases in town expenses include public safety wherein the police department budget includes \$68,000 for replacement of two police cruisers. An additional amount of \$13,000 has been budgeted by the police department for specialized training in targeted and high-priority areas. In the fire department, overtime funding has been increased \$20,631 to reflect more accurately historic expenditures in that area. Included also is an increase of \$10,000 in funding for replacement of fire hose as part of an on-going replacement program to replace hose that has met or exceeded its 20-year lifespan.

The Council on Aging has experienced significant growth over the past several years and, as a result, the Director's position has been increased to full-time with a net cost for this change is \$1,500 as a result of reallocation of COA formula grant funds to free up general funds. Finally, as part of an effort to both consolidate the recreation program and to expand town revenue through cultural and economic development, there is a new position of Director of Recreation and Culture. This position, with a net increase of \$37,259, will continue to work with community organizations in creating recreation and cultural opportunities and coordinating town-wide events most effectively for the community. Additionally, the position will work with downtown businesses and organizations in developing cultural and recreational programming, to draw residents and visitors downtown and enhance the profile of Ipswich's downtown and its businesses.

There are several areas where the municipal budget is projected to reduce expenses over last year. A reduction in the waste disposal contract, achieved by an increase in town recycling among

residents, is projected to net savings of approximately \$45,000 in FY2014. Also, there is a projected reduction in the Call Firefighter account of approximately \$24,000. Despite the heavy snow late this winter, the snow and ice budget may have some remaining funds at fiscal year end. These unexpended dollars will be redeployed to various Town expenses. And, as noted earlier, the FY2013 budget included capital expenses of \$276,200 and OPEB funding of \$84,282. In FY2014 these line items will be removed from the operating budget and will be funded from Free Cash.

A five-year capital plan was prepared, in collaboration with town and school departments, and submitted to the Board of Selectmen. The Board adopted the FY 2014 proposed \$678,600 capital budget, which appears on the warrant as a separate article and will be funded through the use of Free Cash. Major uses of capital in FY 2014 include: \$130,000 for a sidewalk plow, \$57,000 for a dump truck, \$50,000 set aside for the future purchase of a fire pumper truck, various police equipment, and updated technology, among other items to be listed on the Town warrant. Also included in the use of free cash is approximately \$220,000 for capital expenditures in the schools, which will fund technology, replacement flooring, boiler replacement, security improvements, and other initiatives. A longer term funding plan, which is essential to a healthy and sustainable capital program, is under discussion among representatives of the Board of Selectmen, School Committee, and Finance Committee.

The 2014 budget does not adequately fund the Town's reserve accounts. It is important for the short and long term health of our town that Ipswich strengthens its Stabilization Fund. The Stabilization Fund provides financial reserves and is a key factor in our municipal bond rating (letting us borrow capital under the most favorable terms). The projected balance in this fund is approximately \$620,000, or approximately 1.5% of our General Fund budget. Ideally, this percentage should be at least double its current size. The warrant includes small contributions to both the Stabilization Fund and OPEB in order to demonstrate our recognition of the importance of both these funds.

The FY2014 municipal budget recommended by the Finance Committee provides improved town services while maintaining a modest 2.3% increase over the FY2013 budget. It is important to note, however, that this was made possible by funding significant expenditures, capital and OPEB, from our relatively healthy Free Cash balance. This is not sustainable going forward and, as a result, the Town will be faced with some real choices in FY2015 – whether to maintain level services through increased revenue (i.e. higher taxes or increased debt), or to make cuts to our current level of services.

### **School Budget Overview**

The Ipswich Public Schools seek an appropriated operating budget of \$24,963,920 which includes an ongoing debt service of \$2,535,382 to pay for the High School/Middle School built in 1999, and \$37,316 in expected Medicaid Funding. The current budget is based on Chapter 70 funding remaining flat in FY2014, although an increase currently included in the Governor's budget proposal far exceeds the modest increase in the House of Representative's budget. Chapter 70 funding is likely to be more certain prior to Town Meeting. The increase of \$609,878 in the appropriated budget, as of this printing, is 2.8% above their base budget of \$21,781,344.

Key features of the FY2014 budget involve:

- ~The implementation of Federal and state standards known as Common Core, which define the curriculum that must be taught in each grade and which will be the basis for national assessment testing
- ~The use of \$2,329,593 in Choice, and \$644,817 in Circuit Breaker, revolving and grant funding to bring the total budget to \$27,938,330.
- ~The establishment of a granting process for the distribution of Feoffee Funds to teachers for student educational enhancement and for special projects
- ~The district-wide implementation of the Massachusetts Model System for Educator Evaluation.

### Common Core

Over the years many state and federal initiatives have sought to improve educational performance nationally, such as No Child Left Behind and the Race to the Top. Massachusetts answered with a series of educational Frameworks, instituted about twenty years ago, and which lead to the MCAS assessment. Now educators have met a new directive, Common Core, which has been devised to provide consistent educational standards nation-wide. There is no financial support for this program from either the State or the Federal government. Massachusetts is one of forty-five states that have adopted the Common Core State Standards Initiative. A state-led effort, Common Core Standards for Massachusetts were developed in collaboration with teachers, school administrators, and experts, to provide a clear and consistent curriculum framework to prepare children for college and a globally based workforce.

In accepting Common Core, our schools must: provide teachers with resources, tools and time to adjust classroom practices; provide instructional materials needed to align with new standards; and develop new assessment tools to measure student success. National assessment – the Partnership for Assessment of Readiness for College and Careers (PARCC) – will begin in 2014 with the English component, followed in 2015 by Mathematics, and will replace the MCAS examination.

The Standards do not, however, comprise a curriculum. Instead they are a set of shared goals and expectations. Our teachers, administrators and superintendent must decide how the standards are to be met by building an appropriate curriculum. Success on the PARCC will require more complex reading material requiring a higher level of comprehension. This will result in a return to classical literature including Shakespeare, myths, America's Founding Documents, stories from around the world, and foundational American literature. In addition, teachers will be called upon to develop higher levels of critical thinking through the reading and analysis of scientific and social scientific non-fiction.

Also expected is a return to more traditional mathematical learning beginning at early grades with a sound foundation with whole numbers, addition, subtraction, multiplication, division, fractions and decimals. This will be followed in middle school students with a mastery of geometry, algebra, probability and statistics. High school standards call upon students to practice applying

mathematical ways of thinking to real word issues and challenges. Another innovative dimension to the Common Core is focusing on under-achieving students to uplift their performance.

At all four schools, the implementation of teaching to Common Core Standards is the primary goal for FY2014. In movement toward this objective, the schools have had to invest in curriculum mapping software to aid teachers in creating lesson plans which are aligned with the “well-developed, content-rich curriculum” called for in the Common Core State Standards.

The initial cost of this substantive change is indirect as teachers and administrators utilize their prep time learning how to align their teaching with the Standards. In years to come, however, costs will be more measurable as the entire teaching staff is retrained, and the schools are required to purchase new educational materials including textbooks and adequate computers or tablets to be used in taking the PARCC, the required online assessment tool. The measurable costs in FY2013 were about \$43,000 for professional development and \$6,500/yr for software to help teachers align their teaching units and lesson plans with Common Core standards. Next year the high school will invest around \$3,000 in English and Math tools.

#### Use of Circuit Breaker and Choice Funds

Choice-in funds represent the amount received by our School System for educating students from other towns who choose to enter Ipswich schools. Circuit Breaker is the state’s partial reimbursement for Special Education funds. In previous years, the Schools accumulated these funds. In FY2014, the Schools will use most of the previously accumulated funding (\$1,125,000 from Choice and \$602,720 from Circuit Breaker) to augment their appropriated budget. This will leave \$147,225 in the Choice Fund and \$100,188 in the Circuit Breaker Fund, to be used for emergencies. It is expected the schools will no longer allow these fund balances to build but, in a less conservative practice, use annual receipts in the year they are received.

#### Distribution of Feoffee Funds

Over the last few years, the Town Meeting has supported the sale of the land known as Little Neck, held by the Feoffee Trust, by providing funding for litigation. Upon the sale of that property and the creation of a new Feoffee board, some \$500,000 used for litigation was returned to the town. As part of the trust agreement, an additional \$800,000 will be distributed to the schools over each of the next three years. Then the Feoffees will annually distribute an amount from earnings, which will not decrease the corpus.

In FY2013 the School Committee, the Board of Selectmen and the Finance Committee interviewed and selected a new group of Feoffees, including two chosen by each group and one from the so-called Old Feoffees. The School Committee is in the process of appointing a granting authority to analyze and select proposals to be funded from Feoffee funds. They are appealing the requirement to fully expend the first \$800,000 distribution, received in FY2013, so that they can conduct an established process for allocating these funds within the schools. It is expected that the first grant applications will be considered this summer.

### Educator Evaluation changes

The goal of providing training to the administrative team and teaching staff to gear evaluations to teacher-set goals, as it relates to the new Massachusetts Model of Educator Evaluation, has required changes in the collective bargaining agreements. It is worth noting that the Department of Elementary and Secondary Education has used Ipswich as a model for adapting to the new system. Again, the indirect cost of time used to establish this program has not been evaluated.

### Other Critical Issues

The key issues in the School Committee's 2014 budgetary considerations for the schools include:

- ~Negotiated increases in compensation totaling \$616,000
- ~Increases in benefits and fixed costs, including 5.5% increase in Health Insurance, adding \$266,000, Essex County Retirement, adding \$93,000, and additional Workers Compensation of \$29,000
- ~Additional Special Education Costs of \$323,000
- ~The ongoing cost of funding future costs for former school employees' Other Post Employment Benefits (OPEB), totaling \$226,000, are not included in this budget.
- ~There is nothing in the appropriated budget for professional development and technology. It is expected that Feoffee monies will be used for Common Core professional development and \$50K is included in capital requests for technology. Additionally, a technology study team is expected to request significant Feoffees monies to upgrade the schools technology
- ~In FY15 the High School will go through the accreditation process, so in addition to gearing up for Common Core, the principal and staff are beginning work on this vital activity.

### Other Funding Considerations

In FY2012, the school department instituted bus fees and parking fees for high school students. Bus passes generated \$75,336 in FY13 while parking fees totaled more than \$8,000.

In the coming year, the Ipswich Schools expect to educate 2071 students, including 114 Choice-In students. Per 2012 DESE reporting, the per pupil cost for Ipswich students was \$11,548.00, which was 15.45% below the state average of \$13,658.00 per pupil. Due to this ongoing cost disparity our schools system remains a Foundation Aid District, which may result in a somewhat higher Chapter 70 funding.

For the athletic program, fees and gate receipts are expected to bring in about \$223,000 to support the over 350 student athletes participating in 24 varsity and sub-varsity sports. Athletic fees for high school students are \$500 each and \$750 for each family.

The schools continue to rely on the generosity of many unsung heroes who donate much needed funding and time for various purposes. The Football Boosters and other team supporters, along with gate receipts, help pay for sub-varsity coaches, and provide uniforms and equipment, while the Ipswich Music, Art, and Drama Association, Inc. (IMADA), a separate non-profit organization, provides grants for extracurricular music, art and drama lessons and scholarships for graduating seniors. This year they expect to fund several items in addition to \$17,500 in

scholarships for graduating seniors and summer lessons. Since 2005, IMADA has contributed \$275,000 to fine arts education at the Middle School and High School including a new program which purchases band and orchestra instruments for loan to elementary school students who would not otherwise be able to rent or buy their own.

The Special Education budget for 2014 will be \$5,225,299 (20.9% of the total appropriated budget) for the education of about 289 special needs students including 24 outplacements with annual tuitions between \$45,000 and \$329,000 each. The total cost of tuitions has been reduced by \$196,939 from last year's high of \$854,888. This budget is expected to be somewhat offset by \$420,108 in Federal Circuit Breaker funding

The Finance Committee is encouraging all departments, town-wide, to collaborate for cost reduction and efficiency in delivering services. In FY2014, areas of continued opportunities for the schools involve collaboration in purchasing, IT services and recreation. The new Capital Budget provides \$211,200 for a new boiler for the middle school/high school, enhanced security, repairs to walkways and flooring, a new van for transporting students, and \$50,000 for technology improvements. Major hardware for the high school and middle school and extensive repairs of the Doyon driveway remain largely unfunded. The Massachusetts School Building Authority (MSBA) has been sent Statements of Interest (SOI's) regarding repairs to the four schools.

