Town of Ipswich
Finance Committee

Annual Report
For the Town Meeting
Tuesday, May 10, 2011

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
- Municipal Budget Highlights
- School Budget Highlights
- Capital Spending
- Long Range Financial Planning Subcommittee – Summary Report
- Feoffees of the Grammar School – Update
- OPEB Discussion

Financial Summaries

- Budget Summary Chart
- Proposed FY2012 Municipal Operating Budget
- Proposed FY2012 School Operating Budget

Town Meeting Warrant and Recommendations

Appendix

Exhibit A: Glossary of Terms

Exhibit B: Comparative Tax Rate Burden

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 3 to make arrangements.

Town Meeting Overview

Articles Involving Spending Authority

- Article 5. Municipal Budget

  Overview – Maintains current level of services with modest investment in capital improvements and funding of "Normal" OPEB costs. The operating budget for Town departments represents **$2,492** of the average tax bill of **$5,358**. The town budget of **$14,619,986** represents an increase in spending of **2.7 %** over Fiscal 2011. The Town budget represents **38.31 %** of total General Fund spending.

- Article 8. School Budget

  Overview – Budget increases were offset by increased salary and benefit costs as well as a significant contribution to OPEB costs. Staff reductions of 8.8 teaching and 9.94 teacher assistant positions will result in increased class sizes, including at the elementary levels, and the elimination of some programs. The operating budget of the School Department represents **$3,856** on the average tax bill of **$5,358**. The Ipswich School Department budget of **$21,005,093** represents a **3.0 %** increase over Fiscal 2011. The School budget represents **61.69%** of total General Fund spending.

- Article 9. High School/Middle School Debt

  Overview – Annual bond payment for high school and middle school construction. The net cost to the taxpayer in FY'12 for the High School/Middle School project will be **$1,144,275.** The net cost represents **$0.47** on the tax rate. It will account for **$213.44** of the average tax bill of **$5,265** on the average house valued at **$456,270.**

- Article 10 – Whittier Regional Technical School Budget

  Overview – Reduction in assessment to Ipswich as a result of fewer students attending. The proposed Whittier budget for Fiscal 2012 represents a **22.8%** decrease in the assessment for Ipswich over Fiscal 2011.

- Article 11 – FY'12 Water and Sewer Budgets

  Overview - This article will raise and appropriate the sum of **$2,887,221** for the FY 2012 operating budget, debt service, and capital expenses of the Water Division, Department of Utilities. The Water and Wastewater Division budgets are funded through user charges. There is no impact on the tax levy.

- Article 19 – Athletic Fields and Open Space Bond Authorization

  Overview – This Article would amend Article 18 of the 2000 Annual Town Meeting, increasing the sum that the Town is authorized to borrow from

$10,000,000 to $15,000,000, for the purpose of purchasing real estate for open space, water supply protection, recreation and/or general municipal purposes. There is no financial impact to Town citizens until a project is approved and the Town applies for the bond funding, at which point the impact on taxes will be determined by the cost of the project. If all $5 million were borrowed at once, assuming a 4% rate of interest, the impact on the tax rate would be $2.06 on an average house value of $446,500 or $922 over the 20 year life of the bond.

- Article 20 – Wastewater Treatment Plant Upgrade

  Overview – This Article would appropriate the sum $2,200,000 to construct and rehabilitate the ultraviolet disinfection facilities and the head works at the Wastewater Treatment Facility and to raise that money by raising rates, by transfer from available funds, or by authorizing the Treasurer, with the approval of the Board of Selectmen, to issue bonds. The cost of this project will be borne by the Wastewater Department rate payers. There is no impact on the FY 2012 tax rate.

- Article 21 – Water Department Main Replacement

  Overview - This article will authorize the Treasurer to borrow the sum of $1,950,000, to replace the water mains on Jeffreys Neck Road. A recent study has shown the Jeffreys Neck water main, which is over sixty years old, is severely deteriorated and leaking. The cost of this project will be borne by the Water Department rate payers. There is no impact on the FY 2012 tax rate.

- Article 26 – Feoffee Trust

  Overview - To transfer $300,000 from free cash to pay for legal, real estate and other professional services related to the ongoing Feoffees litigation. There is no impact on the FY 2011 tax rate. However, a large appropriation of free cash will deplete the account, reduce free cash available in FY 2012 and could have an unfavorable impact on the Town's bond rating by reducing the undesignated fund balance.

Summary of Finance Committee's Budget Recommendations For the May 10, 2012 Annual Town Meeting

	Budgeted FY 2011	Recommended FY 2012	Increase/(decrease) from FY2011	% change
Municipal Budget				
Municipal Operating Budget	13,138,830	13,479,772	340,942	2.6%
Includes Municipal Capital Budget	170,000	136,937	(33,063)	-19.4%
Includes Excluded Debt Service	933,044	1,003,277	70,233	7.5%
Total - Municipal Budget	**14,241,874**	**14,619,986**	**378,112**	2.7%
School Budget				
School Operating Budget	20,212,710	21,005,093	792,383	3.9%
School Capital Budget	100,000	0	(100,000)	-100.0%
Excluded Debt Service: HS/MS	2,544,125	2,534,075	(10,050)	-0.4%
Total - School Budget	**22,856,835**	**23,539,168**	**682,333**	3.0%
Tax Revenue				
Property Taxes	27,102,937	28,044,510	941,573	3.5%
Overrides & Debt Exclusions -Town	859,111	996,576	137,465	16.0%
Overrides & Debt Exclusions -Schools	1,154,325	1,144,275	(10,050)	-0.9%
Total - Tax Revenue	**29,116,373**	**30,185,361**	**1,068,988**	3.7%
Non-Tax Revenue				
State Aid/Cherry Sheet	5,294,709	5,160,522	(134,187)	-2.5%
School Building Authority	1,389,800	1,389,800	0	0.0%
Estimated Local Receipts	2,805,197	3,017,863	212,666	7.6%
Other Available Funds	276,488	186,000	(90,488)	-32.7%
Free Cash	19,832	0	(19,832)	-100.0%
Fund Balance Reserved for Debt Premium	1,015	6,701	5,686	560.2%
Electric Department PILOT	275,000	275,000	0	0.0%
Total - Non-Tax Revenue	**10,062,041**	**10,035,886**	**(26,155)**	-0.3%
TOTAL REVENUE SOURCES	**39,178,414**	**40,221,247**	**1,042,833**	2.7%
Charges & Assessments				
Tax Title Legal Counsel	(5,000)	(5,000)	0	0.0%
Cherry Sheet Offsets	(913,883)	(910,215)	3,668	-0.4%
Additional Veterans Benefits	(43,101)	(47,500)	(4,399)	10.2%
Cherry Sheet Charges	(313,854)	(386,463)	(72,609)	23.1%
Whittier Assessment	(350,095)	(270,246)	79,849	-22.8%
Overlay Deficits	0	0	0	
Unpaid Bills	(8,698)	(20,000)	(11,302)	129.9%
Contribution to Stabilization Fund	0	0	0	
Allowance for Abatements	(384,996)	(380,000)	4,996	-1.3%
Total - Charges & Assessments	**(2,019,627)**	**(2,019,424)**	**203**	0.0%
TOTAL AVAILABLE REVENUE	**37,158,787**	**38,201,823**	**1,043,036**	2.8%
TOTAL EXPENSES	**37,098,709**	**38,159,154**	**1,060,445**	2.9%
Total Under Levy Limit	60,078	42,670		

Introduction

The principal purpose of the Town of Ipswich Finance Committee is to make objective recommendations to Town Meeting concerning the annual Town and School budgets and all warrant articles with financial implications. By doing so, the Finance Committee seeks to ensure the long term financial health of town government. 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 to every registered voter in Ipswich prior to the Annual Town Meeting.

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. With town revenues growing by a modest 2.9% this year, both the school and municipal budgets faced considerable challenges and significant choices.

Two sources primarily comprise The Town's revenue: property taxes and state assistance. The weakened economy has reduced state assistance for several years, limiting the town's operating revenue. The assessment process for property taxes has resulted in revenue growth which is less than we have been used to seeing. Meanwhile, Ipswich continues an extended period of modest revenue growth.

This trend towards modest revenue increases has required the town to budget conservatively and conduct a comprehensive examination of all services and expenses in an effort to reduce costs. Whenever practical, we are exploring town and school collaboration and multi-town collaborations to reduce expenses while maintain quality services. The Finance Committee fully supports these approaches. Moreover, 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. This year Town Meeting will be asked to approve implementation of a 0.75% meals tax to help with the revenue shortfall. This is anticipated to raise about $150K in additional revenues. Given that revenues from the state have fallen in recent years, authority to implement this tax was granted to the cities and towns, by the state, as a means of partially offsetting that reduction. The Finance Committee supports implementation of this new tax. In any event, a rigorous assessment of priorities and capabilities continues to be an annual requirement in order to craft a workable budget.

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. 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 environment conservation programs. 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. While all academic measurements have flaws, the Finance Committee believes that key indicators reveal continuing educational quality. In 2010, 92% of Ipswich High School students were accepted into four and two year college programs upon graduation, and the Ipswich School district performed in the top 30% in the state on the MCAS (a required state-wide exam). Additionally, Ipswich Athletic and Arts and Music programs continue to excel.

As we have in past years, the Finance Committee remains steadfast in its commitment to working with the School Committee and the Selectmen to ensure that the school children of Ipswich benefit fully and completely from the Feoffees of the Grammar School Trust. While this has proved to be a difficult and complex process, we remain committed to supporting a transparent and collaborative approach to reformation of the current trust and reinstatement of Mr. Paine's intended revenue stream.

A word about the numbers in this report. All the numbers in this report, including previous year's expenditures, were generated this year and represent the latest figures possible, given the deadline required to get this report to the Printer in time for delivery to every home prior to Town Meeting. It's likely that some of the budget totals will change slightly prior to Town Meeting, given that deadline. Nonetheless, this year the numbers were generated from linked Excel files which we hope will assure consistency between each Table in the report. There are still issues resulting from the differences in the ways in which the school and municipal budgets are managed. The Finance Committee is committed to continue to improve the clarity, accuracy, timeliness and consistency of the data in this report.

Finally, it is the recommendation of the Finance Committee that the Schools and the Town draft realistic 5 year budgets in conjunction with the Long Term Financial Planning Committee. This process will allow for a carefully planned allocation of Town revenues to address structural issues that have been identified in this year's annual budget process.

The Finance Committee is grateful for the opportunity to work with the Board of Selectmen and School Committee in serving the residents of Ipswich. 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.

The 2011 Finance Committee consists of: Janice Clements-Skelton, Jamie Fay, Mitch Feldman, Richard Howard, Michael Schaaf, Larry Seidler, Marion Swan, Robert White and Todd Wilson.

Building a Nearly $40M Budget

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 2011) and then move to consideration of new revenues for FY 2012.