The impact of past investments in energy upgrades is shown in continued reduction in heating and electrical expenses. However, the total benefit of the Wind Turbine, installed last spring, will not be known until the end of FY2013 when we will begin to see relief of our annual debt service of \$137,000.

The primary measurement tool for success in Massachusetts public schools continues to be the MCAS Exams. Each year the system has seen improvement in 10<sup>th</sup> grade scores in the three primary areas of assessment, English Language Arts, Mathematics, and Biology. In 2011 MCAS testing, among districts with similar testing participation, Ipswich scored in the top 20% in math, 25% in English/language arts and 30% in science.

In FY2013, the system saw the change of personnel in three of the six major administrative positions. After the retirement of High School Principal Barry Cahill, long term Assistant Principal David Dalton was tapped for the job. Jeff Carovillano was hired as Assistant Principal and David Fabrizio became the Middle School Principal. This year, after over a decade as Superintendent, Rick Korb will retire and the School Committee is in the process of selecting his replacement.

Student excellence in the arts is correlated to excellence in other academic areas. It is a credit to the public support of art and music programs that the fine arts are maintained as a major part of the Ipswich schools' core curriculum. Over 60% of our high school students participate in the visual and performing arts and achieve many honors in competitions.

Ipswich High School also held its own in athletics with 5 coaches receiving recognition as Coaches of the Year and several teams and individual athletes achieving championships and all-star recognition respectively..

The Finance Committee recognizes the difficult task of the Superintendent and the School Committee in trying to fund high level educational programs when tax revenue is the only predictable source of funding. Certain grants, such as Title V have been reduced or have expired and the State's possible Chapter 70 funding is currently expected to be unchanged from FY2013. Special Needs and At Risk student support requirements continue to grow and the system is vulnerable to the arrival of new students requiring tuition for external education. The mercurial nature of funding and usage needs continues to make planning complicated and inexact. However, the Ipswich Public Schools continue to provide a good education that prepares Ipswich's children for college and the world. With funding well below average the schools remain competitive in MCAS and hopefully Common Core benchmarks, due in part to committed staff and supportive parents.

The Finance Committee supports the School Department's FY2014 appropriated operating budget of \$24,963,920, which is supplemented by \$2,974,410 from Choice, Circuit Breaker, grants and other revolving accounts, bringing the entire available funding to \$27,938,330. New Feoffee funding for enhancements will provide needed technology for both special needs and general students and teachers will receive grants for innovative applications to expand on Common Core.

Always mindful of huge possible swings in income, the Finance Committee believes the utilization of Circuit Breaker and Choice Funds for current year expenses is a necessary choice, but will likely result in budget shortfalls in FY15. Several years ago, our schools were included in the State's list of underfunded schools categorized as Foundation Schools. This means our town is no longer funding our schools at or above the state average and, despite our many areas of educational excellence, we are slipping further behind. Clearly, the Ipswich Schools cannot rely entirely on outside funding for its programs and the public should not be surprised at a proposed override in FY14.

### **Capital Planning**

In recent years, due to the cost of core elements of the budget rising faster than available funds, expenditures for capital items has suffered. Approximately 1% of the combined municipal and school budget (~\$300K) has been devoted to capital items over each of the past several years. At the same time, several important and costly capital items have been ignored. The Town Manager has been working with municipal and school department heads to identify critical capital needs and to develop a detailed five year plan, including need, timing and funding options.

TOWN OF IPSWICH									
Capital Requests FY 2014 Funding									
FY 2014 Recommended Sources									
Project Title	General	Other GF	Water	Sewer	Other	CH.90	BOND	Comments/Total	
	Fund (GF)								
1 - SUB TOTAL TECHNOLOGY	97,000	0	0	0	0	0	0		
2A - SUB TOTAL DEVELOPMENT & CONTINGENCY- TM	7,000	0	0	0	0	0	0		
2B+2C - SUB TOTAL FACILITIES	247,600	19,200	0	0	0	0	0	GF	
3 - SUB TOTAL EQUIPMENT	312,000	25,000	0	0	92,000	0	0		
4 - SUB TOTAL ROADS, SIDEWALKS & DRAINS	15,000	8,000	0	0	5,000	86,000	1,900,000	GF NEED DEBT EXCL	
5 - SUB TOTAL WATER FUND	0	0	130,000	0	0	0	1,372,000	Water	
6 - SUB TOTAL SEWER FUND	0	0	0	290,170	0	0	0	Sewer	
	Drainage								
	<b>TOTAL REQUESTED</b>	<b>678,600</b>	<b>52,200</b>	<b>130,000</b>	<b>290,170</b>	<b>97,000</b>	<b>86,000</b>	<b>3,272,000</b>	
	Amounts Available	690,000	0	130,000	290,170	0	123,156		
	Balance	11,400	0	0	0	-97,000	37,156		

For FY2014, the total requested from the General Fund for capital items is \$678.6K. This excludes the \$3 million Linebrook Road project and \$52K integrated in individual Departments' Operating Budgets. A detailed list of the items to be obtained from the General Fund is, as follows:

TOWN OF IPSWICH - FY2014 CAPITAL REQUESTS - GENERAL FUND			Expected Cost
Department	Project Title		
<b>Municipal</b>			
Town Manager	Project Reserve		7,000
Town Hall	Column Replacement Project		27,500
Town Hall	Carpet Replacement Project		17,600
Public Library	Carpet Replacement		17,600
Police Station	Electrical Upgrade		12,000
Police	Portable Radios		23,000
Police	Stealth Camera		10,000
Fire	Fire Pumper replacement E-4 1990 KME		50,000
Fire	SCBA Replacement		20,000
Central Fire Station	Window Repl - Single Panes		11,200
Linebrook Fire Station	Replace Concrete Apron		6,000
DPW	PW-59 (Trackless)		130,000
DPW	PW-44 (F450 1 Ton)		57,000
DPW	Jeffrey's Neck Rd Feasibility		15,000
Highway Garage	Upgrade Office and Break Areas		16,500
IT	Computer Replacement		36,000
IT	Partial Server/Storage Redundancy		11,000
<b>Schools</b>			
MS/HS	Replacement of flooring		69,000
MS/HS	Walkway repairs		25,200
MS/HS	Hot water heater replacement		25,000
School	School Security		20,000
IT	Technology		50,000
District (schools)	7 Passenger van		22,000
	<b>Total</b>		<b>678,600</b>

For FY2014 the funds for these items will come from Free Cash, which is available this year, but in subsequent years that Free Cash is not likely to be available.

Following is a summary of the cost of the items identified thus far and, though the out year costs are still being firmed up, and alternate funding options are still being considered, it provides a picture of the scope of the capital needs that need to be addressed. Only items expected to be funded through the General Fund are included in the totals. Water, sewer, Ch 90 road repair and

maintenance, and most harbor items are excluded; road maintenance not covered by Ch 90 is included. Where bonding is expected, the annual debt expenditure from the General Fund is included. Currently \$1.0M - \$1.5M is required annually to fund this capital budget.

Town of Ipswich - 5 Year Capital Plan - General Fund Expenditures								
FY 2014								
			5 Year Project					
Project Title			Request	FY2014	FY 2015	FY 2016	FY 2017	FY 2018
1-SUB TOTAL TECHNOLOGY			482,200	97,000	175,600	64,800	73,000	71,800
2- SUB TOTAL FACILITIES			2,829,900	247,600	1,142,200	583,000	586,900	270,200
3- SUB TOTAL EQUIPMENT			1,985,985	312,000	323,485	501,000	372,500	477,000
4- SUB TOTAL ROADS, SIDEWALKS & DRAINS			2,167,000	15,000	193,000	1,753,000	103,000	103,000
PROJECT RESERVE				7,000				
CAPITAL and INFRASTRUCTURE REQUESTED FROM GF			7,465,085	678,600	1,834,285	2,901,800	1,135,400	922,000
FY 14- FY18								

In response to this problem the Town Manager has instituted a new, more robust capital planning policy to identify and address the capital needs of the town in a methodical manner.

The capital planning policy provides for the Town Manager to submit, to the Board of Selectmen, annually, a five-year capital plan for the town. The plan includes equipment and infrastructure needs with a net cost of \$10,000 or more and a life expectancy of 5 or more years. Items include repairs, improvements and modifications to town and school facilities or grounds; public works infrastructure (roads, streets, drainage, water, sewer, etc.); equipment and vehicles; studies in anticipation of improvements; a collection of major components that are part of a larger infrastructure, such as hardware, peripherals and major software as components of a larger technology and/or communication infrastructure. The first year of each plan would be considered the proposed capital budget for the next fiscal year.

This year's projects were ranked as to their importance using criteria, including: Risk to Public Safety, Risk to Property, Compliance with Federal or State Mandates, Routine Replacement, Operational Improvement, Coordination, Equitable Provision of Services, Economic Development, Protection and Conservation of Natural resources, New or Substantially Expanded/Renovated Facility, and Programmatic: Address changes in programming. Based on these rankings, projects were identified as High Priority, Important, Desirable, or Low Priority.

Funding:

In order to meet the capital needs that have been identified, a consistent, annual funding amount needs to be raised to be appropriated each year. Funding sources would be reviewed and identified. Funding options include: Enterprise funds: (ex: Water Revenues, Sewer Revenues) Special Revenues, (ex: Waterways, allocation of beach sticker revenue), Revolving funds: (ex: Recreation) and Grants, Gift Accounts, Chapter 90 Road funds, and Other (Private Funds, Donations). But, other than water and sewer projects, most projects, including those that are bonded, will require appropriations from the General Fund. Since Total Available Revenue, this year, is allocated to the core Operating Budget, with only Free Cash allocated to capital items, a

new source of funds needs to be identified if the capital plan is to be executed. The Finance Committee is concerned about how this can be accomplished and will be working with the Town Manager, Board of Selectman, and School Committee to develop a plan.

**Long Range Financial Planning**

The Long Range Financial Planning (LRFP) subcommittee is a subcommittee of the Finance Committee. Its responsibility includes a focus on issues that affect the long range financial health of the town. This year, the LRFP (1) examined municipal and school spending and compared that data with other similar communities, (2) further examined Ipswich's liabilities associated with Other Post Employment Benefits (OPEB), which is mainly future health insurance costs for retirees and (3) discussed capital planning and, specifically, a plan developed by the Town Manager to address the Town's capital needs over the next several years. The LRFP presentation to the Finance Committee on September 11, 2012, which focused on the 1st two issues, is posted on the Finance Committee's web site. Comparisons with other towns, OPEB and capital planning are addressed in other portions of this report.

The minimum growth in Real Estate Taxes and State Aid, due largely to the effects of the economy, continue to hold down the town's Total Available Revenues. New Growth, which only a few years ago was over \$700K per year, is forecasted at \$219K for FY2014. In addition, Total Receipts and Available Funds, which are largely made up of state aid, have remained flat from FY2010 through FY2013 and are currently forecasted to decrease by 2.2% in FY 2014. These effects continue to squeeze the budget in order to cover costs that are rising faster than revenues.

<b>REVENUE ESTIMATES FOR FY 2014 OPERATING BUDGETS</b>					
	<b>FY 2010 (Actual)</b>	<b>FY 2011 (Actual)</b>	<b>FY 2012 (Actual)</b>	<b>FY 2013 (Budget)</b>	<b>FY 2014 (Budget)</b>
<b>TOTAL RECEIPTS &amp; AVAILABLE FUNDS</b>	10,638,566	9,952,700	10,129,675	10,653,849	10,414,667

The FY2014 proposed municipal budget has increased 2.3%. This includes an increase in the municipal operating budget of 4.0%, offset by removal of any capital expenditures from the operating budget and which this year are being funded from free cash, and a 2.9% reduction in the debt exclusion override payments.