This year's early 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 FY2012 budget with a 2.5% increase over the FY 2011 base budget based on what was approved at the

Annual Town Meeting in May, 2010 and amended at the Fall 2010 Special Town Meeting. Ultimately, based on current expected revenues, the Board of Selectmen, the School Committee and the Finance Committee are recommending increases of 3.85% over the respective FY 2011 base budgets.

FY 2011 BASE BUDGET CALCULATION

	School			**Town**		
5/11/10 ATM	22,907,386	Operating + Debt		14,191,874		
5/11/10 ATM	(100,000)	Capital		(170,000)	Capital	
10/25/10 STM	(50,551)	Ch. 70 decrease		50,000	Snow & Ice increase	
	22,756,835			14,071,874		
	(2,544,125)			(933,044)	Excluded Debt	
	20,212,710	**FY'11 Base Budget**		**13,138,830**	**FY'11 Base Budget**	
	13,667	Projected Ch. 70 increase		(7,322)	Projected Quinn decrease	
				(46,023)	Veterans	
				16,416	ICAM Rent	
				10,000	Smoke Detector & Fire Permit fees	
	20,226,377			**13,111,901**		
	2,534,075	School Debt		**1,003,277**	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.

A Detailed Timeline

December 2010: Goal Setting and Projections

- Tri-Board Meets on **December 7th,** where the Finance Committee sets target at a 2.5% increase
- School Administrators meet to review FY12 appropriations within the target on **December 14th**
- Budget history and detailed spreadsheets distributed to school and municipal department detailing FY09 actual, FY10 actual, the FY11 budget as adopted and revised at the 2010 Special Town Meeting and FY12 salaries, categories and steps reflected on **December 15th**
- School Committee meets with the Superintendent/Director of Finance & Operations to review target numbers for FY12 Budget on **December 16th**
- Using the Finance Committee template and incorporating the Selectmen's goals', each Municipal Director, Department and Board Head creates measurable FY12 goals, projects revenue and calculates FY 2012 funding requests within the 2.5% target. Completed budgets are submitted to the Town Manager and Finance Director no later than Monday**, December 20th**
- The Town Manager and Finance Director review municipal operating budget requests with Directors, Department Heads and Board Chairmen from **December 21st through January 14th**

January & February 2011: Presentation and Integration

- Principals return completed budget worksheets and backup detail on **January 5th**
- Principals and Department Heads meet with Administration to review budgets on **January 12th**
- Municipal capital budgets are due to the Capital Committee and Town Manager on **January 14th**
- Directors and Town Manager discuss, prioritize, and finalize capital budget requests on **January 21st**
- School Committee and Administrators hold Budget Workshop **January 24th**
- The Town Manager submits draft budget to Board of Selectmen no later than **January 28th**
- Final budget presentations due to the School Department Central Office **February 2nd**
- Principals and Department Heads present to School Committee **February 4th- 10th**
- During the weeks of **February 14th-28th** School Committee and Selectmen make final adjustments in preparation of submission to the Finance Committee

March & April 2011: Hearings and Final Agreement

- School Committee holds Public Hearings on the FY 2012 Budget on **March 3rd**
- Selectmen submits FY12 Operating Budget to the Finance Committee on **March 4th**
- School Committee submits FY12 School Budget to the Finance Committee on **March 9th**
- The Finance Committee conducts Municipal and School Budget hearings **March 10th – 29th** cumulating in The Selectman, School Committee and Finance Committee meeting to finalize the budget for Town Meeting at **Bean Counting on Saturday, April, 9th**

Annual Town Meeting votes on budgets on Tuesday, May, 10th

Municipal Budget Overview

The Board of Selectmen is recommending a FY2012 municipal operating budget of $13,479,772, plus $136,937 in capital improvements and a debt exclusion of $1,003,277. This represents a 3.85% increase over its FY 2011 base budget. Due to the difficult nationwide economic climate, this has been a challenging year for the budget. Nonetheless, the Town has maintained level services and staffing. Some of the challenges and highlights of the municipal operating budget are outlined below. It is discouraging to report - but important for the citizens of Ipswich to understand - that we do not see the budget picture improving next year.

The items bulleted below represent significant increases to the FY2012 municipal operating budget.

- Salaries and wages increased 3.8% in total over the past two years, or $231,902
- Health insurance increased this year by 9.9%, or $56,530
- Retirement obligations for past municipal employees increased this year by $63,868
- OPEB obligation (health care for retired employees) increase of $69,282

- Capital spending of $136,937 is also included to help maintain the physical plant of the Town

The Town does a good job with limited resources. This past year we recognized significant savings due to the restructuring of the trash and ambulance contracts. Further, the Town's maintenance staff continues to complete many small and large projects itself rather than outsource the work to more expensive contractors. This year there are additional opportunities to reduce expenses while maintaining adequate services in the following areas:

- Consolidating the facilities management for the town and school
- Consolidating the information technology function for the town and school
- Consolidating the human resources function for the town and school
- Further coordinating recreational initiatives between the Town's recreation department, the YMCA and the schools

We hope there opportunities will be explored.

In addition to reducing expenses and seeking operational efficiencies, it is crucial for the Town to increase its revenue base in FY2012. One of the Selectmen's 2012 goals is to seek to expand the tax base by bringing more businesses into Town. This goal is strongly endorsed by the Finance Committee. We also recommend the following revenue generating initiatives:

- Institute a meals tax of 0.75%. This tax (which would add nineteen cents to a $25 dinner bill) could generate $150,000 in new revenue to Ipswich.
- Institute a daily parking fee at the train station. This is a common practice for many Towns, and could generate more than $40,000 in new revenue to Ipswich.

It is important for the short and long term health of our town that Ipswich strengthens its Free Cash position and Stabilization Fund. Free Cash is an annual measurement of the Town's financial health while the Stabilization Fund both provides financial reserves and is a key factor in our municipal bond rating (letting us borrow capital under the most favorable terms). As we approach the Annual Town Meeting our Free Cash balance is $490,699 and we expect to be making an as yet undetermined contribution to the Stabilization Fund.

The FY2012 municipal budgeting process has been challenging. Simply stated, there is not enough money to maintain the level of services that we currently enjoy. The two ways to help make ends meet are to increase revenue and/or reduce expenses. The Finance Committee is supporting a 2012 budget that does both.

School Budget Highlights

The Ipswich Public Schools has presented a FY2012 operating budget of $21,005,093 plus a $2,534,075, debt exclusion, to pay for the High School/Middle School which was built in 1999. This represents a 3.85% increase over its FY 2011 base budget.

This budget represents a reduction of numerous teaching positions: four at the elementary school level, two social studies teachers at the middle school, the equivalent of 3.8 high school teachers, the equivalent of 9.94 teaching assistants resulting in the closing of the elementary school libraries, and one HS/MS custodian for a total of $979,960. Increases include .25 for the middle school principal (bringing the position to .75) and the reinstatement of music and physical education at the elementary schools providing teacher meeting and development opportunities as well as enriching the students.

The schools energetically pursue outside funding sources. With the end of Federal Stimulus grants valued at $364,499, other sources such as the $156,188 Education Jobs Grant and others which will total $853,771. Additional monies and fees total $1,908,406, including $1,227,140, which will drain the Choice funds. The State's contribution, Chapter 70 funds, is predicted at around $2.5 million, about $14,000 more than in FY11, although that amount could be reduced by the Legislature. The Special Education budget is $5,114,990 and is expected to be somewhat offset by State Circuit Breaker and grant funding.

Despite being the beneficiary of the Feoffee (Little Neck) Trust, the schools have not received any support from this source in several years. An overview of litigation is found elsewhere in this report.

In the coming year, the Ipswich Schools forecast educating 2137 students, including 311 special needs students, 15 tuitioned outplacements, and 160 Choice-In students. The per pupil cost for Ipswich students (per 2010 DESE) was $10,902, which was 16.5% below the state average of $13,057 per pupil. Although it represents a slight improvement over the FY2008 disparity of 18.2%, this cost is substantially less than neighboring communities.

The Fin Com is actively encouraging all departments, town wide, to collaborate for cost reduction and efficiency in delivering services. Areas of opportunities for the schools involve collaboration in purchasing, IT services and recreation. The School Department is grateful to the town police for taking on the $64,371 funding for the School Resource Officer.

Past investments in energy upgrades appear to be reducing heating and electrical expenses, even before the erection of the Wind Turbine, expected to be put online this spring. Unfortunately it is likely that the FY12 budget will include no additional capital improvements.

The Fin Com, early in the budget process, voted to require the schools to budget $350,000 to fund a portion of its OPEB liability, which would keep its liability from growing. Ultimately, $275K, though not yet fully allocated, was found and agreed to be included in the school budget.

The schools are responsible for numerous unfunded mandates including Special Education costs and a new Federal initiative: Common Core. The standards established by Common Core go beyond the No Child Left Behind initiative and must be implemented by 2014. Benchmarked by international standards, all content must be aligned with the MCAS, and contain rigorous content and higher order thinking skills. As a result, new textbooks, costing $50-100 each, will be needed system-wide. There are no Federal or State monies to support this program.

The primary measurement tool for success in Massachusetts public schools continues to be the MCAS Exams. Each year the system is seeing improvement in 10th grade scores in the three primary areas of assessment, English Language Arts, Mathematics, and Biology. Graduation is possible only with a successful outcome of the Sophomore MCAS. If there are shortcomings, they generally involve the rate of improvement rather than the actual upward trend or our performance above the State average. In order to understand the impact of individual personalities on the results, the state is now tracking the scores of each class heading toward graduation. This method has helped schools better understand the needs of each class of students and provide for them.

The Ipswich Public Schools expect to educate 2137students, including 160 Choice-in, next year: Winthrop at 464; Doyon at 482; Middle School at 522 and the High School at 669. At the Elementary level, there will be three large sections of second and third grade at Winthrop, while Doyon will have large sections at the fourth and fifth grade.

Ipswich High School saw 90% of its graduates heading to college after scoring well on the MCAS exams. One senior is a National Merit Finalist. Many students are accepted by highly ranked private colleges, but attend state institutions for financial reasons. New textbooks were purchased through a private donation of over $17,000.

Regarding the athletic program, fees and gate receipts are expected to bring in about $149,238 to support the over 400 student athletes (62%) participating in 24 varsity and sub-varsity sports. In FY11, the girls indoor track team was undefeated (11-0) this year and won the Cape Ann League Large title. Two students were named CAL Track Athletes of the year: Kieran Kinnare (twice) and Samantha Brown, while Hannah O'Flynn is Division II Player of the Year.

In the visual arts, 4 high school students received Gold Keys; 8 from the high school and 2 from middle school received Silver Keys and six received Honorable Mention at the state-wide Globe awards. Trevor Denman won a Silver key for Portfolio in Photography at the National Scholastic Art & Writing Awards of 2011.

About 367 (55%) of our high school students participate in the music program and another 368 (56%) participate in art classes. This year, two students auditioned for and participated in the All State Music Festival, culminating in a performance at Symphony Hall. In addition, twenty-one student musicians won places at the Junior District Festival, and 10 went to the Senior District Festival. Honors in the Arts are more traditional for wealthy school districts and private schools and most public schools see an involvement of 10 - 12% in the arts. 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 core curriculum, rather than as an activity, in the Ipswich public schools.