The FY2014 proposed school budget has increased 2.5%. This includes an increase in the school operating budget of 2.8%, offset by virtually no change in the debt exclusion override payments. Capital expenditures for the schools are included, along with the municipal capital request, in a separate capital request warrant article, funded from free cash.

**Unfunded Liabilities**

The Finance Committee continues to be concerned about the Town of Ipswich's exposure for unfunded pension and health insurance liabilities. Unfunded liabilities can be thought of as a

promise to provide future benefits to our employees and retirees for which money has not been set aside today. These unfunded liabilities consist primarily of future health insurance costs for retirees and retirement pensions and are increasing at a rate much greater than our ability to fund them.

OPEB (Health Insurance):

The Town of Ipswich is solely responsible for funding 50% of the retiree health insurance costs for all eligible town, school and utility employees. Eligible employees include those 55 years or older with 10 years of service or those of any age who have 20 years of service. The Town provides health insurance for the retiree and for their spouse if they so choose. Ipswich retirees did not receive health insurance benefits until April of 1997, when Town Meeting agreed to adopted G.L. Chapter 32B, Section 9A that required the Town to provide 50% of the cost of health insurance for retirees. The Finance Committee at the time recommended against this article due to the unknown future costs of funding this benefit. For the most part, Ipswich has funded its retiree health insurance costs on a “pay as you go” basis, rather than funding the true full cost of the current and future benefit.

This obligation for future health insurance costs is commonly known as OPEB and stands for Other Post Employment Benefits. The Finance Committee has spent considerable time over the past few years to try to find ways to first, reduce our costs and second, fund our future obligations. With respect to reducing costs, the Town has been able to negotiate a lower cost health insurance package for both active and retired employees that is helping to reduce costs. But the outlook for future health care cost containment is not good and annual increases in the 5% to 10% range are expected. The Town has also sought to make sure that all retirees eligible for Medicare are enrolled, as that reduces the Town’s cost of providing health care coverage. The anticipated FY2014 health insurance cost for active and retired employees are as follows:

<b>Ipswich Health Insurance Costs</b>							
	FY2012 # Emp.	FY2013 # Emp.	% Change	FY2013 Est Total Cost	FY2014 # Emp.	FY2014 Est Total Cost	% Change
Total Active Enrollees:	285	279	-2.1%	\$2,691,251	291	\$3,012,728	11.9%
Retiree Totals:	202	204	1.0%	\$725,321	208	\$766,929	5.7%
Ratio of Active/Retiree Cost				3.7		3.9	

At last spring’s Annual Town Meeting the Finance Committee sponsored a warrant article that requested our state legislators to support legislative measures to reduce OPEB costs. Special legislation has been introduced by the Governor, but has not yet been acted upon. This legislation, if passed, is not expected to significantly change OPEB costs in Ipswich although it may benefit other communities. One provision which would slightly reduce the number of eligible retirees and help to reduce future costs would increase the age of retirement from 55 to 65 and the years of service from 10 to 20 to be eligible for retiree health insurance.

While some progress has been made on controlling costs, the unfunded liability of the Town for health insurance continues to increase. This unfunded liability represents an actuarial estimate of the accumulated total cost of health insurance, over the course of their respective lifetimes, for all

current retirees, and all current employees, following their retirement. As of FY2013, the Town's unfunded health care liability is approximately \$31.6 million. Last estimated in FY2012 at \$29.6 million, the unfunded liability is increasing at the rate of approximately \$2.0 million per year.

There is no current funding schedule for getting the Town on an actuarially sound funding plan. Health insurance costs are increasing at a much higher annual rate than Town revenues increase. This is an unsustainable situation from a fiscal standpoint. Health insurance costs, despite best efforts to contain them, are spiraling out of control. The Finance Committee has pushed to include within the Town and School operating budgets some minimal payments into the retiree health insurance Trust Fund established by Town Meeting for the purpose of funding future obligations. This has proved to be a challenging task due to current fiscal conditions and resistance to funding future costs vs. current needs by the respective boards, though it is worth noting that in a local news article, published in June, 2012, comparing Ipswich with 17 other Massachusetts communities, Ipswich had the 2nd highest amount saved.

The Town has several choices with respect to OPEB;

1. Ignore the issue, and allow unfunded liabilities to increase and only fund costs on a pay-as-you-go basis. This would result in an unfunded liability in thirty years of approximately \$140 million, placing a great burden on the next generation of tax payers.
2. Fund the existing liability with a \$32 million override and place the funds into the trust fund to pay future costs. This cost of this override could be paid for over a period of twenty or thirty years or as a single lump sum assessment, roughly doubling taxes for one year. Needham and Wellesley are two communities that have advance funded their OPEB costs.
3. Fund the "normal cost" of OPEB on an annual basis going forward. The normal cost is the amount necessary to keep the liability from growing larger, but without reducing the existing unfunded liability. The current normal cost for the Town and School employees would be approximately \$630,000 per year.

For this Town Meeting, the Finance Committee has recommended the use of \$89,000 in free cash in Article 13 to fund 14% of the "normal" cost of funding OPEB obligations. This will provide some measure that offsets the increasing OPEB obligations and demonstrate to the bond ratings agencies that we are paying attention to this issue. We also need to continue to examine changes in benefits and cost sharing with employees and retirees. Much like the formerly unfunded liabilities associated with employee pensions (see below), the Finance Committee believes a long term, multi-decade plan must be put in place to reduce the unfunded liabilities associated with OPEB. To completely fund our OPEB obligations over a 30 year time horizon would currently require \$541,000 to reach the total normal cost and an additional \$800,000 to amortize the current unfunded liability, for a total of approximately \$1.43 million. While we do not have a plan to fully fund the liability, the Finance Committee has proposed and town meeting has approved funding OPEB in recent years at 50% of normal cost, an objective that the Finance Committee continues to advocate.

The Ipswich Finance Committee requests your support for increased funding for OPEB costs. Money put aside today means that it is not available to be spent on current needs, yet the failure to do so merely places the burden on our children and grandchildren to pick up the costs for decisions that we make today.

#### Retirement:

The Town is responsible through the Essex Regional Retirement Board (ERRB) for funding the pensions for municipal, utility and non-teaching, school staff. The state, through your tax dollars and teacher payroll deductions, covers the pensions for teachers. In the late 1980s, the state recognized that public employee pension plans, which at the time were funded on a “pay as you go” basis (like our current OPEB costs), were not sustainable. Accordingly, legislation was passed that required public pension plans to transition to an actuarially-sound funding basis which would result in pension plans being fully funded by 2028. We are now twenty five years into that 40 year plan to move the pension plans into a sustainable financial footing, but we are still far from fully funded. At this point after 25 years, the ERRB’s assets equal only 52% of its liabilities. The total unfunded actuarial liability is still increasing, not decreasing, and the funding plan by necessity has been stretched out another seven years to 2035. As of fiscal year 2013, the Town of Ipswich’s share of the unfunded liability Essex Regional Retirement System is approximately \$30,824,500. The Town’s retirement costs are expected to increase by 8% annually each year until 2020, then drop to 4.5% until 2035, at which point it will be fully funded. Increasing this component of our budget at a compounded rate of 8% will far outstrip available new revenues and will force reductions in other parts of the budget.

How can we be paying more and falling further behind? The reason is we have more retirees and they are living longer. Further, the funding schedule for the pension funds is premised on an unachievable projected return on investment of 8% annually. If we have learned anything over the past few years recession, it is that long term returns are more realistically projected to be 6-6.5%. Thus, it is unlikely that we will hit the returns anticipated on assets and the Town will continue to have to contribute greater amounts each year.

#### **Feoffees of the Grammar School - Reform and Sale of Little Neck**

The high profile and complicated disputes related to the status of Little Neck and of the Feoffees of the Grammar School came to a definitive conclusion this past year. On December 20, 2011 a Judge of the Probate Court accepted a Settlement Agreement in the litigation that the Feoffees had brought against the School Committee to obtain permission for the sale of Little Neck. Review of this Settlement was later denied by appellate courts. The Settlement Agreement allowed sale of the land on Little Neck to the tenants who had been renting the land and also reconstituted the Feoffees into a publicly appointed and transparent body of experts charged with the responsibility to invest the proceeds of the sale and generate an income stream to support the Ipswich Schools. Net proceeds of the sale have been transferred to the New Feoffees for investment and regular support for the Ipswich Schools.

The reformation of the Feoffees had been sought by an increasing number of citizens and town boards, but sale of the land was opposed by many, including several town meetings. The will of

William Paine, who bequeathed Little Neck land in 1660, provided that the land forever be used to support the public schools and that Little Neck “never be sold.” Efforts to reaffirm and enforce Mr. Paine’s wishes were rekindled when private citizen, Bob Weatherall, Sr., reviewed the trust documents. Among other things, he learned that very little of the potential income from the property was being distributed by the Feoffees to the schools. His entreaties to the School Committee and the town to restructure the Feoffees and insist on market rate income from the property to distribute to the schools were eventually supported by attorneys for the town and the Attorney General’s office. In 2001, Town Meeting established a Special Committee which in 2002 recommended that the School Committee and the town take action to reform the Feoffees and obtain a fair market return from the rentals to support the schools. Later, senior Selectmen successfully pushed to take their place as members of the Feoffees, but as a minority, were frustrated in their efforts to change Feoffees’ practices.

When the School Committee proved reluctant to move forward to continuing calls for action, the Finance Committee, in 2009, proposed a Home Rule petition to the Legislature to reform the Feoffees by creating a publicly accountable entity that would manage the property in a business-like manner and with transparency that befitted a public trust. This and two later efforts, with Selectmen and School Committee support, were supported overwhelmingly by Town Meeting votes and another by secret ballot. In the meantime the Little Neck tenants’ organization had sued the Feoffees in Massachusetts Superior Court demanding that the land be sold to them.

The Town’s initiatives with the Legislature were not successful because of opposition by the Feoffees and the Little Neck tenants. In the meantime, the Little Neck tenants reached an agreement with the Feoffees to sell them the property at a price deemed low by professional appraisers retained by the Finance Committee and the School Committee. Reform of the Feoffees and opposition to the sale was then taken up by a private citizens group, Ipswich Citizens for Public Trust (“Ipswich Citizens”), which filed another petition with the Legislature, with Town Meeting support.

The issue came to a head when the Feoffees sued the School Committee in Probate Court seeking permission to ignore William’s Paine’s “no sale” mandate and to allow sale by order of the court for an amount provided by settlement with tenants, but below what independent appraisers recommended. The Feoffees secured the support of the Public Charities section of the Attorney General’s office. At trial in December of 2011, the School Committee started presenting its case for blocking the sale, but the judge soon expressed concerns about the case. After the judge had private discussions with the attorneys and the parties, the attorneys started negotiating a settlement. This eventually allowed a sale at a price somewhat higher than that earlier agreed to by the Feoffees and tenants and provided for a new publicly appointed board of New Feoffees.

There was much debate among citizens and boards, including the School Committee itself. Very quickly, the citizens group, “Ipswich Citizens,” filed a motion to intervene in the case and asked to present the case against the sale. Intervention was denied by the Probate Court and by a single Justice of the Appeals Court. After the Supreme Judicial Court declined to review this ruling by

direct appellate review in November of 2012, the citizens group decided its chances of success were too low to warrant continuation of its efforts in the litigation.

At this point the settlement became final and the sale process went forward. Pursuant to the Settlement and Order of the Probate Court, the Board of Selectmen, School Committee, and Finance Committee conducted public recruitment and interviews and selected well qualified individuals to become the New Feoffees of the Grammar School. Appointees were:

Tracy Filosa (School Committee), Thomas Reardon (Finance Committee), Greg Stevens (Finance Committee), Joseph Tragert (Selectmen), Peter Twining (Selectmen), Seth Ward (School Committee). Later, per the Settlement, the Old Feoffees selected their appointee, George Markos.

Gross proceeds from the sale of Little Neck totaled \$31.5 million. The land was sold for nearly \$29 million, plus an additional Use & Occupancy amount of \$2.4 million, and collected unpaid rents. Approximately \$6.5 million for debt retirement (\$5.9 million), escrow amounts (approximately \$500,000) and closing costs (approximately \$200,000) were deducted from the sale price. Additional closing costs of attorneys for the School Committee and the New Feoffees reduced the final corpus amount; while balances of Old Feoffee bank accounts increased the amount. The initial corpus, comprised of cash, mortgage, and loan holdings, was estimated at approximately \$21.9 million. An official corpus amount will be released when all of the details of the closings and escrow amounts are finalized.

The New Feoffees hired new counsel to deal with closings on each parcel of land and related transactions, as well as the last stages of litigation. They also addressed the formation of the new public Trust, organized themselves and established policies and procedures that would provide complete transparency. After several months of due diligence and negotiations with the new condominium association, and concerned parties, the closing process is close to being completed. When finalized all escrow amounts will be settled and released.

In January 2013 after an extensive search and public process, the New Feoffees selected and hired two investment management firms, Aureus Asset Management and HighVista Strategies, to actively manage \$15 million in assets. The Feoffees also hold and manage a loan portfolio that exceeds \$6 million. It is comprised of Little Neck mortgages and Use and Occupancy loans.

Per the Trust Administration Order \$800,000 of the \$2.4 million U&O distributions was distributed to the School Committee in September 2012. Additional distributions of \$800,000 are set aside in appropriate term Certificates of Deposit and will be distributed in Fiscal Years 2014 and 2015.

See New Feoffees documents online for more information on their activities. New Feoffees link on Town of Ipswich web site:

[http://www.town.ipswich.ma.us/index.php?option=com\\_content&view=category&id=321&Itemid=475](http://www.town.ipswich.ma.us/index.php?option=com_content&view=category&id=321&Itemid=475)

By the terms of the Trust, the New Feoffees have access to all historical records of the old Feoffees. The School Committee has obtained the litigation records of their counsel. For an

extensive repository of the public records relating to the Probate Court litigation, also see the website created by the Ipswich Citizens committee: <http://ipswichtrust.org>.

With these events, a long and difficult chapter of Ipswich history has been brought to an end. With the creation of the New Feoffees a new one has begun. This chapter features a predictable stream of income from investments of the transformed corpus of Mr. Paine's trust. By the terms of the new Trust, this income will be used by the schools for "supplemental enrichment programs and uses that provide education enhancement for Ipswich public school students." With this an important part of Mr. Paine's vision will be fulfilled.

### **Concluding Remarks**

Attending Town Meeting is important! Just like our old houses – Town Meeting is something to take care of and preserve. Voting in town elections is important too. See you at Town Meeting on Tuesday, May 14 and at the YMCA to vote on Tuesday, May 21.

Respectfully Submitted

FINANCE COMMITTEE – TOWN OF IPSWICH

Michael Schaaf, Chair

Larry Seidler, Vice-Chair

Jamie Fay

Mitch Feldman

Richard Howard

Ingrid Miles

Marion Swan

Robert White

Todd Wilson

<b>BUDGET SUMMARY CHART</b>						
	<b>ATM</b>	<b>ATM</b>	<b>ATM</b>	<b>ATM</b>	<b>FY2014</b>	<b>DOLLAR</b>
	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>SELECTMEN</b>	<b>Inc/(Dec)</b>
	<b>APPROP</b>	<b>APPROP</b>	<b>APPROP</b>	<b>APPROP</b>	<b>SELECTION</b>	<b>Inc/Dec</b>
						<b>PER CENT</b>
<b>MUNICIPAL OPERATING BUDGET by Directorate</b>						
General Government & Finance	1,264,061	1,355,468	1,410,436	1,389,051	(21,385)	-1.5%
Planning & Community Development	475,786	486,754	536,087	491,232	(44,855)	-8.4%
Public Safety Directorate	3,917,651	4,065,205	4,297,508	4,273,488	(24,020)	-0.6%
Public Works Directorate	3,715,478	3,637,862	3,776,393	3,804,630	28,237	0.7%
Community & Cultural Services	1,058,743	1,113,558	1,101,379	1,198,759	97,380	8.8%
Benefits & Other	3,760,155	4,056,552	4,046,684	4,359,898	313,214	7.7%
<b>Total Municipal Operating Budget</b>	<b>14,161,686</b>	<b>14,619,986</b>	<b>15,110,173</b>	<b>15,455,120</b>	<b>344,947</b>	<b>2.3%</b>
Harbors funded through Waterways	30,188	55,690	58,314	61,938	3,624	6.2%
<b>Total Municipal Operating Budget with Harbors</b>	<b>14,191,874</b>	<b>14,675,676</b>	<b>15,168,487</b>	<b>15,517,058</b>	<b>348,571</b>	<b>2.3%</b>
WASTEWATER	1,492,041	1,651,095	1,929,120	2,060,418	131,298	6.8%
WATER	2,624,667	2,887,221	2,922,076	2,860,446	(61,630)	-2.1%
<b>Total Enterprise Fund Budget</b>	<b>4,116,708</b>	<b>4,538,316</b>	<b>4,851,196</b>	<b>4,920,864</b>	<b>69,668</b>	<b>1.4%</b>
<b>TOTAL MUNICIPAL OMNIBUS BUDGET</b>	<b>18,308,582</b>	<b>19,213,992</b>	<b>20,019,683</b>	<b>20,437,922</b>	<b>418,239</b>	<b>2.1%</b>
<b>IPSWICH PUBLIC SCHOOLS OPERATING BUDGET:</b>						
School Department	22,907,386	23,539,168	24,355,520	24,963,920	608,400	2.5%
Whittier Vocational	350,095	270,246	272,957	340,000	67,043	24.6%
Total Education Budget	23,257,481	23,809,414	24,628,477	25,303,920	675,443	2.7%
<b>TOTALS</b>	<b>41,566,063</b>	<b>43,023,406</b>	<b>44,648,160</b>	<b>45,741,842</b>	<b>1,020,390</b>	<b>2.3%</b>
<b>ATM=Annual Town Meeting</b>						

<b>BREAKDOWN OF COSTS INCLUDED IN SUMMARY BUDGET</b>						
		<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>DOLLAR</b>
		<b>APPROP.</b>	<b>APPROP.</b>	<b>APPROP.</b>	<b>SELECTMEN</b>	<b>Inc/(Dec)</b>
	<b>GENERAL GOVERNMENT &amp; FINANCE</b>					
	[Expenditure columns do not reflect encumbrances.]					
113	<b>MODERATOR:</b>					
	Salaries & Wages	250	250	250	250	0
	Expenses	0	0	0	250	250
	<b>Total</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>500</b>	<b>250</b>
122	<b>SELECTMEN:</b>					
	Salaries & Wages	4,000	4,495	9,295	8,695	(600)
	Expenses	13,681	13,715	13,775	17,565	3,790
	<b>Total</b>	<b>17,681</b>	<b>18,210</b>	<b>23,070</b>	<b>26,260</b>	<b>3,190</b>
123	<b>TOWN MANAGER:</b>					
	Salaries & Wages	161,372	178,113	180,305	186,584	6,279
	Expenses	24,031	25,549	25,973	11,168	(14,805)
	Capital Outlay	0	0	0	0	0
	<b>Total</b>	<b>185,403</b>	<b>203,662</b>	<b>206,278</b>	<b>197,752</b>	<b>(8,526)</b>
124	<b>LEGAL:</b>					
	Town Counsel-Litigation	80,000	80,000	80,000	110,000	30,000
	<b>Total</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>110,000</b>	<b>30,000</b>
131	<b>FINANCE COMMITTEE:</b>					
	Salaries & Wages	2,423	2,423	2,423	2,423	0
	Expenses	6,400	4,710	11,410	11,410	0
	<b>Total</b>	<b>8,823</b>	<b>7,133</b>	<b>13,833</b>	<b>13,833</b>	<b>0</b>

<b>BREAKDOWN OF COSTS INCLUDED IN SUMMARY BUDGET</b>						
		<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>DOLLAR</b>
		<b>APPROP.</b>	<b>APPROP.</b>	<b>APPROP.</b>	<b>SELECTMEN</b>	<b>Inc/(Dec)</b>
	<b>GENERAL GOVERNMENT &amp; FINANCE</b>					
	[Expenditure columns do not reflect encumbrances.]					
136	<b>PURCHASING:</b>					
	Salaries & Wages	50,000	52,020	53,581	49,295	(4,286)
	Expenses	2,500	2,250	2,300	3,200	900
	<b>Total</b>	<b>52,500</b>	<b>54,270</b>	<b>55,881</b>	<b>52,495</b>	<b>(3,386)</b>
137	<b>ASSESSORS:</b>					
	Salaries & Wages	167,721	174,977	181,464	181,464	0
	Expenses	22,219	22,148	40,355	40,595	240
	<b>Total</b>	<b>189,940</b>	<b>197,125</b>	<b>221,819</b>	<b>222,059</b>	<b>240</b>
138	<b>TREASURER/COLLECTOR:</b>					
	Salaries & Wages	162,260	175,021	172,374	172,128	(246)
	Expenses	19,145	19,245	19,245	17,155	(2,090)
	<b>Total</b>	<b>181,405</b>	<b>194,266</b>	<b>191,619</b>	<b>189,283</b>	<b>(2,336)</b>
154	<b>INFORMATION TECHNOLOGY:</b>					
	Salaries & Wages	82,126	88,445	90,480	92,480	2,000
	Expenses	66,436	86,990	72,918	86,209	13,291
	Capital Outlay	9,600	12,937	16,500	0	(16,500)
	<b>Total</b>	<b>158,162</b>	<b>188,372</b>	<b>179,898</b>	<b>178,689</b>	<b>(1,209)</b>
161	<b>TOWN CLERK:</b>					
	Salaries & Wages	102,512	111,973	116,790	116,790	0
	Expenses	8,391	12,058	12,243	12,243	0
	<b>Total</b>	<b>110,903</b>	<b>124,031</b>	<b>129,033</b>	<b>129,033</b>	<b>0</b>
162	<b>ELECTIONS &amp; REGISTRATIONS:</b>					
	Salaries & Wages	28,058	20,412	30,176	12,792	(17,384)
	Expenses	11,170	12,012	15,451	12,693	(2,758)
	<b>Total</b>	<b>39,228</b>	<b>32,424</b>	<b>45,627</b>	<b>25,485</b>	<b>(20,142)</b>
	<b>TOTAL GENERAL GOVERNMENT &amp; FINANCE:</b>	<b>1,264,061</b>	<b>1,355,468</b>	<b>1,410,436</b>	<b>1,389,051</b>	<b>(21,385)</b>



BREAKDOWN OF COSTS INCLUDED IN SUMMARY BUDGET							DOLLAR
		FY2011	FY2012	FY2013	FY2014		Incl/(Dec)
		APPROP.	APPROP.	APPROP.	SELECTMEN		
	<b>PUBLIC SAFETY DEPARTMENT</b>						
210	POLICE:						
	Salaries & Wages	1,951,357	2,023,883	2,142,722	2,152,666		9,944
	Expenses	83,174	93,205	86,655	92,005		5,350
	Ambulance Contract	0	0	0	0		0
	Capital Outlay	81,000	29,000	31,000	68,000		37,000
	Total	2,115,531	2,146,088	2,260,377	2,312,671		52,294
220	FIRE:						
	Salaries & Wages	1,332,051	1,378,739	1,416,538	1,404,950		(11,588)
	Expenses	67,900	67,375	79,175	80,625		1,450
	Capital Outlay	12,500	36,000	94,000	10,000		(84,000)
	Total	1,412,451	1,482,114	1,589,713	1,495,575		(94,138)
233	EMERGENCY MANAGEMENT:						
	Salaries & Wages	9,075	9,443	8,864	8,864		0
	Expenses	1,200	1,224	2,123	8,530		6,407
	Capital Outlay	0	9,000	2,500	0		(2,500)
	Total	10,275	19,667	13,487	17,394		3,907
292	ANIMAL CONTROL:						
	Salaries & Wages	57,474	59,191	60,518	60,518		0
	Expenses	2,700	3,004	2,950	2,500		(450)
	Total	60,174	62,195	63,468	63,018		(450)
295	HARBORS:						
	Salaries & Wages	19,969	38,390	41,014	43,138		2,124
	Expenses	10,219	17,300	17,300	18,800		1,500
	Total	30,188	55,690	58,314	61,938		3,624
296	SHELLFISH:						
	Salaries & Wages	62,650	64,939	66,707	66,707		0
	Expenses	2,915	2,893	2,893	2,725		(168)
	Total	65,565	67,832	69,600	69,432		(168)
297	CIVILIAN DISPATCH						
	Salaries & Wages	220,917	229,069	239,999	250,910		10,911
	Expenses	2,550	2,550	2,550	2,550		0
	Total	223,467	231,619	242,549	253,460		10,911
	<b>TOTAL PUBLIC SAFETY DEPARTMENT</b>	<b>3,917,651</b>	<b>4,065,205</b>	<b>4,297,508</b>	<b>4,273,488</b>		<b>(24,020)</b>