The schools continue to rely on the generosity of many "Angels" 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) provides grants for extracurricular music, art and drama lessons and scholarships for graduating seniors. This year

they expect to provide $13,500 ($11,000 in college scholarships and $2,500 in summer study grants). In FY11, the group donated $7,000 to equip each of the three HS/MS art rooms with projection systems (digital projector, laptop, document camera, screen and AV cart), an additional $5,400 for computers and software for music composition, and an additional $4,500 for musical instruments. Since 2005, IMADA has contributed $211,000 to fine arts education at the Middle School and High School.

As part of its Technology for Education, the Twenty-First Century Foundation has done a complete needs assessment and expects to begin fund raising in FY12.

The High School continues to receive an annual anonymous gift which allows the purchase of new textbooks so critical to success in the new Common core initiative. Gifts from this family have totaled $170,000 over the last 6 years. Middle School parents help their students raise money through their annual Magazine Drive and the Friends of Ipswich Elementary School (FRIES) works tirelessly to support the elementary programs. At Doyon, over the last 3 years, at an estimate value of $80,000, FRIES has contributed over 15 Promethean Smartboards, and five projection systems. Among other contributions, they have purchased numerous used desktop computers and document cameras and they outfitted the library with a complete audio-visual system for presentations. This year at Winthrop, FRIES is responsible through a gift of almost $14,000, for the playground improvements that have been made, especially an early childhood climber that is appropriate for their youngest students. In addition, they have covered a multitude of teacher requests such as digital cameras, repair and digitalization of the kiln, musical instruments that are used in general education classes and have defrayed the cost of field trips.

Despite the uncertainty of grants and government programs such as the Stimulus, the Ipswich Public Schools continue to provide a good education which prepares Ipswich's children for college and the world. With below average funding the schools remain competitive in MCAS and other benchmarks primarily due to committed staff and supportive parents.

The Finance Committee supports the School Department's FY'12 appropriated operating budget of $21,005,093, which is net of the $2,534,075 annual portion of excluded debt for the construction of the High School/Middle School. The Fin Com supports the Schools' attempt to increase revenues with user fees and the ongoing litigation to secure regular distributions from the Feoffees of the Grammar School, of which the Ipswich Public Schools are the sole beneficiary.

Capital Expenditure Overview

The Finance Committee believes that Ipswich must continue to allocate resources towards maintaining/reinvesting in the town's infrastructure and equipment. During this year's budget process, the Finance Committee has asked the Board of Selectmen and School Committee to provide a three year Capital Plan along with their Operating Budgets. These plans will be available for your review on the Finance Committee website.

The municipal budget currently has $137K allocated for capital improvement, with an additional commitment from the Board of Selectman to increase this to $170K. Also, $200K, in addition to Chapter 90 funds, is included in the budget for road pavement repair and maintenance. Two projects identified as a priority for FY12, totaling more than the amount currently available, include:

- $83K - in Police / Fire and Emergency Management Equipment and Infrastructure (includes: one police cruiser, Police shortwave radio, Fire Station brick re-pointing and an E.M. Electric Generator)
- $100K - in Library, Town Hall and Public Works Equipment and Infrastructure (includes Library carpet and new Fuel Equipment)

The School Committee has identified two priority projects for FY12, but, as yet, has not found a funding source. These projects are:

- $62K - Lights and Fixtures Replacement in the High School / Middle School Gym, Library and Cafeteria. This project will provide annual energy savings.
- $240K – Roof replacement at Doyon Elementary School.

Long Range Financial Planning

Revenues

The continuous decline in the rate of growth of Total Receipts and Available Funds, due largely to the effects of the economy, are holding down the town's Total Available Revenues, which have increased an average of only 2.5% per year over the past four years. This trend is not likely to be reversed soon.

Most of the municipal and school bargaining units have settled on multiyear contracts that include modest salary increases and revisions to the health insurance plan provided by the town. Modifications made to the health insurance plans should reduce the anticipated rate at which health insurance costs increase in the immediate year, but, following the immediate savings, these costs will likely continue to rise faster than revenues. Annual revenue increases of 2.5% cannot sustain raises and benefit increases to employees that have a greater total cost. The Finance Committee recommends that future settlements be expressed as a total year to year cost increase and not just the % change in the salary schedule. For the schools that includes the built in cost of longevity steps and educational credits and for both the schools and the town it includes any increases in benefit costs.

Bargaining Unit Settlements			
Contract Year	Police	Firefighters & 4 AFSCME	Teachers
FY'10	0%	0%	3%
FY'11	2%	2%	0%
FY'12	2%	2%	2%
FY'13	3%	3%	3%

Note: All settlements were linked to acceptance of a new health insurance plan design which will reduce the increases in premium costs to the employee and the town.

Savings in the municipal budget have resulted from changes in trash pickup policies and a revised ambulance service contract. Savings in the school budget are expected following the installation of a wind turbine. Both the municipal and school budgets have realized savings from negotiated modifications to the health insurance for town and school employees. This is an example of creative solutions which free funds for other purposes.

Schools - The schools will be facing a very difficult year as a result of the loss of stimulus funding, and the continued absence of any monies from the Feoffees. Massachusetts Department of Elementary and Secondary Education data (FY09) shows that Ipswich ranks 3rd lowest among the 17 communities, used by the Long Range Financial Planning (LRFP) subcommittee for comparison purposes, in Total Expenditures Per Pupil. It would take an additional $2.5M for Ipswich to reach the midpoint of these communities. An expected loss of revenue, in FY12, of as much as $300K will have a significant impact on the education of the town's students and the quality in the schools. Given that Ipswich is already low in Total Expenditures per Pupil, educational program losses and staff reductions are inevitable unless new revenues are found or innovative cost reductions are discovered.

Major Expense Items

Several major expense items will affect the town this year and over the next several years. These include increases in pension costs, Feoffee litigation, Other Post Employment Benefits (OPEB, which is mainly unfunded health insurance for current and future retirees), road maintenance, capital improvement/major maintenance, a new fire and police station and open space preservation. In order to make choices regarding what, when and how much, it's important to understand the impact these items have on other town services and to exercise whatever control we can to minimize that impact. Some of these items may even require consideration of a tax override or risk significant undermining in the quality of the services provided by the town. This is particularly relevant to how the Schools fund its OPEB obligation. The town needs to plan for its OPEB obligations, which, if not funded, will result in the town's financial liability increasing in an uncontrollable manner for the foreseeable future. Deferring this obligation in the near term has the potential to create serious budget issues in the long term.

Major Expense Items	Total Estimated Cost	Estimated Annual Cost	Impact Period
Pension	$400,000	$200,000	Increase, for next two years, to pay for unfunded pension liabilities
Feoffee litigation	$600,000	$300,000	Annual litigation costs with settlement expected within next two years
Other Post Employment Benefits (OPEB)	$23,900,000	$1,000,000	Annual cost to pay for unfunded health care liabilities
Road Maintenance	N/A	$200,000	Annual local cost (added to Ch 90)
Capital Improvement/Major Maintenance	N/A	$300,000	Annual amount needed to maintain facilities
New Fire and Police Stations	$8,000,000	$400,000	Annual cost for 20 yr bond
Open Space Preservation	$5,000,000	$500,000	Annual cost for 10 yr bond
Total		**$2,900,000**	$2.9M = about 10% of the levy limit

Recommendations

- Current pension liabilities must be paid. This is a legal requirement.
- Feoffee litigation costs are placing a significant burden on the town's financial resources. Since negotiated resolution has not proved possible, the SC and town have no choice other than to aggressively pursuing litigation to a favorable outcome.
- Ipswich must define a plan for fully funding health insurance liabilities without adversely affecting its other local services. While we seek to define that process, we should continue funding OPEB at current levels and seek to fully fund this liability as soon as possible to prevent it from escalating. At the same time, we need to examine plans and practices being developed by other communities.
- The town has successfully generated revenues as a result of significant savings opportunities and well managed salary negotiations. At the same time, the school costs have risen without sufficient revenues to cover those costs. The BoS, SC and Fincom need to work together to resolve this problem by seeking additional savings opportunities and developing new revenue sources. Some thoughts are: consolidate town/school functions and reconsider meals tax, regional dispatch and MBTA parking fees.

Feoffees of Grammar School

The Finance Committee has continued its efforts to have the town move forward to change the Feoffees to a publically appointed body and to resolve the status of the Little Neck property to assure a steady income source for the Schools for the indefinite future. The functioning of the Feoffees and income for the schools has been an issue since the mid 1990's when contributions to the schools were little or none. Town Meeting in 2001 established an Ad Hoc Town Committee on the Feoffees. After diligent work, the Town Committee issued a detailed report in April of 2002 finding that the Feoffees were not meeting their responsibilities and recommended that the Feoffees be changed to a publicly appointed board that operates transparently and fulfills its original purposes of providing a full and fair return on the value of the property to the public schools. Town counsel advised that this could be done by law suit in Probate Court or Act of the Legislature. Unfortunately, the Town Committee's recommendations did not result in concrete progress. The School Committee hired special counsel and undertook a 10- year process of drafting a trust document that would establish a publically appointed board to succeed the current Feoffees, but no legal action was taken to force this.

In the fall of 2009, the Finance Committee initiated a Home Rule petition to the Legislature, which was approved by Town meeting, asking for a change in Feoffees governance. The Joint Committee on Municipalities and Regional Governance held a hearing in the spring of 2010 with testimony from members of the Finance Committee, Board of Selectmen and School Committee. There was vigorous opposition by the Little Neck tenants and the Feoffees who simultaneously filed an action in Probate Court seeking permission to sell Little Neck to the tenants. The School Committee filed papers opposing the sale and requesting a change in Feoffees' governance. The Legislative Committee eventually voted not to support the Home Rule petition, apparently in response to an argument by the Feoffees' counsel that the issue was now in court and that it would be unconstitutional for the Legislatures to take up these issues while the litigation was pending.

Last fall the Finance Committee requested a transfer of $300,000 from free cash to continue and complete litigation regarding the proposed sale of Little Neck and the reformation of the Feoffees into a publicly appointed board and to fund other legal and expert costs related to these issues. The three town boards had negotiated the establishment of a Triboard Working Group to manage the expenditure of these funds, and Town meeting added a requirement that all three boards approve any expenditures. These funds have been used to support an appraisal of Little Neck commissioned by the Finance Committee, another appraisal by the School Committee, defense by the School Committee of the action brought by the Feoffees in Probate Court, and other related town counsel services. Town counsel services included an effort by the three Selectmen who serve on the Feoffees to be allowed to become defendants alongside the School Committee in the Probate Court action. This effort by the Selectmen was not allowed, but the School Committee was able to defeat a Summary Judgment motion from the Feoffees asking for authority to mortgage Little Neck and to sell it to the tenants without the necessity of trial. The School Committee did not ask for Summary Judgment on its own claims. The result of the judge's orders will be a lengthy period of discovery, trial preparation and trial, possibly next fall. The School Committee's attorneys asked that their counter claim to change the Feoffees governance be "bifurcated" (separated) from the Little Neck sale issue and to defer trial on that issue. A citizen's group filed an impressive Amicus Brief with the Probate Court raising many of the issue and concerns about governance, transparency and lack of financial support for the schools. The group did not seek to intervene in the litigation.