BREAKDOWN OF COSTS INCLUDED IN SUMMARY BUDGET							DOLLAR
		FY2011	FY2012	FY2013	FY2014		Inc/(Dec)
		APPROP.	APPROP.	APPROP.	SELECTMEN		
<b>PUBLIC WORKS DEPARTMENT</b>							
421 ADMINISTRATION:							
	Salaries & Wages	138,764	144,417	149,302	149,402		100
	Expenses	4,178	4,189	4,189	4,460		271
	Total	142,942	148,606	153,491	153,862		371
422 EQUIPMENT MAINTENANCE:							
	Salaries & Wages	54,290	56,393	58,083	57,784		(299)
	Expenses	175,108	176,389	189,738	193,183		3,445
	Capital Outlay	0	50,000	0	0		0
	Total	229,398	282,782	247,821	250,967		3,146
423 SNOW & ICE CONTROL:							
	Salaries & Wages	80,000	95,000	95,000	95,000		0
	Expenses	352,564	387,564	387,564	387,564		0
	Total	432,564	482,564	482,564	482,564		0
424 HIGHWAY:							
	Salaries & Wages	408,022	422,025	443,933	445,119		1,186
	Expenses	251,093	250,903	267,720	295,501		27,781
	Road treatment	200,000	200,000	200,000	200,000		0
	Capital Outlay	115,000	0	0	0		0
	Total	974,115	872,928	911,653	940,620		28,967

BREAKDOWN OF COSTS INCLUDED IN SUMMARY BUDGET							DOLLAR
		FY2011	FY2012	FY2013	FY2014		Inc/(Dec)
		APPROP.	APPROP.	APPROP.	SELECTMEN		
<b>PUBLIC WORKS DEPARTMENT</b>							
425 FORESTRY:							
Salaries & Wages		102,637	104,771	110,662	111,162		500
Expenses		22,882	22,455	21,455	23,055		1,600
Capital Outlay		45,000	0	0	0		0
Total		170,519	127,226	132,117	134,217		2,100
431 SANITATION CONTRACT:							
Salaries & Wages		0	0	5,356	10,600		5,244
Expenses		679,705	693,300	705,336	654,891		(50,445)
Total		679,705	693,300	710,692	665,491		(45,201)
432 SOLID WASTE TRANSFER STATION:							
Salaries & Wages		14,951	15,950	16,050	16,050		0
Expenses		10,036	9,537	9,537	16,596		7,059
Total		24,987	25,487	25,587	32,646		7,059
472 FACILITIES MANAGEMENT							
Salaries & Wages		230,745	238,584	253,598	298,753		45,155
Expenses		399,612	403,612	438,953	470,349		31,396
Capital Outlay		80,438	0	25,000	0		(25,000)
Total		710,795	642,196	717,551	769,102		51,551
491 CEMETERIES, PARKS & BUILDING MAINTENANCE:							
Salaries & Wages		319,376	331,943	342,097	342,773		676
Expenses		31,077	30,830	30,820	32,388		1,568
Capital Outlay		0	0	22,000	0		(22,000)
Total		350,453	362,773	394,917	375,161		(19,756)
TOTAL PUBLIC WORKS DEPARTMENT		3,715,478	3,637,862	3,776,393	3,804,630		28,237

BREAKDOWN OF COSTS INCLUDED IN SUMMARY BUDGET						
		FY2011 APPROP.	FY2012 APPROP.	FY2013 APPROP.	FY2014 SELECTMEN	DOLLAR Inc/(Dec)
	<b>COMMUNITY &amp; CULTURAL DEPARTMENT</b>					
512	PUBLIC HEALTH:					
	Salaries & Wages	117,957	127,097	133,171	133,171	0
	Expenses	51,985	51,985	53,017	46,567	(6,450)
	Total	169,942	179,082	186,188	179,738	(6,450)
541	COUNCIL ON AGING/ADULT SERVICES:					
	Salaries & Wages	110,345	114,063	124,478	125,975	1,497
	Expenses	2,839	2,896	2,896	2,896	0
	Total	113,184	116,959	127,374	128,871	1,497
543	VETERANS' BENEFITS:					
	Expenses	110,000	131,000	177,100	240,600	63,500
	Total	110,000	131,000	177,100	240,600	63,500
610	LIBRARY:					
	Salaries & Wages	389,015	404,991	418,046	420,763	2,717
	Expenses	129,479	130,171	131,671	134,758	3,087
	Total	518,494	535,162	549,717	555,521	5,804
620	RECREATION & CULTURE SERVICES					
	Salaries & Wages	130,348	134,843	19,450	56,709	37,259
	Expenses	16,775	16,512	41,550	37,320	(4,230)
	Total	147,123	151,355	61,000	94,029	33,029
	<b>TOTAL COMMUNITY &amp; CULTURAL</b>	<b>1,058,743</b>	<b>1,113,558</b>	<b>1,101,379</b>	<b>1,198,759</b>	<b>97,380</b>



<b>PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION</b>						
<u>SCHOOL / DESCRIPTION</u>	<u>FY2011 BUDGET</u>	<u>FY2012 BUDGET</u>	<u>FY2013 BUDGET</u>	<u>FY2014 BUDGET REQUEST</u>	<u>DOLLAR Inc/(Dec)</u>	<u>% Inc (Dec)</u>
<b>DOYON ELEMENTARY SCHOOL – Enrollment as of 10/01/12 is 476</b>						
UNDISTRIBUTED	\$1,287,240	\$1,239,222	\$1,282,889	\$1,290,833	\$7,944	0.6%
SPED PRESCHOOL	\$117,082	\$106,425	\$110,856	\$119,342	\$8,486	7.7%
KINDERGARTEN	\$153,500	\$165,857	\$177,519	\$186,587	\$9,068	5.1%
ENGLISH/LANGUAGE ARTS	\$8,146	\$7,937	\$7,400	\$7,400	\$0	0.0%
READING	\$53,919	\$53,902	\$56,722	\$67,510	\$10,788	19.0%
MATH	\$30,260	\$31,680	\$37,150	\$38,655	\$1,505	4.1%
SCIENCE	\$3,535	\$2,734	\$1,800	\$1,800	\$0	0.0%
SOCIAL STUDIES	\$962	\$627	\$1,000	\$1,000	\$0	0.0%
ART	\$43,350	\$42,448	\$46,120	\$49,272	\$3,152	6.8%
MUSIC	\$90,474	\$108,981	\$109,797	\$113,407	\$3,610	3.3%
PHYS.ED./HEALTH INSTRUCTION	\$86,692	\$108,492	\$103,627	\$110,157	\$6,530	6.3%
LIBRARY/ AV	\$20,927	\$563	\$1,050	\$1,350	\$300	28.6%
HEALTH SERVICES	\$55,930	\$60,035	\$62,464	\$64,456	\$1,992	3.2%
GUIDANCE	\$77,796	\$79,320	\$45,260	\$59,534	\$14,274	31.5%
CO-CURRICULAR ACTIVITIES	\$0	\$0	\$0	\$0	#REF!	0.0%
SPED/SPED SUMMER/ESL	\$807,059	\$1,073,655	\$1,086,723	\$958,574	(\$128,149)	-11.8%
PRINCIPAL'S OFFICE	\$183,556	\$185,591	\$188,030	\$204,740	\$16,710	8.9%
BUILDING&GROUNDS OPERATIONS	\$162,369	\$158,212	\$169,790	\$170,451	\$661	0.4%
<b>DOYON APPROPRIATED BUDGET</b>	<b>\$3,182,797</b>	<b>\$3,425,681</b>	<b>\$3,488,197</b>	<b>\$3,445,068</b>	<b>(\$43,129)</b>	<b>-1.2%</b>

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION						
SCHOOL / DESCRIPTION	FY2011 BUDGET	FY2012 BUDGET	FY2013 BUDGET	FY2014 BUDGET REQUEST	DOLLAR Inc/(Dec)	% Inc (Dec)
<u>WINTHROP ELEMENTARY SCHOOL -- Enrollment as of 10/01/12 is 471</u>						
UNDISTRIBUTED	\$1,119,203	\$1,023,296	\$1,186,761	\$1,238,277	\$51,516	4.3%
SPED PRESCHOOL	\$59,803	\$68,683	\$77,706	\$76,273	(\$1,433)	-1.8%
KINDERGARTEN	\$195,965	\$202,349	\$202,082	\$197,807	(\$4,275)	-2.1%
ENGLISH/LANGUAGE ARTS	\$4,400	\$10,620	\$8,620	\$5,200	(\$3,420)	-39.7%
READING	\$44,229	\$46,989	\$47,153	\$71,932	\$24,779	52.6%
MATH	\$38,494	\$69,823	\$74,289	\$80,888	\$6,599	8.9%
SCIENCE	\$3,300	\$3,300	\$3,800	\$3,800	\$0	0.0%
SOCIAL STUDIES	\$2,700	\$2,700	\$2,550	\$2,550	\$0	0.0%
ART	\$52,689	\$55,094	\$49,574	\$47,568	(\$2,006)	-4.0%
MUSIC	\$89,690	\$115,655	\$122,898	\$132,404	\$9,506	7.7%
PHYS. ED./HEALTH INSTRUCTION	\$65,016	\$83,724	\$63,724	\$68,971	\$15,247	28.4%
LIBRARY/ AV	\$21,578	\$700	\$700	\$0	(\$700)	-100.0%
HEALTH SERVICES	\$49,685	\$53,328	\$57,969	\$61,987	\$4,018	6.9%
GUIDANCE	\$67,551	\$68,892	\$70,944	\$72,001	\$1,057	1.5%
CO-CURRICULAR ACTIVITIES	\$5,000	\$6,000	\$6,000	\$6,000	\$0	0.0%
SPED/SUMMER SPED/ESL	\$993,301	\$973,691	\$999,747	\$1,003,681	\$3,934	0.4%
PRINCIPAL'S OFFICE	\$189,687	\$197,279	\$206,706	\$214,264	\$7,558	3.7%
BUILDINGS & GROUNDS OPERATIONS	\$151,184	\$138,150	\$154,831	\$183,823	\$28,992	18.7%
<b>WINTHROP APPROPRIATED BUDGET</b>	<b>\$3,153,475</b>	<b>\$3,120,273</b>	<b>\$3,326,054</b>	<b>\$3,467,426</b>	<b>\$141,372</b>	<b>4.3%</b>

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION						
SCHOOL / DESCRIPTION	FY2011 BUDGET	FY2012 BUDGET	FY2013 BUDGET	FY2014 BUDGET REQUEST	DOLLAR Inc/(Dec)	% Inc (Dec)
<u>IPSWICH MIDDLE SCHOOL – Enrollment as of 10/01/12 is 496</u>						
UNDISTRIBUTED	\$102,165	\$110,636	\$93,638	\$95,338	\$1,700	1.8%
ENGLISH/LANGUAGE ARTS	\$411,797	\$433,039	\$424,036	\$422,359	(\$1,677)	-0.4%
MATH	\$424,446	\$425,645	\$453,997	\$469,123	\$15,126	3.3%
SCIENCE	\$416,830	\$423,428	\$448,628	\$472,827	\$24,199	5.4%
SOCIAL STUDIES	\$373,661	\$291,027	\$388,520	\$311,984	(\$76,536)	-19.7%
WORLD LANGUAGE	\$0	\$0	\$0	\$91,000	\$91,000	100.0%
ART	\$72,351	\$73,728	\$79,622	\$81,239	\$1,617	2.0%
MUSIC	\$159,881	\$161,792	\$169,388	\$166,577	(\$2,811)	-1.7%
PHYS.ED./HEALTH INSTRUCTION	\$145,807	\$150,469	\$154,849	\$157,004	\$2,155	1.4%
TECH INSTRUCTION	\$72,851	\$77,904	\$76,335	\$80,664	\$4,329	5.7%
HEALTH & WELLNESS	\$46,000	\$53,771	\$57,355	\$59,734	\$2,379	4.1%
LIBRARY AV	\$44,529	\$43,989	\$29,153	\$32,567	\$3,414	11.7%
HEALTH SERVICES	\$41,810	\$43,980	\$45,356	\$45,880	\$524	1.2%
GUIDANCE	\$55,548	\$59,815	\$65,318	\$70,092	\$4,774	7.3%
UNDISTRIBUTED ATHLETICS	\$11,270	\$5,350	\$5,350	\$8,300	\$2,950	55.1%
CO-CURRICULAR ACTIVITIES/DRAMA	\$11,040	\$15,000	\$15,000	\$15,000	\$0	0.0%
SPEDES/EL	\$1,006,881	\$896,987	\$1,279,998	\$1,323,775	\$43,777	3.4%
PRINCIPALS OFC	\$260,160	\$286,931	\$279,452	\$300,319	\$20,867	7.5%
<b>MIDDLE SCHOOL APPROPRIATED BUDGET</b>	<b>\$3,657,027</b>	<b>\$3,553,491</b>	<b>\$4,065,995</b>	<b>\$4,203,782</b>	<b>\$137,787</b>	<b>3.4%</b>

<b>PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION</b>						
<u>SCHOOL / DESCRIPTION</u>	<u>FY2011 BUDGET</u>	<u>FY2012 BUDGET</u>	<u>FY2013 BUDGET</u>	<u>FY2014 BUDGET REQUEST</u>	<u>DOLLAR Inc/(Dec)</u>	<u>% Inc (Dec)</u>
<b>IPSWICH HIGH SCHOOL – Enrollment as of 10/01/12 is 628</b>						
UNDISTRIBUTED	\$87,230	\$82,230	\$82,230	\$85,230	\$3,000	3.6%
ENGLISH/LANGUAGE ARTS	\$458,219	\$440,011	\$485,042	\$454,111	(\$30,931)	-6.4%
MATH	\$500,993	\$449,085	\$507,332	\$485,393	(\$21,939)	-4.3%
SCIENCE	\$457,648	\$468,878	\$430,312	\$442,908	\$12,596	2.9%
SOCIAL STUDIES	\$468,098	\$503,886	\$492,591	\$505,952	\$13,361	2.7%
WORLD LANGUAGE	\$387,149	\$396,677	\$356,637	\$334,938	(\$21,699)	-6.1%
ART	\$133,383	\$144,863	\$158,590	\$128,398	(\$30,192)	-19.0%
MUSIC	\$161,237	\$165,329	\$170,611	\$179,570	\$8,959	5.3%
PHYS.ED./HEALTH INSTRUCTION	\$214,356	\$210,551	\$222,048	\$229,076	\$7,028	3.2%
TECH INSTRUCTION	\$77,450	\$80,336	\$101,277	\$106,425	\$5,148	5.1%
CHILD DEVELOPMENT	\$30,729	\$0	\$0	\$0	\$0	0.0%
LIBRARY AV	\$43,878	\$44,639	\$29,803	\$38,217	\$8,414	28.2%
HEALTH SERVICES	\$41,394	\$41,961	\$43,336	\$44,191	\$855	2.0%
GUIDANCE	\$244,673	\$239,370	\$250,141	\$350,947	\$100,806	40.3%
CO-CURRICULAR ACTIVITIES	\$24,306	\$24,306	\$24,306	\$24,306	\$0	0.0%
DRAMA	\$3,300	\$3,800	\$4,300	\$11,216	\$6,916	160.8%
SPEDES/ESL	\$1,309,082	\$1,408,434	\$1,396,523	\$1,384,584	(\$11,939)	-0.9%
PRINCIPALS OFFICE	\$340,030	\$347,808	\$343,250	\$341,539	(\$1,711)	-0.5%
ATHLETIC	\$250,315	\$259,245	\$262,771	\$281,456	\$18,685	7.1%
<b>HIGH SCHOOL APPROPRIATED BUDGET</b>	<b>\$5,233,470</b>	<b>\$5,311,409</b>	<b>\$5,361,100</b>	<b>\$5,428,457</b>	<b>\$67,357</b>	<b>1.3%</b>
<b>HIGH-MIDDLE SCHOOL OPERATIONS</b>						
<b>MS-HS BLDG &amp; GROUNDS APPROP. BUDGET</b>	<b>\$420,932</b>	<b>\$375,944</b>	<b>\$383,353</b>	<b>\$418,438</b>	<b>\$35,085</b>	<b>9.2%</b>

<b>PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION</b>						
<b>SCHOOL / DESCRIPTION</b>	<b>FY2011 BUDGET</b>	<b>FY2012 BUDGET</b>	<b>FY2013 BUDGET</b>	<b>FY2014 BUDGET REQUEST</b>	<b>DOLLAR Inc/(Dec)</b>	<b>% Inc (Dec)</b>
<b><u>DISTRICTWIDE/CENTRAL OFFICE -- Total Enrollment as of 10/01/12 is 2071</u></b>						
UNDISTRIBUTED						
DISTRICTWIDE CURRICULUM & PROF. DEVEL.	\$217,000	\$320,374	\$166,808	\$236,660	\$69,852	41.9%
MUSIC	\$20,621	\$20,918	\$21,546	\$21,993	\$447	2.1%
INTEGRATED TECHNOLOGY	\$221,588	\$223,109	\$224,266	\$232,397	\$8,131	3.6%
HEALTH SERVICES	\$1,550	\$1,550	\$4,384	\$4,384	\$0	0.0%
SPEL	\$471,887	\$552,115	\$498,832	\$554,240	\$55,408	11.1%
ENGLISH AS SECOND LANGUAGE	\$35,000	\$35,000	\$35,700	\$57,906	\$22,206	62.2%
SCHOOL COMMITTEE	\$7,900	\$7,900	\$7,900	\$9,250	\$1,350	17.1%
SUPERINTENDENT	\$270,910	\$273,478	\$293,825	\$273,350	(\$20,475)	-7.0%
FINANCE & PERSONNEL	\$350,876	\$378,564	\$366,956	\$369,898	\$2,942	0.8%
FIXED COSTS	\$2,328,191	\$2,895,256	\$2,983,134	\$3,062,547	\$79,413	2.7%
BUILDING & GROUNDS OPERATIONS	\$274,049	\$161,077	\$172,239	\$156,895	(\$15,344)	-8.9%
CAPITAL PROJECTS/BONDS (inside budget)	\$2,842,593	\$2,823,427	\$2,801,708	\$2,795,229	(\$6,479)	-0.2%
TRANSPORTATION	\$166,969	\$180,906	\$153,523	\$226,000	\$72,477	47.2%
<b>ENRLL OFF/DISTRICTWIDE APPROP. BUDGET</b>	<b>\$7,209,134</b>	<b>\$7,873,674</b>	<b>\$7,730,821</b>	<b>\$8,000,749</b>	<b>\$269,928</b>	<b>3.5%</b>
<b>TOTAL SCHOOL OPERATING BUDGET</b>	<b>\$22,856,835</b>	<b>\$23,660,472</b>	<b>\$24,355,520</b>	<b>\$24,963,920</b>	<b>\$608,400</b>	<b>2.5%</b>
Separate Vote for HS-MS Debt	(\$2,544,125)	(\$2,534,075)	(\$2,535,612)	(\$2,535,381)	\$231	0.0%
<b>TOTAL SCHOOL BUDGET</b>	<b>\$20,312,710</b>	<b>\$21,126,397</b>	<b>\$21,819,908</b>	<b>\$22,428,539</b>	<b>\$608,631</b>	<b>2.8%</b>
Annual Change %	2.2%	4.0%	3.3%	2.8%		

**WARRANT ARTICLES - TOWN OF IPSWICH**  
**ANNUAL TOWN MEETING - MAY 14, 2012**

<b>ARTICLE 1 – Consent Calendar</b>	<b>44</b>
<b>ARTICLE 2 – Finance Committee Election</b>	<b>45</b>
<b>ARTICLE 3 – FY’2013 Municipal Budget Amendments</b>	<b>45</b>
<b>ARTICLE 4 – Chapter 90</b>	<b>45</b>
<b>ARTICLE 5 – FY’2014 Municipal Budget</b>	<b>46</b>
<b>ARTICLE 6 – FY’2014 School Budget</b>	<b>46</b>
<b>ARTICLE 7 – FY’2014 High School/Middle School Debt Project</b>	<b>46</b>
<b>ARTICLE 8 – Capital Plan for FY’2014</b>	<b>47</b>
<b>ARTICLE 9 – Linebrook Road Reconstruction</b>	<b>48</b>
<b>ARTICLE 10 – Water Plant and System Upgrades</b>	<b>48</b>
<b>ARTICLE 11 – FY2014 Whittier Regional High School Budget</b>	<b>48</b>
<b>ARTICLE 12 –Stabilization Fund</b>	<b>49</b>
<b>ARTICLE 13 –OPEB</b>	<b>49</b>
<b>ARTICLE 14 – Adoption of Sewer Enterprise Fund</b>	<b>49</b>
<b>ARTICLE 15 – Adoption of Codified Bylaws</b>	<b>49</b>
<b>ARTICLE 16 – Keeping Chickens on Residential Lots of Less Than One Acre</b>	<b>50</b>
<b>ARTICLE 17 – Snow, Slush and Ice Removal on Sidewalks</b>	<b>50</b>
<b>ARTICLE 18 – Recall Elections</b>	<b>51</b>
<b>ARTICLE 19 – Citizens' Petition</b>	<b>51</b>
<b>ARTICLE 20 – Moratorium on Medical Marijuana Treatment Centers</b>	<b>52</b>
<b>ARTICLE 21 – Dog Bylaw</b>	<b>52</b>
<b>ARTICLE 22 – Pavilion Beach Easement</b>	<b>51</b>
<b>ARTICLE 23 – Building Inspector to Authorization to Enforce Sign Bylaws on Public Property</b>	<b>53</b>

Please be aware that the following is intended as summary information for each of the warrant articles. The full text of each article is not necessarily included, but is available elsewhere. Since the School Committee had not voted the articles prior to this publication, these votes are excluded herein.