A request for funds to continue the litigation and related activities will be on the Warrant for the upcoming Town Meeting, as will an article to provide three-board oversight of expenditure of those funds. There will also be a citizen petition renewing the effort to pursue a Home Rule petition to change the Feoffees and to ask our legislators to take an active role in removing the Feoffees and resolving the Little Neck dispute.

OPEB Discussion

Government Accounting Standards Board (GASB) Statement 45, or GASB 45, is an accounting and financial reporting provision, currently in place, which requires government employers to measure and report the liabilities associated with Other Post Employment Benefits (OPEB). OPEBs in Ipswich primarily include post-retirement medical benefits. Ipswich, starting in FY2009, is required to comply with GASB 45. Typically an actuary (or actuaries), with both pension and health experience, must perform the calculations, following generally accepted actuarial methods, to determine the town's liabilities. There are three basic ways of treating unfunded liabilities: establish and fund an irrevocable trust, pay-as-you-go, or setting aside a dedicated reserve. Ipswich has chosen to set aside a dedicated reserve and, this past year, has placed its Medicare reimbursement into this reserve as a first step in funding its liability.

Ipswich is required to fully fund its OPEB liabilities within 30 years, or by FY2039. Ipswich paid for its first actuarial determination of its OPEB liabilities in June and it identified a total actuarial liability of $23.9M of which 62% is the responsibility of the schools. Left unfunded this liability is predicted to increase by about 6% (or close to $2M) annually; left unfunded, this would have a major negative impact on the town.

The Finance Committee, early in the budget process, voted to require an increase in the current school budget of approximately $350,000 initially, with an additional $650,000 phased in over two years. For the municipal budget, an increase, initially, of approximately $105,000 with an additional $410,000, phased in over two years, would be required to pay down its liability. At a meeting in late March, Michael Widmer, Chairman of the Massachusetts Taxpayers Foundation stated that no city or town in the Commonwealth was capable of paying down this liability and that the best strategy was to lobby the state house and negotiate with local workers to modify the existing health plans so that the ultimate liability is affordable.

No doubt the numbers and the calculation methods are confusing and we need to better understand both. Since the calculations are actuarial and are based on cost projections, it is expected that the newly negotiated health plans agreed to by the town's bargaining units will hold down increases in the town's unfunded liability. It's also clear that the town must devise and commit to a payment plan that assures promised health benefits will be provided to the town's retirees. In any event, this is an expense we have not previously borne. This will take funds previously devoted to other town services, unless the town passes an override to support the obligation, or formulates a major restructuring of this benefit to offset its rising liability to the town's employees.

As part of this year's annual budget the Finance Committee is requesting $20,000 to hire a consultant that will help identify a strategy to reduce the town's OPEB costs. While there is much discussion at the State level about how to deal with this significant liability, the Finance Committee feels that it is important that the Town understand actions that it can take to reduce the costs and long term liability of OPEB.

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 10 and at the YMCA to vote on Tuesday, May 24.

Respectfully Submitted

FINANCE COMMITTEE – TOWN OF IPSWICH

Jamie M. Fay, Chair
Larry Seidler, Vice-Chair
Janice Clements-Skelton
Mitch Feldman
Richard Howard
Michael Schaaf
Marion Swan
Robert White
Todd Wilson

BUDGET SUMMARY CHART

	FY2009 APPROP (a)	FY2010 APPROP (a)	FY2011 APPROP (a)	FY2012 RECOMM	DOLLAR Inc/(Dec)	PER CENT Inc/Dec
MUNICIPAL OPERATING BUDGET						
General Government: Administration and Legal	356,969	342,357	344,657	349,802	5,145	1.5%
Finance Directorate	887,228	922,611	919,404	959,006	39,602	4.3%
Planning and Development Directorate	225,632	224,702	236,802	236,362	(440)	-0.2%
Public Safety Directorate	4,023,346	3,944,896	3,917,651	3,935,515	17,864	0.5%
Public Works Directorate	2,965,420	3,027,137	3,054,683	2,945,666	(109,017)	-3.6%
Code Enforcement Directorate	397,160	397,026	408,926	423,474	14,548	3.6%
Human Services Directorate	348,285	368,607	370,307	399,314	29,007	7.8%
Facilities Management Directorate	562,475	630,357	710,795	642,196	(68,599)	-9.7%
Library	518,375	511,994	518,494	535,162	16,668	3.2%
Debt Service	1,320,087	1,328,754	1,256,361	1,308,649	52,288	4.2%
Insurance	272,503	245,284	221,384	247,202	25,818	11.7%
Benefits	1,690,786	1,828,203	2,046,915	2,249,397	202,482	9.9%
Unclassified & Reserve Fund	239,181	191,018	235,495	251,304	15,809	6.7%
General Fund Capital	0	0	0	136,937	136,937	
Total Municipal Operating Budget	13,807,447	13,962,946	14,241,874	14,619,986	378,112	2.7%
IPSWICH PUBLIC SCHOOLS OPERATING BUDGET:						
School Department	22,513,585	22,410,657	22,856,835	23,539,168	682,333	3.0%
Whittier Vocational	574,195	452,406	350,095	270,246	(79,849)	-22.8%
Total Education Budget	23,087,780	22,863,063	23,206,930	23,809,414	602,484	2.6%
TOTALS	36,895,227	36,826,009	37,448,804	38,429,400	980,596	2.6%
(excluding Water & Sewer Divisions)						
(a) Appropriations at Fall Town Meeting included						

PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION

		FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
GENERAL GOVERNMENT: ADMINISTRATION & LEGAL						
	[Expenditure columns do not reflect encumbrances.]					
122	SELECTMEN:					
	Salaries & Wages	4,695	3,000	4,000	4,495	495
	Expenses	13,681	13,681	13,681	13,715	34
	Capital Outlay	0	0	0	0	0
	Total	18,376	16,681	17,681	18,210	529
113	MODERATOR:					
	Salaries & Wages	250	250	250	250	0
	Expenses	0	0	0	0	0
	Total	250	250	250	250	0
123	TOWN MANAGER:					
	Salaries & Wages	168,977	161,372	161,372	164,390	3,018
	Expenses	27,093	22,681	24,031	25,549	1,518
	Capital Outlay	0	0	0		0
	Total	196,070	184,053	185,403	189,939	4,536
124	LEGAL:					
	Town Counsel-Litigation	80,000	80,000	80,000	80,000	0
	Town Counsel Expenses	0	0	0	0	0
	Total	80,000	80,000	80,000	80,000	0
131	FINANCE COMMITTEE:					
	Salaries & Wages	2,423	2,423	2,423	2,423	0
	Expenses	7,200	6,400	6,400	4,710	(1,690)
	Total	9,623	8,823	8,823	7,133	(1,690)
136	PURCHASING & BUDGET					
	Salaries & Wages	50,000	50,000	50,000	52,020	2,020
	Expenses	2,650	2,550	2,500	2,250	(250)
	Total	52,650	52,550	52,500	54,270	1,770
	TOTAL GENERAL GOVERNMENT: ADMINISTRATION & LEGAL	356,969	342,357	344,657	349,802	5,145

	PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION					
		FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
	FINANCE DEPARTMENT					
134	ACCOUNTANT:					
	Salaries & Wages	231,216	231,976	231,916	241,180	9,264
	Expenses	7,600	7,790	7,850	8,545	695
	Capital Outlay	0	0	0	0	0
	Total	238,816	239,766	239,766	249,725	9,959
137	ASSESSORS:					
	Salaries & Wages	167,721	167,721	167,721	174,977	7,256
	Expenses	20,110	21,230	22,219	22,148	(71)
	Capital Outlay	0	0	0	0	0
	Total	187,831	188,951	189,940	197,125	7,185
138	TREASURER/COLLECTOR:					
	Salaries & Wages	154,794	162,262	162,260	169,021	6,761
	Expenses	19,841	19,145	19,145	19,245	100
	Capital Outlay	0	0	0	0	0
	Total	174,635	181,407	181,405	188,266	6,861
154	INFORMATION TECHNOLOGY:					
	Salaries & Wages	82,126	82,126	82,126	85,445	3,319
	Expenses	50,677	54,284	66,436	86,990	20,554
	Capital Outlay	0	40,432	9,600	0	(9,600)
	Total	132,803	176,842	158,162	172,435	14,273
161	TOWN CLERK:					
	Salaries & Wages	98,113	102,512	102,512	106,973	4,461
	Expenses	8,592	8,392	8,391	12,058	3,667
	Capital Outlay	0	0	0	0	0
	Total	106,705	110,904	110,903	119,031	8,128
162	ELECTIONS & REGISTRATIONS:					
	Salaries & Wages	28,518	13,566	28,058	20,412	(7,646)
	Expenses	17,920	11,175	11,170	12,012	842
	Capital Outlay	0	0	0	0	0
	Total	46,438	24,741	39,228	32,424	(6,804)
	TOTAL FINANCE DEPARTMENT	887,228	922,611	919,404	959,006	39,602

PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION

		FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
	PLANNING & DEVELOPMENT DEPARTMENT					
171	PLANNING BOARD:					
	Salaries & Wages	132,320	132,320	132,320	137,463	5,143
	Expenses	5,925	5,495	17,995	10,400	(7,595)
	Capital Outlay	0	0	0	0	0
	Total	138,245	137,815	150,315	147,863	(2,452)
172	PLANNING & DEVELOPMENT CONTRACTS:					
	Salaries & Wages	500	0	0	0	0
	Expenses	7,520	7,520	6,320	6,320	0
	Capital Outlay	0	0	0	0	0
	Total	8,020	7,520	6,320	6,320	0
173	CONSERVATION COMMISSION:					
	Salaries & Wages	72,802	72,802	72,802	75,744	2,942
	Expenses	2,790	2,790	2,790	2,650	(140)
	Capital Outlay	0	0	0	0	0
	Total	75,592	75,592	75,592	78,394	2,802
175	HISTORICAL COMMISSION:					
	Salaries & Wages	0	0	0	0	0
	Expenses	3,775	3,775	4,575	3,785	(790)
	Capital Outlay	0	0	0	0	0
	Total	3,775	3,775	4,575	3,785	(790)
	TOTAL PLANNING & DEVELOPMENT	225,632	224,702	236,802	236,362	(440)

PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION

		FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
	PUBLIC SAFETY DEPARTMENT					
210	POLICE:					
	Salaries & Wages	2,138,941	2,138,941	1,951,357	2,023,883	72,526
	Expenses	76,190	68,840	83,174	93,205	10,031
	Ambulance Contract	245,000	202,350	0	0	0
	Capital Outlay	26,000	0	81,000	0	(81,000)
	Total	2,486,131	2,410,131	2,115,531	2,117,088	1,557
220	FIRE:					
	Salaries & Wages	1,321,361	1,321,361	1,332,051	1,378,739	46,688
	Expenses	79,740	78,590	67,900	67,375	(525)
	Capital Outlay	0	0	12,500	0	(12,500)
	Total	1,401,101	1,399,951	1,412,451	1,446,114	33,663
233	EMERGENCY MANAGEMENT:					
	Salaries & Wages	9,075	9,075	9,075	9,443	368
	Expenses	1,200	1,200	1,200	1,224	24
	Capital Outlay	0	0	0	0	0
	Total	10,275	10,275	10,275	10,667	392
292	ANIMAL CONTROL:					
	Salaries & Wages	57,474	57,474	57,474	59,191	1,717
	Expenses	3,350	2,700	2,700	3,004	304
	Capital Outlay	0	0	0	0	0
	Total	60,824	60,174	60,174	62,195	2,021
295	HARBORS:					
	Salaries & Wages	0	0	19,969	0	(19,969)
	Expenses	0	0	10,219	0	(10,219)
	Capital Outlay	0	0	0	0	0
	Total	0	0	30,188	0	(30,188)
296	SHELLFISH:					
	Salaries & Wages	59,800	61,450	62,650	64,939	2,289
	Expenses	5,215	2,915	2,915	2,893	(22)
	Capital Outlay	0	0	0	0	0
	Total	65,015	64,365	65,565	67,832	2,267
297	CIVILIAN DISPATCH					
	Salaries & Wages	0	0	220,917	229,069	8,152
	Expenses	0	0	2,550	2,550	0
	Capital Outlay	0	0	0	0	0
	Total	0	0	223,467	231,619	8,152
	TOTAL PUBLIC SAFETY DEPARTMENT	4,023,346	3,944,896	3,917,651	3,935,515	17,864

PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION

	FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
PUBLIC WORKS DEPARTMENT					
ADMINISTRATION:					
Salaries & Wages	138,629	138,764	138,764	144,417	5,653
Expenses	4,082	4,178	4,178	4,189	11
Capital Outlay	0	0	0	0	0
Total	142,711	142,942	142,942	148,606	5,664
EQUIPMENT MAINTENANCE:					
Salaries & Wages	54,290	54,290	54,290	56,393	2,103
Expenses	227,512	175,130	175,108	176,389	1,281
Capital Outlay	0	0	0	0	0
Total	281,802	229,420	229,398	232,782	3,384
SNOW & ICE CONTROL:					
Salaries & Wages	80,000	80,000	95,000	95,000	0
Expenses	252,564	352,564	387,564	387,564	0
Total	332,564	432,564	482,564	482,564	0
HIGHWAY:					
Salaries & Wages	381,802	393,786	408,022	422,025	14,003
Expenses	259,249	265,329	251,093	250,903	(190)
Road treatment	250,000	200,000	200,000	200,000	0
Capital Outlay	0	0	115,000	0	(115,000)
Total	891,051	859,115	974,115	872,928	(101,187)
FORESTRY:					
Salaries & Wages	105,927	102,927	102,637	104,771	2,134
Expenses	22,771	22,592	22,882	22,455	(427)
Capital Outlay	0	0	45,000	0	(45,000)
Total	128,698	125,519	170,519	127,226	(43,293)
SANITATION CONTRACT:					
Expenses	805,170	860,350	679,705	693,300	13,595
Capital Outlay	0	0	0	0	0
Total	805,170	860,350	679,705	693,300	13,595
SOLID WASTE TRANSFER STATION:					
Salaries & Wages	14,951	14,951	14,951	15,950	999
Expenses	11,036	10,036	10,036	9,537	(499)
Capital Outlay	0	0	0	0	0
Total	25,987	24,987	24,987	25,487	500
CEMETERIES, PARKS & BUILDING MAINTENANCE:					
Salaries & Wages	324,697	322,378	319,376	331,943	12,567
Expenses	32,740	29,862	31,077	30,830	(247)
Capital Outlay	0	0	0	0	0
Total	357,437	352,240	350,453	362,773	12,320
TOTAL PUBLIC WORKS DEPARTMENT	2,965,420	3,027,137	3,054,683	2,945,666	(109,017)

PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION

		FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
	CODE ENFORCEMENT DEPARTMENT					
251	BUILDING INSPECTION:					
	Salaries & Wages	195,440	196,486	196,786	203,195	6,409
	Expenses	6,400	5,320	17,020	18,590	1,570
	Capital Outlay	0	0	0	0	0
	Total	201,840	201,806	213,806	221,785	7,979
174	APPEALS BOARD:					
	Salaries & Wages	22,978	22,978	22,978	23,907	929
	Expenses	2,300	2,300	2,200	1,700	(500)
	Capital Outlay	0	0	0	0	0
	Total	25,278	25,278	25,178	25,607	429
512	HEALTH:					
	Salaries & Wages	114,191	114,191	117,957	124,097	6,140
	Expenses	55,851	55,751	51,985	51,985	0
	Capital Outlay	0	0	0	0	0
	Total	170,042	169,942	169,942	176,082	6,140
	TOTAL CODE ENFORCEMENT	397,160	397,026	408,926	423,474	14,548
	HUMAN SERVICES DEPARTMENT					
620	RECREATION AND YOUTH SERVICES:					
	Salaries & Wages	129,800	130,348	130,348	134,843	4,495
	Expenses	15,623	15,075	16,775	16,512	(263)
	Capital Outlay	0	0	0	0	0
	Total	145,423	145,423	147,123	151,355	4,232
541	COUNCIL ON AGING:					
	Salaries & Wages	110,023	110,345	110,345	114,063	3,718
	Expenses	2,839	2,839	2,839	2,896	57
	Capital Outlay	0	0	0	0	0
	Total	112,862	113,184	113,184	116,959	3,775
543	VETERANS' BENEFITS:					
	Expenses	90,000	110,000	110,000	131,000	21,000
	Total	90,000	110,000	110,000	131,000	21,000
	TOTAL HUMAN SERVICES DEPARTMENT	348,285	368,607	370,307	399,314	29,007

	PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION					
		FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
	FACILITIES MANAGEMENT DEPARTMENT					
472	FACILITIES MANAGEMENT					
	Salaries & Wages	192,122	224,269	230,745	238,584	7,839
	Expenses	370,353	406,088	399,612	403,612	4,000
	Capital Outlay	0	0	80,438	0	(80,438)
	Total	562,475	630,357	710,795	642,196	(68,599)
	TOTAL FACILITIES MANAGEMENT DEPARTMENT	562,475	630,357	710,795	642,196	(68,599)
	LIBRARY					
610	LIBRARY:					
	Salaries & Wages	391,603	391,752	389,015	404,991	15,976
	Expenses	126,772	120,242	129,479	130,171	692
	Capital Outlay	0	0	0	0	0
	TOTAL LIBRARY DEPARTMENT	518,375	511,994	518,494	535,162	16,668

PROPOSED MUNICIPAL OPERATING BUDGET FOR TOWN MEETING ACTION

	FY2009 APPROP.	FY2010 APPROP.	FY2011 APPROP.	FY2012 RECOMMEND	DOLLAR Inc/(Dec)
BENEFITS:					
Veterans Pensions					
Essex Retirement System					
Health, Life, Medicare					
OPEB & HRA					
TOTAL BENEFITS	1,690,786	1,828,203	2,046,915	2,249,397	202,482
INSURANCE:	272,503	245,284	221,384	247,202	25,818
DEBT SERVICE:					
Long Term Principal	947,213	951,983	923,000	956,000	33,000
Long Term Interest	364,874	370,871	327,686	336,149	8,463
Short Term Interest	3,000	900	675	11,500	10,825
Interest on Bans; Debt Issuance Fees	5,000	5,000	5,000	5,000	0
Total	1,320,087	1,328,754	1,256,361	1,308,649	52,288
Municipal General Fund Capital	0	0	0	136,937	136,937
UNCLASSIFIED					
RESERVE FUND					
Reserve Fund	60,000	50,000	50,000	50,000	0
Total	60,000	50,000	50,000	50,000	0
MISCELLANEOUS FINANCE					
Management Transfer Account	75,000	33,168	84,280	85,000	720
Expenses	104,181	107,850	101,215	116,304	15,089
TOTAL MISCELLANEOUS	179,181	141,018	185,495	201,304	15,809
TOTAL UNCLASSIFIED	239,181	191,018	235,495	251,304	15,809
TOTAL OPERATING BUDGET:	13,807,447	13,962,946	14,241,874	14,619,986	378,112

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION

SCHOOL / DESCRIPTION	FY2009 BUDGET	FY2010 BUDGET	FY2011 BUDGET	FY2012 BUDGET REQUEST	DOLLAR Inc/(Dec)	% Inc (Dec)
DOYON ELEMENTARY SCHOOL -- Enrollment as of 10/01/10 is 479						
UNDISTRIBUTED	$1,206,649	$1,192,359	$1,287,240	$1,239,222	($48,018)	-3.7%
SPED PRESCHOOL	$96,899	$94,646	$117,082	$106,425	($10,657)	-9.1%
KINDERGARTEN	$158,910	$168,805	$153,500	$165,857	$12,357	8.1%
ENGLISH/LANGUAGE ARTS	$10,186	$7,550	$8,146	$7,937	($209)	-2.6%
READING	$42,678	$45,772	$53,919	$53,902	($17)	0.0%
MATH	$27,992	$31,557	$30,260	$31,680	$1,420	4.7%
SCIENCE	$1,807	$2,727	$3,535	$2,734	($801)	-22.7%
SOCIAL STUDIES	$863	$140	$962	$627	($335)	-34.8%
ART	$45,776	$39,301	$43,350	$42,448	($902)	-2.1%
MUSIC	$96,480	$92,199	$90,474	$108,981	$18,507	20.5%
PHYS.ED./HEALTH INSTRUCTION	$84,436	$98,108	$86,692	$108,492	$21,800	25.1%
LIBRARY/ AV	$42,923	$25,339	$20,927	$563	($20,364)	-97.3%
HEALTH SERVICES	$48,947	$52,968	$55,930	$60,035	$4,105	7.3%
GUIDANCE	$73,750	$76,663	$77,796	$79,320	$1,524	2.0%
CO-CURRICULAR ACTIVITIES	$3,500	$0	$0	$0	$0	--
SPED/SPED SUMMER/ESL	$726,516	$746,240	$807,059	$1,073,655	$266,596	33.0%
PRINCIPAL'S OFFICE	$205,315	$182,667	$183,556	$185,591	$2,035	1.1%
BUILDING&GROUNDS OPERATIONS	$166,642	$165,780	$162,369	$158,212	($4,157)	-2.6%
DOYON APPROPRIATED BUDGET	**$3,040,269**	**$3,022,821**	**$3,182,797**	**$3,425,681**	**$242,884**	**7.6%**