**ARTICLE 1 – Consent Calendar**

Requested By: Board of Selectmen

To see if the Town will vote:

- (1) To fix the salary and compensation of all elected Town Officers;
- (2) To choose the following officers, viz: a Moderator for one [1] year; [2] members of the Board of Selectmen for three [3] years; two [2] members of the School committee for three [3] years; one [1] member of the Housing Authority for five years; the above officers to be voted on one ballot at the YMCA Hall, County Road, on Tuesday, May 21, 2013; the polls shall open at 7:00 a.m. and shall close at 8:00 p.m.;
- (3) To act on the transfers of payment-in-lieu of taxes from the Electric Division, Department of Utilities;
- (4) To authorize the Board of Selectmen to temporarily appoint a member of said Board as Acting Town Manager for a limited period of time not to exceed the date of the 2014 Annual Town Meeting for purposes of vacation, leave, or absence in accordance with Massachusetts General Laws Chapter 268A, Section 20 and 21A;
- (5) To re-authorize for FY2014 the following revolving funds established under Massachusetts General Laws Chapter 44, Section 53E½:
  - a. **Department of Public Safety**
  - b. **Department of Public Works**
  - c. **Health Department**
  - d. **Council on Aging**
  - e. **Historical Commission**
  - f. **Health Department**
  - g. **Facilities Department**
  - h. **Shellfish Department**

*Item 1 sets the salaries for all elected officials as presented in the Town's operating budget. Item 2 designates the positions to be filled at the Town election. The polls for the Town Election will open at 7:00 a.m. and close at 8:00 p.m. Item 3 authorizes payment-in-lieu-of-taxes of \$325,000 to the town from available funds in the Electric Light Department. Item 4 authorizes the Board of Selectmen to appoint an Acting Town Manager during vacation or leave of absence of the Town Manager with the exemption from the state conflict-of-interest law. Item 5 authorizes certain revolving funds under the terms of Massachusetts General Laws, Chapter 44, Section 53 E ½. Fees collected by departments under this article are deposited into special, revolving accounts that are separate from the General Fund of the Town. Revolving fund monies must be expended for purposes directly related to the mission of their respective departments.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 2 – Finance Committee Election**

Requested By: Board of Selectmen

To see if the Town will vote to choose one [1] member of the Finance Committee for three [3] years; or to take any action relative thereto.

*This article calls for election of one Finance Committee member, to be elected by the Town Meeting. The Finance Committee recommends the re-election of incumbent member Marion Swan for a term of three years.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (7-0)

**ARTICLE 3 – FY’2013 Municipal Budget Amendments**

Requested By: Board of Selectmen

To see if the Town will vote to amend the Town’s action taken under Article 5 of the May 8, 2012 Annual Town Meeting (FY13 Municipal Operating Budget) by transferring the following sums between departments and/or categories within departments:

<b>Department</b>	<b>Description</b>	<b>From</b>	<b>To</b>
Benefits	Health Insurance Reimbursement	8,000	
Benefits	Retirement	916	
Insurance	Legal Liability	6,500	
Insurance	Workers Comp	1,896	
Insurance	Unemployment	5,000	
Sanitation	Sanitary Collection	8,000	
Snow & Ice	Other PW Supplies	29,633	
Snow & Ice	Overtime	20,367	
Veterans Svc	Veterans Medical		60,000
Miscellaneous Exp	Management Transfer		20,312

Or to take any other action relative thereto.

*This purpose of this article is to cover unanticipated and unforeseen FY 2013 expenses for veterans’ benefits and costs associated with anticipated retirement commitments.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (7-0)

**ARTICLE 4 – Chapter 90**

Requested By: Board of Selectmen

To see if the town will vote to appropriate the sum of \$663,485, or a greater or lesser sum, from the state for highway improvements under the authority M.G.L. Chapter 90, or any such applicable laws, and to authorize the Board of Selectmen, if necessary, to apply for, accept and borrow in anticipation of state aid for such projects, or take any action relative there to.

*The state annually allocates to the Town a sum of money to be spent on Town roads. The amount must be appropriated by town meeting. The town spends the money first and is reimbursed by the state upon completion of the project. Amount is unknown at time of setting the warrant; however, we are confident that the state will increase the amount previously provided by about 50%. This requires a 2/3 vote in case of borrowing.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 5 – FY’2014 Municipal Budget**

Requested By: Board of Selectmen

To see if the Town will vote to hear and act upon the reports of the Board of Selectmen and Finance Committee relative to the Fiscal 2014 municipal budget, and to raise, appropriate, transfer money from available funds, and change the purpose of the unexpended balances of prior appropriations, all to be used for the ensuing year's operations, including the compensation of elected Town officers, and to authorize the Town to enter into lease-purchase contracts for office equipment having a term of five years or less; or to take any other action relative thereto.

*The FY 2014 proposed municipal budget of \$15,455,120, represents a 2.3% increase over FY 2013. This includes an increase in the municipal operating budget of 4.0%, offset by removal of any capital expenditures, which this year are being funded from free cash (Article 8), and a 2.9% reduction in the debt exclusion override payments, which in FY 2013 was \$936,567.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 6 – FY’2014 School Budget**

Requested By: School Committee

To see if the Town will vote to hear and act upon the reports of the School Committee and Finance Committee relative to the Fiscal 2013 School Department budget and to raise, appropriate, transfer money from available funds, and change the purpose of the unexpended balances of prior appropriations, all to be used for the ensuing year’s operations, including entering into lease-purchase agreements having a term of five years or less for a school bus and/or for other purposes; and to act upon a request to reauthorize existing revolving funds pursuant to state law; or to take any action relative thereto.

*The FY2014 proposed school budget of \$24,963,921, represents a 2.5% increase over FY 2013. This includes an increase in the school operating budget of 2.8%, offset by virtually no change in the debt exclusion override payments. Capital expenditures for the schools are included, along with the municipal capital request, in a separate capital request warrant article.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (6-0-1)

**ARTICLE 7 – FY’2014 High School/Middle School Debt Project**

Requested By: School Committee

To see if the Town will vote:

- (1) To appropriate a sum of money for debt service payments and other costs related to the construction and furnishing of the Middle School and High School including, without limitation, moving expenses and expenses necessary to secure the former Whipple Middle School; and
- (2) To determine whether said appropriation shall be raise by taxes, by transfer from available funds, or otherwise; or to take any action relative thereto.

*This article continues our funding of the debt associated with the construction of the Middle/High School. There is virtually no change in the amount to be appropriated in FY 2014.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (6-0-1)

**ARTICLE 8 – Capital Plan for FY’2014**

Requested By: Board of Selectmen

To see if the town will vote to transfer from free cash the following amounts and that any amount remaining from Free Cash appropriations be transferred into the capital stabilization fund:

*Transfer from Free Cash:*

Computer Replacement and Server/Storage Improvements	\$ 47,000
School Computer Replacement and Implementation of Technology Plan	\$ 50,000
Project Reserve	\$ 7,000
Middle School/High School Boiler Replacement	\$ 25,000
Middle School/High School Walkway Repairs	\$ 25,200
School Security Phase 1 – Cameras and Misc. Modifications	\$ 20,000
Middle School/High School Flooring Replacement	\$ 69,000
Town Hall Column Replacement	\$ 27,500
Town Hall Carpet Replacement	\$ 17,600
Library Carpet Replacement	\$ 17,600
Police Station Electrical Upgrade	\$ 12,000
Linebrook Fire Station Concrete Replacement	\$ 6,000
Central Fire Station Window Replacement	\$ 11,200
Highway Garage Office, Restroom and Break Area Upgrades	\$ 16,500
One Ton Dump Truck	\$ 57,000
Sidewalk Plow	\$130,000
Fire Pumper Replacement – Set aside	\$ 50,000
Fire SCBA Replacement – Set aside	\$ 20,000
Police Portable Radios	\$ 23,000
Police Stealth Camera	\$ 10,000
School Passenger Van	\$ 22,000
Jeffrey’s Neck Road Feasibility Study	\$ 15,000
<b>Total from Free Cash:</b>	<b>\$ 678,600</b>

Or to take any action relative thereto.

*A five year capital plan has been developed with the input from all town departments and the schools. This article represents the first year of funding and is proposed to come from free cash, except as otherwise indicated. A long-term funding source must be identified in order to maintain a suitable level of regular capital funding. This will be a topic of discussion among policy boards during the spring of 2013.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 9 – Linebrook Road Reconstruction**

Requested By: Board of Selectmen

To see if the town will authorize the Treasurer to borrow, with approval by the Board of Selectmen and subject to the provisions of Chapter 44 of the Massachusetts General Laws as amended, the sum of \$3,000,000, or a greater or lesser sum, for reconstruction and related costs of Linebrook Road, including replacement and upgrade of sidewalks, bicycle safety enhancements, and reconstruction of the Doyon School parking areas, and that any remaining appropriation be used for sidewalks and pedestrian and/or bicycling safety enhancement projects, provided that this appropriation is subject to passage of a Proposition 2 ½ debt exclusion, or to take any action relative thereto.

*Linebrook Road was originally scheduled for resurfacing. Recently, several groups have expressed to the Board of Selectmen the need to expand the scope of repairs and reconstruction to include safety improvements for pedestrians and bicyclists, and including Doyon School parking areas as part of the overall project. At the time of publishing, the Board of Selectmen established an upper funding limit, so that the Department of Public Works could develop, and present to town meeting, a better estimate of costs and improvements for the expanded project. Costs to do this work, currently estimated to be close to \$3,000,000, are in excess of funds available in the operating budget and the project is being proposed as a debt-excluded capital project. This will increase the average single family tax bill by an estimated \$42.00. This requires a 2/3 vote.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (6-1)

**ARTICLE 10 – Water Plant and System Upgrades**

Requested By: Board of Selectmen/Water

Commissioners

To see if the town will authorize the Treasurer to borrow, with approval by the Board of Water Commissioners and subject to the provisions of Chapter 44 of the Massachusetts General Laws as amended, the sums of: \$ 900,000 , or a greater or lesser sum, to paint the Town Hill Water Tank; and \$ 867,000 , or a greater or lesser sum, to make repairs and upgrades to the water treatment plant , including related costs, to be repaid in the first instance from water receipts; or to take any action relative thereto.

*The water treatment plant is now 24 years old and much of the equipment and building have exceeded its design life of 20 years. Repairs and upgrades were identified during the capital process and include repairs to the building and filters, as well as treatment improvement in conformance with requirements by the Massachusetts Department of Environmental Protection. Water tanks require repainting every 10 to fifteen years: the town hill tank was last painted approximately eighteen years ago. This bond will increase the annual average water bill by an estimated \$16.00. This requires a 2/3 vote.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (7-0)

**ARTICLE 11 – FY14 Whittier Regional High School Budget**

Requested By: Whittier RVTHS Rep R

Morley

To see if the Town will vote to raise and appropriate or transfer from available funds the sum of \$328,809, or a greater or lesser sum, to cover the Town's share of the ensuing year's annual operating and debt service expenses of the Whittier Regional Vocational Technical High School; or to take any other action relative thereto.

*This article funds the Town's portion of the fiscal year 2014 annual operating, capital, and debt service expenses of the Whittier Regional Vocational Technical High School District. This year's request for \$328,809 represents a 20% increase over FY 2013.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 12 – Stabilization Fund**

Requested By: Board of Selectmen

To see if the Town will vote to transfer the sum of \$126,046, or a greater or lesser sum, from free cash to the stabilization fund; or to take and any action relative thereto.

*The 2007 Fiscal Management Review report prepared by the Department of Revenue recommends the town establish a target of 3% to 5% of total general fund operating costs in reserve in the stabilization fund. Three to five percent is the recommend range by credit rating agencies. The present balance in the stabilization fund is \$ 621,399 or 1.54 percent; this appropriation would bring the balance to \$ 747,399 or 1.85 percent. An ongoing program of regular contribution will bring the reserve up to a suitable level. A healthy stabilization fund is important in the event of unforeseen events, such as major emergencies or to stabilize the budget in the event of unforeseen sudden economic changes.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (6-1)

**ARTICLE 13 – OPEB**

Requested By: Board of Selectmen

To see if the Town will vote to transfer from free cash the sum of \$86,000, or greater or lesser sum, to the special Other Post-Employment Benefits account (OPEB) as established under Section 20 of Chapter 32B of the Massachusetts General Bylaws, or to take any other action relative thereto.

*The town previously established an irrevocable trust fund for other post-employment benefits (OPEB) - specifically for future costs of retiree health insurance. This action continues the town's progress on setting aside funds in order to help reduce the impact of rapidly rising health insurance costs. The present balance in the Trust is approximately \$1.4 million. This appropriation requires a simple majority vote.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (4-3)

**ARTICLE 14 – Adoption of Sewer Enterprise Fund**

Requested By: Board of Selectmen

To see if the town will vote to adopt M.G.L c 44, section 53F ½ providing for the establishment of an enterprise fund for waste water operations, or to take any other action relative thereto.

*This action was recommended in the 2007 Fiscal Management Review prepared for the town by the Massachusetts Department of Revenue. Enterprise fund accounting enables a community to identify the costs of providing a service and establish rates to cover those costs; allows payments for indirect costs to flow to the general fund to reimburse the general fund for time spent by employees on enterprise activities; and any surplus is retained in a separate fund and accrues interest, and may be used to fund operations, capital, debt or to reduce rates.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 15 – Adoption of Codified Bylaws**

Requested By: Board of Selectmen

To see if the Town shall accept the renumbering and revision of the various bylaws of the Town from their original numbering or their numbering in the General Bylaws, as amended through May 2011, to the numbering or codification, arrangement, sequence and captions and the comprehensive revisions to the text of the General Bylaws as set forth in the Final Draft of the Code of the Town of Ipswich, dated February 2013, said codification having been done under the direction of the Board of Selectmen and Town Attorney, and said Code being a compilation and comprehensive revision of the present bylaws of the Town. All bylaws of a general and permanent nature, as amended, heretofore in force and not included in the Code shall be repealed, except that such a repeal shall not affect any suit or proceeding pending as the result of an existing law, and such repeal shall not apply to or affect any bylaw, order or article heretofore adopted accepting or adopting the provisions of any statute of the Commonwealth. These bylaws shall be referred to as the “Code of the Town of Ipswich, Massachusetts.” or to take any action relative thereto.

*The Town contracted with General Code Publishers to reformat and revise the bylaw for grammatical and clerical errors (known as “codification”). That process is now complete. Town Meeting must vote to adopt the bylaws in updated form. A copy of the updated format is posted on the website. The cost of this project was \$8,200.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (7-0)

**ARTICLE 16 – Keeping Chickens on Residential Lots of Less Than One Acre** Requested By: Board of Selectmen

To see if the Town of Ipswich will vote to amend the General Bylaws of the Town of Ipswich by adding a new chapter, entitled “Chapter XIX. Keeping Chickens on Residential Lots of Less Than One Acre”.

*On October 17, 2012, the Special Town Meeting amended Section V of the Ipswich Zoning Bylaw to allow the keeping of chickens on residential lots less than one acre in area by right (i.e., without a special permit) instead of by special permit as is otherwise required, subject to certain conditions. One of the conditions is that the household obtain “any certificate or approval from the Town Animal Control Officer or Board of Health as may be required by separate bylaw or regulation.”*

*This article adopts a new Chapter 119 of the General Bylaws (Section \_\_ under Recodification) that independently requires the issuance of a certificate of approval for the keeping of chickens on residential lots less than one acre in area, and also authorizes and directs the Ipswich Police Department, through its Animal Control Officer, to adopt an application form and rules and regulations governing the keeping of chickens. These rules and regulations will specify the application process, inspections, and general requirements associated with the keeping of chickens on residential lots.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (7-0)

**ARTICLE 17 – Snow, Slush and Ice Removal on Sidewalks** Requested By: Board of Selectmen

To see if the Town will vote to amend the general bylaws by replacing the original Chapter XII Section 11 "Blocking of Street and Sidewalks with Snow and Ice Prohibited" in its entirety with the following:

*The purpose of this article is to comply with Chapter 40U Section 5 requiring communities to adopt bylaws relative to removal of snow and ice on sidewalks by abutting property owners and Chapter 40 Section 21D of the Massachusetts General Law requiring communities to create such non-criminal ordinances, by-laws,*

rules and regulations of any municipal officer, board or department to protect public safety, the violation of which is subject to a specific penalty.

Board of Selectmen: Approve (5-0)  
Finance Committee: Indefinitely postpone (7-0)

**ARTICLE 18 – Recall Elections**

Requested By: Board of Selectmen

To see if the Town will vote to authorize the Board of Selectmen to petition the General Court to enact legislation to amend the Charter of the Town of Ipswich substantially to include a section "Providing For The Recall Of Elected Officials In The Town Of Ipswich", and further to authorize the Selectmen to approve amendments to the bill before enactment by the General Court which shall be within the scope of the general public objectives of the petition.

*The Board of Selectmen charged the Government Study Committee to review the citizen's petition article for a recall process for elected officials that appeared on the 2012 Annual Town Meeting. The Government Study Committee researched 26 communities with recall statutes, bylaws, or charters and prepared a recall proposal, which was submitted to the Board of Selectmen in March 2013, and reviewed by town counsel. The Recall Petition is a preventative measure, not to be used as a threat or punishment. The basic components of the proposed recall provision are as follows: requires specific reasons for the recall of an elected official; decide the recall at annual election; the process has 2 steps,;1) a Notice of Intent and ten (10) signatures of registered voters, initially, and 2) 1,500 town-wide signatures of registered voters (equivalent of 15%) to get on the ballot, including 200 voter signatures per precinct; a candidate for recall cannot succeed him/herself; sanction for being recalled extends to ineligibility for town appointments for 2 years.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**Article 19 - Citizen's Petition**

Requested By: Citizen's Petition – Holly Foster

To see if the Town will vote to appropriate from Free Cash the sum of \$15,044.98 to reimburse the Estate of Robertta C. Foster for real property taxes incorrectly paid to the Town due to the Town's failure to notify the taxpayer of the 100% exemption to which she was entitled pursuant to M.G.L. Chapter 59, Section 5, Clause 22D.

*Robertta C. Foster was the widow of George A. Foster, Sr, a 100% disabled WWII veteran who was severely wounded by shrapnel in the days after the Battle of the Bulge near Bastogne, France. Under a change in the Massachusetts law in 2006, as the widow of veteran who died as a proximate result of combat injury, Mrs. Foster was entitled to a 100% exemption from Ipswich real estate taxes. However, she was never notified of this benefit by the Town despite her frequent contact with the Town's Veterans Agent. As a result, she paid the Town \$15,044.98 in real estate taxes prior to her death in 2010 that the Town should not have received. Since her death, the Town Assessor and the Board of Selectmen have rejected the family's request for the reimbursement of the improperly collected taxes on the grounds that they do not have the authority to make restitution to a taxpayer for taxes that were only paid because of the Town's mistake. They've told the family that on the Town meeting has that authority.*

Board of Selectmen: Recommendation at Town Meeting  
Finance Committee: Recommendation at Town Meeting

**ARTICLE 20 – Moratorium on Medical Marijuana Treatment Centers**  
Selectmen

Requested By: Board of

*With the passage of Ballot Question 3 at the November 6, 2012 election, the voters of the Commonwealth approved a law regulating the cultivation, distribution, possession and use of marijuana for medical purposes. The law became effective on January 1, 2013, and the State Department of Public Health (“DPH”) has been charged with developing and issuing regulations regarding its implementation within 120 days of that date.*

*Because the zoning regulation of medical marijuana raises novel and complex planning and land use issues, the Town will need the guidance offered by the DPH regulations, as well as time thereafter, to study and consider these issues. As such, the Town intends to adopt a moratorium on the use of land and structures for medical marijuana treatment centers so that the Town has time to create a zoning bylaw provision which addresses the effects of such treatment centers on the Ipswich community.*

Board of Selectmen: Approve (4-1)  
Finance Committee: Approve (7-0)  
Planning Board: Approve (5-0)

**ARTICLE 21 – Dog Bylaw**

Requested By: Board of Selectmen

To see if the Town will vote to amend Chapter XV, Section 5 of the Town Bylaws (“Dog Control”) by deleting the current section in its entirety and replacing it with a new Section 5 entitled “Animal Control”

*The purpose of this article is to bring the general bylaws of the Town in conformance with Chapter 193 of the Acts of 2012, “An Act Further Regulating Animal Control.” The major changes of the new state law are as follows:*

- *Licensing and inspection of kennels, and establishment of inspection fees;*
- *Change in amount of violation for licensing violations (minimum of \$50 per statute);*
- *Animal Control Officer’s ability to deal with nuisance or dangerous dogs (as newly defined by statute);*
- *The complaint and hearing process for nuisance and dangerous dogs; and*
- *Establish a differential fee schedule for neutered and intact dogs as required by the new law*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**ARTICLE 22 – Pavilion Beach Easement**

Requested By: Board of Selectmen

To see if the Town will vote to accept the easement granted by the Feoffees of the Grammar School in the Town of Ipswich for the public use of that portion of Pavilion Beach now or formerly owned by the said Feoffees, as provided in the Agreement for Judgment filed in the case of Alexander Mulholland v. Attorney General, Essex Probate Court No. ES09E0094QC, and as further described in the easement document dated August 1, 2012 and recorded in the Essex South District Registry of Deeds at Book 31605, Page 194; or to take any other action relative thereto.

*As part of the settlement agreement a public easement to this section of beach was granted. An easement of this nature requires town meeting acceptance. This requires a 2/3 vote.*

Board of Selectmen: Approve (5-0)  
Finance Committee: Approve (7-0)

**Article 23 – Authorization of Building Inspector to Enforce Sign Bylaws on Public Property**

Requested By: Board of Selectmen

*The Town’s zoning bylaw specifically exempts from its jurisdiction all signs that are located on Town Property, which includes public streets and their rights-of-way. As such, any signs that are erected on Town Property are outside of the authority of the Town Building Inspector, who in all other instances has enforcement authority over signs, pursuant to Section VIII.A. of the zoning bylaw. The Board of Selectmen, who pursuant to Section 4. (a) of Chapter XII of the Ipswich General Bylaws, has authority over signs located within public rights-of-way. Enforcement is through the Police Department. This will extend the authority for sign enforcement to the Building Inspector as well. This requires a 2/3 vote for zoning bylaw amendment. This article takes two separate but related actions:*

- 1) Amends Section “VIII. Signs,” subsection “A. Purpose” of the Town’s Zoning Bylaw by deleting the language which exempts signs on public property from the control of the building inspector; and*
- 2) Amends “Chapter XII.” (Section \_\_ under Recodification) Section 4. Signs” of the Ipswich General Bylaws by stating specifically that no signs shall be installed within the right-of-way of a public street without the prior approval of the Board of Selectmen, and by authorizing the Town’s Building Inspector to enforce, on behalf of the Selectmen, the requirements of Section 4 as they pertain to the placement of signs;” or to take any other action relative thereto.*

Board of Selectmen: Approve (5-0)

Finance Committee: Approve (7-0)

Planning Board: Approve (5-0)

# EXHIBIT A

## GLOSSARY OF TERMS

**AVAILABLE FUNDS** – See Unencumbered Funds

**CHERRY SHEET** – Cherry-colored form showing state and county charges and reimbursement to the Town as certified by the State Director of Accounts.

**ENTERPRISE FUNDS** – Funds that account for all revenues and expenditures for services and allow surpluses to be used to reduce user fees for the services or to pay for capital improvements. Each fund has an independent budget. Losses are made up from the Town's general fund.

**FISCAL YEAR** – July 1 through June 30.

**FREE CASH** – See Unencumbered Funds

**OPEB** – Other Post Employment Benefits, which include health and life insurance for retired town employees

**OVERLAY** – Funds set aside to cover abatements and exemptions. The amount is determined by the Board of Assessors.

**OVERLAY RESERVE** – Unused accumulated amount of Overlay for previous years that is not required to be held in a specific Overlay account for a given year. Once released by the Board of Assessors the funds may be used for any municipal purpose.

**RESERVE FUND** – A fund established in the Municipal Operating Budget. It is under control of the Finance Committee, which may authorize transfers for extraordinary or unforeseen expenditures.

**STABILIZATION FUND** – A special account created to provide a reserve for the Town.

**SURPLUS REVENUE** – The total amount of cash, accounts receivable, and other current assets that exceed liabilities and reserves.

**UNENCUMBERED FUNDS** – The amount of surplus revenue, minus uncollected taxes of prior years. Unencumbered funds must be certified by the State Bureau of Accounts before they can be used. Also known as Free Cash or Available Funds.