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION

WINTHROP ELEMENTARY SCHOOL -- Enrollment as of 10/01/10 is 444

UNDISTRIBUTED	$1,120,825	$1,066,173	$1,119,203	$1,023,296	($95,907)	-8.6%
SPED PRESCHOOL	$55,232	$60,295	$59,803	$68,683	$8,880	14.8%
KINDERGARTEN	$195,891	$207,082	$195,965	$202,349	$6,384	3.3%
ENGLISH/LANGUAGE ARTS	$4,392	$4,392	$4,400	$10,620	$6,220	141.4%
READING	$42,382	$43,841	$44,229	$46,989	$2,760	6.2%
MATH	$22,376	$37,131	$38,494	$69,823	$31,329	81.4%
SCIENCE	$3,250	$3,250	$3,300	$3,300	$0	0.0%
SOCIAL STUDIES	$2,760	$2,760	$2,700	$2,700	$0	0.0%
ART	$54,952	$49,043	$52,689	$55,094	$2,405	4.6%
MUSIC	$96,440	$91,006	$89,690	$115,655	$25,965	28.9%
PHYS.ED./HEALTH INSTRUCTION	$99,360	$95,529	$65,016	$83,724	$18,708	28.8%
LIBRARY/ AV	$43,200	$23,139	$21,578	$700	($20,878)	-96.8%
HEALTH SERVICES	$56,368	$59,556	$49,685	$53,328	$3,643	7.3%
GUIDANCE	$63,987	$66,559	$67,551	$68,892	$1,341	2.0%
CO-CURRICULAR ACTIVITIES	$10,000	$5,000	$5,000	$6,000	$1,000	20.0%
SPED/SUMMER SPED/ESL	$931,194	$969,672	$993,301	$973,691	($19,610)	-2.0%
PRINCIPAL'S OFFICE	$181,894	$189,269	$189,687	$197,279	$7,592	4.0%
BUILDINGS & GROUNDS OPERATIONS	$149,632	$142,840	$151,184	$138,150	($13,034)	-8.6%
WINTHROP APPROPRIATED BUDGET	**$3,134,135**	**$3,116,537**	**$3,153,475**	**$3,120,273**	**($33,202)**	**-1.1%**

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION

IPSWICH MIDDLE SCHOOL – Enrollment as of 10/01/10 is 522

UNDISTRIBUTED	$112,165	$102,165	$102,165	$110,636	$8,471	8.3%
ENGLISH/LANGUAGE ARTS	$407,522	$429,850	$411,797	$433,039	$21,242	5.2%
MATH	$385,528	$408,173	$424,446	$425,645	$1,199	0.3%
SCIENCE	$367,161	$393,135	$416,830	$423,428	$6,598	1.6%
SOCIAL STUDIES	$337,778	$355,184	$373,661	$291,027	($82,634)	-22.1%
WORLD LANGUAGE	$132,590	$0	$0	$0	$0	0.0%
ART	$68,692	$71,332	$72,351	$73,728	$1,377	1.9%
MUSIC	$156,665	$163,375	$159,881	$161,792	$1,911	1.2%
PHYS.ED./HEALTH INSTRUCTION	$136,797	$142,215	$145,807	$150,469	$4,662	3.2%
TECH INSTRUCTION	$69,192	$71,832	$72,851	$77,904	$5,053	6.9%
HEALTH & WELLNESS	$75,514	$78,431	$46,000	$53,771	$7,771	16.9%
LIBRARY AV	$53,910	$43,965	$44,529	$43,989	($540)	-1.2%
HEALTH SERVICES	$39,880	$41,941	$41,810	$43,980	$2,170	5.2%
GUIDANCE	$50,229	$53,642	$55,548	$59,815	$4,267	7.7%
UNDISTRIBUTED ATHLETICS	$11,270	$11,270	$11,270	$5,350	($5,920)	-52.5%
CO-CURRICULAR ACTIVITES/DRAMA	$20,000	$11,040	$11,040	$15,000	$3,960	35.9%
SPED/ESL	$873,051	$846,209	$1,006,881	$896,987	($109,894)	-10.9%
PRINCIPALS OFC	$288,718	$298,431	$260,160	$286,931	$26,771	10.3%
MIDDLE SCHOOL APPROPRIATED BUDGET	**$3,586,662**	**$3,522,190**	**$3,657,027**	**$3,553,491**	**($103,536)**	**-2.8%**

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION

IPSWICH HIGH SCHOOL -- Enrollment as of 10/01/10 is 672						
UNDISTRIBUTED	$78,650	$78,230	$87,230	$82,230	($5,000)	-5.7%
ENGLISH/LANGUAGE ARTS	$488,957	$461,952	$458,219	$440,011	($18,208)	-4.0%
MATH	$475,929	$499,855	$500,993	$449,085	($51,908)	-10.4%
SCIENCE	$445,820	$437,557	$457,648	$468,878	$11,230	2.5%
SOCIAL STUDIES	$394,760	$405,792	$468,098	$503,886	$35,788	7.6%
WORLD LANGUAGE	$380,318	$393,769	$387,149	$396,677	$9,528	2.5%
ART	$116,859	$126,715	$133,383	$144,863	$11,480	8.6%
MUSIC	$160,492	$166,098	$161,237	$165,329	$4,092	2.5%
PHYS.ED./HEALTH INSTRUCTION	$207,226	$202,013	$214,356	$210,551	($3,805)	-1.8%
TECH INSTRUCTION	$45,000	$6,500	$77,450	$80,336	$2,886	3.7%
CHILD DEVELOPMENT	$29,524	$29,563	$30,729	$0	($30,729)	-100.0%
LIBRARY AV	$52,999	$43,415	$43,878	$44,639	$761	1.7%
HEALTH SERVICES	$40,332	$41,110	$41,394	$41,961	$567	1.4%
GUIDANCE	$219,896	$223,438	$244,673	$239,370	($5,303)	-2.2%
CO-CURRICULAR ACTIVITIES	$23,000	$24,306	$24,306	$24,306	$0	0.0%
DRAMA	$3,300	$3,300	$3,300	$3,800	$500	15.2%
SPED/ESL	$1,117,742	$1,331,467	$1,309,082	$1,408,434	$99,352	7.6%
PRINCIPALS OFFICE	$330,761	$340,891	$340,030	$347,808	$7,778	2.3%
ATHLETIC	$335,245	$246,640	$250,315	$259,245	$8,930	3.6%
HIGH SCHOOL APPROPRIATED BUDGET	**$4,946,810**	**$5,062,611**	**$5,233,470**	**$5,311,409**	**$77,939**	**1.5%**
HIGH-MIDDLE SCHOOL OPERATIONS						
MS-HS BLDG & GROUNDS APPROP. BUDGET	**$609,772**	**$541,903**	**$420,932**	**$375,944**	**($44,988)**	**-10.7%**

PROPOSED IPSWICH PUBLIC SCHOOLS OPERATING BUDGET FOR TOWN MEETING ACTION

DISTRICTWIDE/CENTRAL OFFICE – Total Enrollment as of 10/01/10 is 2117

UNDISTRIBUTED						
DISTRICTWIDE CURRICULUM & PROF. DEVEL.	$307,765	$184,765	$217,000	$277,174	$60,174	27.7%
MUSIC	$19,554	$20,402	$20,621	$20,918	$297	1.4%
INTEGRATED TECHNOLOGY	$417,631	$210,399	$221,588	$223,109	$1,521	0.7%
HEALTH SERVICES	$1,550	$1,550	$1,550	$1,550	$0	0.0%
SPED	$466,180	$460,642	$471,887	$552,115	$80,228	17.0%
ENGLISH AS SECOND LANGUAGE	$0	$0	$35,000	$35,000	$0	0.0%
SCHOOL COMMITTEE	$7,150	$7,150	$7,900	$7,900	$0	0.0%
SUPERINTENDENT	$265,317	$272,201	$270,910	$273,478	$2,568	0.9%
FINANCE & PERSONNEL	$325,941	$341,509	$350,876	$378,564	$27,688	7.9%
FIXED COSTS	$2,126,783	$2,632,674	$2,328,191	$2,817,152	$488,961	21.0%
BUILDING & GROUNDS OPERATIONS	$236,696	$161,426	$274,049	$161,077	($112,972)	-41.2%
CAPITAL PROJECTS/BONDS (inside budget)	$2,673,031	$2,678,886	$2,842,593	$2,823,427	($19,166)	-0.7%
TRANSPORTATION	$348,339	$172,991	$166,969	$180,906	$13,937	8.3%
CNTRL OFF/DISTRICTWIDE APPROP. BUDGET	**$7,195,937**	**$7,144,595**	**$7,209,134**	**$7,752,370**	**$543,236**	**7.5%**
TOTAL SCHOOL OPERATING BUDGET	**$22,513,585**	**$22,410,657**	**$22,856,835**	**$23,539,168**	**$682,333**	**3.0%**
Separate Vote for HS-MS Debt	($2,532,590)	($2,542,513)	($2,544,125)	($2,534,075)	$10,050	-0.4%
TOTAL SCHOOL BUDGET	**$19,980,995**	**$19,868,144**	**$20,312,710**	**$21,005,093**	**$692,383**	**3.4%**
Annual Change %		-0.6%	2.2%	**3.4%**		

WARRANT

TOWN OF IPSWICH

ANNUAL TOWN MEETING

MAY 10, 2011

Prepared by
Robert T. Markel
Town Manager

Table of Contents

ARTICLE 1 CONSENT CALENDAR 37

ARTICLE 2 FINANCE COMMITTEE ELECTION 38

ARTICLE 3 PRIOR YEAR UNPAID BILLS 38

ARTICLE 4 FY '11 TOWN BUDGET AMENDMENTS 39

ARTICLE 5 FY'12 MUNICIPAL BUDGET 39

ARTICLE 6 FY'12 TOWN BUDGET AMENDMENT 40

ARTICLE 7 FY'11 SCHOOL BUDGET AMENDMENT 40

ARTICLE 8 FY'12 SCHOOL BUDGET 40

ARTICLE 9 HIGH SCHOOL/MIDDLE SCHOOL DEBT PROJECT 41

ARTICLE 10 FY'12 WHITTIER REGIONAL HIGH SCHOOL BUDGET 41

ARTICLE 11 FY'12 WATER & SEWER BUDGETS 41

ARTICLE 12 CITIZEN'S PETITION 42

ARTICLE 13 CITIZEN'S PETITION 43

ARTICLE 14 CITIZEN'S PETITION 43

ARTICLE 15 CITIZEN'S PETITION 43

ARTICLE 16 CITIZEN'S PETITION 43

ARTICLE 17 COMMITTEE REPORTS **44**

ARTICLE 18 CHAPTER 90 ..... **44**

ARTICLE 19 ATHLETIC FIELDS AND OPEN SPACE BOND AUTHORIZATION **44**

ARTICLE 20 WASTEWATER TREATMENT PLANT UPGRADE **46**

ARTICLE 21 WATER DEPARTMENT MAIN REPLACEMENT **46**

ARTICLE 22 SENIOR CITIZEN PROPERTY TAX EXEMPTION **46**

ARTICLE 23 NORTH GREEN IMPROVEMENTS **47**

ARTICLE 24 LOCAL OPTION TAX ON RESTAURANT MEALS **48**

ARTICLE 25 CHANGING THE QUORUM REQUIREMENT FOR TOWN MEETINGS **48**

ARTICLE 26 FEOFFEES TRUST **49**

ARTICLE 27 RECONSIDERATION **50**

ESSEX, ss
To the Constable of the Town of Ipswich in said County:

GREETINGS:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the inhabitants of the Town of Ipswich qualified to vote in Town affairs to meet in the Performing Arts Center of the IPSWICH MIDDLE SCHOOL/HIGH SCHOOL, 134 High Street in said Ipswich, on TUESDAY, THE TENTH DAY OF MAY, 2011, at 7:30 o'clock in the evening, then and there to act on the following articles, viz:

ARTICLE 1 CONSENT CALENDAR

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; two [2] Selectman for three [3] years; three [3] 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 17, 2011; the polls shall open at 7:00 a.m. and shall close at 8:00 p.m.;

(3) to act on the transfer of a 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 2012 Annual Town Meeting for purposes of vacation, leave, or absence in accordance with Massachusetts General Laws Chapter 268A, Sections 20 and 21A;

(5) to re-authorize for FY'12 the following revolving funds established under Massachusetts General Laws Chapter 44, Section 53E½:

(a) a **Council on Aging** revolving fund, the use of said fund to pay for special activities, expendable supplies and/or part-time wages, and to determine that no more than **$100,000** may be expended by the Council on Aging from monies transferred into said fund during FY'12 (Source of funds: fees contributed by seniors participating in special activities);

(b) an **Historical Commission** revolving fund, the use of said fund to pay for preservation of Town records and to purchase expendable supplies, and to determine that no more than **$5,000** may be expended by the Historical Commission from monies transferred into said fund during FY'12 (Source of funds: sale of publications);

(c) a **Health Department** revolving fund, the use of said fund to finance additional part-time help in the Health Department and to pay related expenses, and to determine that no

more than **$7,000** may be expended by the Health Department in FY'12 from such funds transferred into said fund during FY'12 (Source of funds: Housing Code inspection fees);

(d) a **Health Department** Public Health revolving fund, to be funded through reimbursements from Medicare Part B, Medicare Senior Advantage Plans and other insurance plans for the administration of influenza and pneumococcal vaccines and fees charged for vaccine clinics and to be used to finance part-time wages and pay related expenditures such as the cost of vaccine, medical supplies, and other administrative costs, and to determine that no more than **$10,000** may be expended by the Health Department from monies transferred into said fund during FY'12 (Source of funds: Medicare Part B, Medicare Senior Advantage Plans and other insurance plans);

e) a **Facilities Department** revolving fund pay for custodial services and other expenses associated with the use of the gymnasium and other Town Hall facilities by outside organizations or for special events sponsored by municipal departments; and to determine that no more than **$20,000** may be expended from the Facilities Department revolving fund from monies transferred into said fund during FY '12 (Source of funds: user fees); and

(f) a **Shellfish Department** revolving fund, said funds to be used for enhancements to the shellfish resources of the Town, and to determine that no more than **$15,000** may be expended by the Shellfish Commissioners from monies transferred into said fund during any given fiscal year (Source of funds: surcharge on commercial shellfish licenses); or to take any other action relative thereto. (Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 2 FINANCE COMMITTEE ELECTION

To see if the Town will vote:

to choose one [1] member of the Finance Committee for three [3] years.
(Requested by: Board of Selectmen)

ARTICLE 3 PRIOR YEAR UNPAID BILLS

To see if the Town will vote:

to raise and appropriate, or transfer a sum of money from available funds, to pay unpaid bills incurred in prior years and remaining unpaid; or to take any other action relative thereto. (Requested by: The Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)

School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 4 FY '11 TOWN BUDGET AMENDMENTS

To see if the Town will vote:

to amend its actions taken under Article 4 of the May 11, 2010, Annual Town Meeting (the FY'11 Municipal Operating Budget), by transferring the following sums between departments and/or categories within departments:

Department	Description	From	To
Benefits	Health Insurance	28,290.32	
Fire	Salary		28,290.32
Highway	Salary	4,587.03	
DPW Administration	Salary		773.33
Equip. Maintenance	Salary		1,023.12
Forestry	Salary		356.26
Cemetery	Salary		2,434.32
Benefits	Health Insurance	4,415.71	
Insurance	Unemployment		4,415.71;

or to take any other action relative thereto.

(Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 5 FY'12 MUNICIPAL BUDGET

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 2012 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. (Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (6-1)
School Committee: Approve (4-0)

ARTICLE 6 FY'12 TOWN BUDGET AMENDMENT

To see if the Town will vote:

to amend its actions taken under Article 5 of the May 10, 2011, Annual Town Meeting (the FY'12 Municipal Operating Budget), by appropriating sums of money in addition to that appropriated under said Article (said appropriations to be raised by transfer of available funds), from the following accounts into the General Fund:

From:	To:	Amount:
Waterways Improvement	Harbormaster	**$55,690.00**
Capital Stabilization	Capital Fund	**$19,815.83;**

or to take any other action relative thereto. (Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 7 FY'11 SCHOOL BUDGET AMENDMENT

To see if the Town will vote:

to amend its actions taken under Article 5 of the May 11, 2010, Annual Town Meeting (the FY'11 School Budget), by transferring the following sum of money from the insurance reimbursement account into the operating budget of the School Department:

From:	To:	Amount:
Insurance Reimbursement Acct.	School Budget	**$35,605.75;**

or to take any other action relative thereto. (Requested by: School Committee)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 8 FY'12 SCHOOL BUDGET

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 2012 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 other action relative thereto.

(Requested by: School Committee)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (6-1)
School Committee: Approve (4-0)

ARTICLE 9 HIGH SCHOOL/MIDDLE SCHOOL DEBT PROJECT

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 raised by taxes, by transfer from available funds, or otherwise; or to take any other action relative thereto.

(Requested by: School Committee)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 10 FY'12 WHITTIER REGIONAL HIGH SCHOOL BUDGET

To see if the Town will vote:

to raise and appropriate or transfer from available funds a sum of money 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.
(Requested by: Whittier RVTHS Representative Raymond Morley)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 11 FY'12 WATER & WASTEWATER BUDGETS

To see if the Town will vote:

(1) to raise and appropriate a sum of money for the ensuing year's expenses of the Water Division, Department of Utilities, said sum to be offset by revenues of the Water Division during FY'12; and

(2) to raise and appropriate a sum of money for the ensuing year's expenses of the Wastewater Division, Department of Utilities, said sum to be offset by revenues of the Wastewater Division during FY'12; or to take any other action relative thereto.

(Requested by: Board of Water & Wastewater Commissioners)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 12 CITIZEN'S PETITION

SPECIAL ACT TO AMEND CHAPTER 5 OF THE ACTS OF 1766

To see if the Town will vote:

to authorize the Board of Selectmen: (1) to petition the General Court to enact special legislation substantially in the following form (subject to clerical or editorial changes of form) which reflects minor technical amendments from the form previously approved by the 2009 Annual Town Meeting, (2) to approve any additional amendments that are within the scope of the general public objectives of this petition, and (3) to request that the Town's representative and senator in the General Court provide monthly updates to the Board on the status of the legislation:

"AN ACT MODIFYING THE APPOINTMENT OF THE FEOFFEES OF IPSWICH GRAMMAR SCHOOL

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. The existing Feoffees of Ipswich Grammar school established pursuant to Chapter 5 of the Acts of 1766 shall upon passage of this act be replaced with seven individuals appointed for three years terms (with the initial terms shortened as appropriate so as to provide staggered term appointments) in the following manner: two appointed by the Ipswich School Committee, two appointed by the Ipswich Board of Selectmen, two appointed by the Ipswich Finance Committee and one appointed by the Ipswich Town Meeting.

To be eligible to be appointed as a Feoffee or to continue to serve as a Feoffee, a person's primary residence shall be in Ipswich. No person shall serve as a Feoffee for more than three consecutive terms. Feoffees shall serve without compensation, other than reimbursement for reasonable and necessary trust related expenses. No person may be a Feoffee while serving as a member of the School Committee, Board of Selectmen or the Town Finance Committee or as Town Manager or Superintendent of Schools. In the appointment of Feoffees, the appointing bodies shall appoint persons who acknowledge at the time of appointment the Feoffees' fiduciary duties and obligations of trusteeship and the purpose of the Trust to benefit the Ipswich public schools. Persons will be appointed who also possess expertise and skills that will enable the Feoffees collectively to carry out their responsibilities.

SECTION 2. This act shall take effect upon its passage."

(Submitted by: Jennifer Bauman, Rachel Roesler & Qualified Voters)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 13 CITIZEN'S PETITION

To see if the Town will vote:

VI. Protective Zoning Bylaws as Amended
Amend Section V.D. "Table of Use Regulations" as follows
In the section Accessory Use, Managers Unit Delete after the words
"Use related to"
Use related to aquaculture…. (Submitted by: Jay Lingerman & Qualified Voters)

Board of Selectmen: Approve ( ) Decision at the May 2 Selectmen's meeting.
Finance Committee: Approve (0-7)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 14 CITIZEN'S PETITION

To see if the Town will vote:

VI. Protective Zoning Bylaws as Amended
Amend Section III Definitions as follows
Delete after the words Stable:
Stable (Submitted by: Jay Lingerman & Qualified Voters)

Board of Selectmen: Approve ( ) Decision at the May 2 Selectmen's meeting.
Finance Committee: Approve (0-7)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 15 CITIZEN'S PETITION

To see if the Town will vote:

VI. Protective Zoning Bylaws as Amended
Amend Section III Definitions as follows
Delete after the words Riding Academy
Riding Academy (Submitted by: Jay Lingerman & Qualified Voters)

Board of Selectmen: Approve ( ) Decision at the May 2 Selectmen's meeting.
Finance Committee: Approve (0-7)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 16 CITIZEN'S PETITION

To see if the Town will vote:

VI. Protective Zoning Bylaws as Amended
Amend section IX Special Regulations, "L. Home occupations, Paragraph 4"
By adding "Commercial Stables or kennels."
(Submitted by: Jay Lingerman & Qualified Voters)

Board of Selectmen: Approve ( ) Decision at the May 2 Selectmen's meeting.
Finance Committee: Approve (0-7)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 17 COMMITTEE REPORTS

To hear and act on the reports of the Committees and to continue such Committees as the Town may vote to continue; or to take any other action relative thereto.

ARTICLE 18 CHAPTER 90

To see if the Town will vote:

(1) to appropriate a sum of money under the provisions of Chapter 90 of the Massachusetts General Laws, and to obtain any material, equipment and/or services incidental thereto;

(2) to authorize the Board of Selectmen to acquire easements in conjunction therewith by purchase, gift, lease, eminent domain, or otherwise;

(3) in furtherance of the project(s), to authorize the Board of Selectmen to apply for, accept, and expend any federal, state and/or private grants without further appropriation thereof; and

(4) to determine whether said appropriation shall be raised by taxes, by transfer from available funds, or by borrowing; or to take any other action relative thereto.
(Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 19 ATHLETIC FIELDS AND OPEN SPACE BOND AUTHORIZATION

To see if the Town will vote:

to amend its action taken under Article 18 of the 2000 Annual Town Meeting by (1) increasing the sum that the Town is authorized to borrow thereunder from **$10,000,000** to **$15,000,000**; (2) allowing a portion of the funds borrowed under the authority of the article to be used to cover the costs of development and construction of athletic fields on real estate purchased pursuant thereto; and (3) revising items (c) and (d) of the ATM 2000 Article 18 to authorize the Board of Selectmen to enter into all agreements and execute any and all instruments as may be necessary, on behalf of the Town of Ipswich, to effect both purchases or sales and development of athletic

fields, and to accept and expend private contributions, so that the subparts (a), (c) and (d) of said Town Meeting action would provide as follows (new language in bold typeface; language to be replaced or deleted shown in ~~strikethrough~~ typeface):

> "(a) to appropriate the sum of ~~$10,000,000~~ **$15,000,000** to purchase the fee or lesser interest(s) in real estate for open space, water supply protection, recreation and/or general municipal purposes, said general municipal purposes not to include lands to be controlled or used by the Public Safety, Public Works, School, Sewer or Electric Departments, ~~and~~ to obtain any materiel and/or services incidental thereto**, and to develop and construct athletic fields on any real estate purchased under the authority of this Article**; provided that any such real estate shall be identified by assessors' map and lot number on a list of priority parcels on file with the Town Clerk and the Director of Planning and Development on or before March 31, 2000 or as amended thereafter by action of Town Meeting; and
>
> (b) *[There are no changes] ; and*
>
> (c) to authorize the Board of Selectmen to enter into all agreements and execute any and all instruments as may be necessary, on behalf of the Town of Ipswich, to effect said purchases or sales, **or to carry out such development and construction,** or to take any other action thereon; provided, however, that any such purchase or sale which exceeds $1,500,000 shall require a specific town meeting vote approving same;
>
> (d) to authorize the Board of Selectmen to contract for and expend any Federal or State aid or grants available for these purchases **or projects**, and to accept and expend any private grants or funds offered for these purchases **or projects**;"

or to take any other action thereon; and to appropriate the additional **$5,000,000** for the above stated purposes by authorizing the Treasurer, with the approval of the Board of Selectmen, to issue bonds or serial notes under the provisions of Massachusetts General Laws, Chapter 44, Section 7 (3); said appropriation to be contingent on the passage of a Proposition 2 ½ override pursuant to the provisions of Massachusetts General Laws Chapter 59, Section 21C (k).

<u>The question to appear on the ballot for the May 17, 2011 Town election shall read:</u>

"Shall the Town amend its action taken Article 18 of the Warrant of the April 3, 2000, Annual Town Meeting by increasing the authorized sum from **$10,000,000** to **$15,000,000** for the purchase fee or lesser interest(s) in real estate for open space, water supply protection, recreation and the development and construction of athletic fields; and further, shall the Town of Ipswich be allowed to exempt from the provisions of Proposition 2 ½, so called, the amount required to pay for the bond or bonds issued to purchase the fee or lesser interest(s) in real estate for open space, water supply protection, recreation and the development and construction of athletic fields?"

(Requested by: The Board of Selectmen)

Board of Selectmen: Approve ( )
Finance Committee: Approve (1-6)
School Committee: Opposed (4-0)

ARTICLE 20 WASTEWATER TREATMENT PLANT UPGRADE

To see if the Town will vote:

(1) to raise and appropriate the sum **$2,200,000** to construct and rehabilitate the ultraviolet disinfection facilities and the head works at the Wastewater Treatment Facility and to obtain all material and services incidental thereto;

(2) to meet said appropriation for construction by raising rates, by transfer from available funds, or by authorizing the Treasurer, with the approval of the Board of Selectmen, to issue bonds or serial notes under the provisions of MGL c144, section 7 (1); and

(3) to authorize the Board of Selectmen to apply for, accept and expend any state, federal and/or private grants for the aforementioned purposes; or to take any other action relative thereto.
(Requested by: Board of Wastewater Commissioners)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 21 WATER DEPARTMENT MAIN REPLACEMENT

To see if the Town will vote:

(1) to appropriate the sum of **$1,950,000** to fund reconstruction of a water main; and

(2) to raise this appropriation by authorizing the treasurer, with the approval of the Board of Selectmen, to issue bonds or serial notes under the provisions of Massachusetts General Laws Chapter 44, as amended; or to take any other action relative thereto.
(Requested by: Board of Water Commissioners)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 22 SENIOR CITIZEN PROPERTY TAX EXEMPTION

To see if the Town will vote:

to accept the provision of Massachusetts General Laws Chapter 59, Section 5 added by Chapter 181 of the Acts of 1995, that authorizes an annual increase in the amount of the exemption granted to senior citizens, surviving spouses and surviving minors under General Laws Chapter 59, Section 5, Clause 17D, by the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the previous year as determined by the Commissioner of Revenue, to be effective for exemptions granted for any fiscal year beginning on or after July 1, 2011, or take any action relative thereto; and

to see if the Town of Ipswich will vote:

to accept the provisions of Massachusetts General Laws Chapter 59, Section 5, Clause 17E, which authorizes an annual increase in the asset limit for any exemption granted to senior citizens, surviving spouses and surviving minors under General Laws, Chapter 59, Section 5, Clause 17D, by the amount of the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the previous year, to be effective for exemptions granted for any fiscal year beginning on or after July 1, 2011, or take any action relative thereto; and

to see if the Town of Ipswich will vote:

to accept the provisions of Massachusetts General Laws Chapter 59, Section 5, Clause 41D, which authorizes an annual increase in the income and asset limit for any exemption granted to senior citizens under General Laws Chapter 59, Section 5, Clause 41C, by the amount of the percentage increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for the previous year, to be effective for exemptions granted for any fiscal year beginning on or after July 1, 2011, or take any action relative thereto; and

to see if the Town of Ipswich will vote:
to adjust the exemption amount from **$500.00** to **$750.00** for the property tax exemption for senior citizens under Massachusetts General Laws Chapter 59, Section 5, Clause 41C, to be effective for exemptions granted for any fiscal year beginning on or after July 1, 2011, or take any other action relative thereto. (Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 23 NORTH GREEN IMPROVEMENTS

To see if the Town will vote:

(a) authorize the Board of Selectmen to amend or modify the Town's petition to the Massachusetts General Court, pursuant to Article 97 of the Massachusetts Constitution, said petition being initially authorized by the October 25, 2010 Special Town Meeting, to approve the transfer of the two parcels of land shown as "SW-1" and "SW-2" on ***a*** plan entitled, "Plan of Land Showing Location of Land Transfers and Town Alteration of North Main Street and Meetinghouse Green in the Town of Ipswich, Essex County, Scale: 20 feet to the inch, date: October 14, 2010, revised on April 11, 2011," prepared by Vanasse Hangen Brustlin, Inc., a copy of which is on file in the office of the Town Clerk, to the Board of Selectmen for sidewalk purposes, said parcels now being a portion of the parcel of land known as the North Green (further described as Parcel 292 on Assessor's Map 42A). The revision would increase the total area of the two aforesaid parcels from 1,068 square feet to 1,233 square feet;

(b) approve the modification of the layouts of North Main Street to include the aforesaid revised parcels SW-1 and SW-2 as shown on said plan, and to exclude land no longer needed for public

way purposes, said modification to take effect only upon the approval of the aforesaid petition by the General Court and the Governor; and

(c) approve the modification of the layout of Meetinghouse Green to exclude land no longer needed for public way purposes; and

(d) transfer the land now within the layout of North Main Street and Meetinghouse Green no longer needed for public way purposes, as shown on said plan, to the Parks and Cemeteries Commission for park purposes;

(e) appropriate a sum of money by transfer from available funds and/or by borrowing to acquire a partial interest in fee (or lesser interest) in *29* parcels of land contiguous to the North Main Street or Meetinghouse Green rights-of-way abutting as shown on plan sheets 7 and 8 of the plan set entitled "Preliminary Right of Way Plans, North Main Street and Meetinghouse Green, revision dates 1/7/2011 and 4/11/2011," prepared by Vanasse Hangen Brustlin, Inc., a copy of which is on file in the office of the Town Clerk, for general municipal purposes;

(f) to authorize the Board of Selectmen to acquire interest in said parcels, by purchase, gift, lease, eminent domain, or otherwise; and

(g) to authorize the Selectmen to apply for, accept and expend without further appropriation any federal and/or state grants pertaining to said acquisition; or to take
any other action relative thereto. (Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve ( ) SCHOOL COMMITTEE DID NOT TAKE A POSITION

ARTICLE 24 LOCAL OPTION TAX ON RESTAURANT MEALS

To see if the Town will vote:

to accept M.G.L.,Chapter 64L, §2(a) to impose a local option meals excise of .75%, or take any other action relative thereto. (Requested by: Board of Selectmen)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 25 CHANGING THE QUORUM REQUIREMENT FOR TOWN MEETINGS

To see if the Town will vote:

to amend Chapter II, Section 4 of the Town By-laws by deleting:

"The presence of two hundred registered voters of the Town at any town meeting shall be required to constitute a quorum, except for a motion to adjourn for which no quorum shall be

required; provided, however, that no vote carrying the expenditure or appropriation of any sum of money shall be held to be invalid by reason of lack of the required quorum, unless it appears from the records of the Town Clerk that, before the result of such vote was declared, the question of the presence of a quorum was duly raised and that such record shows that the required quorum was lacking. This section shall not apply to those parts of meetings devoted exclusively to the election of town officers or balloting with respect to any appropriation of money as required by Section 6 of this chapter."

and substituting:

"There shall be no quorum required to convene or to continue the Annual Town Meeting or any Special Town Meeting;" or take any other action relative thereto.
(Requested by: Board of Selectmen)
Board of Selectmen: Approve (2-1) Selectman Berry opposed
Finance Committee: Approve (0-7)
School Committee: Split Vote (2-2)

ARTICLE 26 FEOFFEES TRUST

To see if the Town will vote:

To transfer **$300,000** from free cash to pay for legal, real estate and other professional services related to the Feoffees litigation, provided that:

1. Expenditures of said Feoffees Litigation Fund shall require approval of the Board of Selectmen, the School Committee, and the Finance Committee after recommendation of Tri-board Working Group made up of three members of the School Committee and two members each from the Board of Selectmen and the Finance Committee.

2. The School Committee and their attorneys shall produce an Action Plan within 30 days of this Town Meeting detailing the actions to be taken to assure prompt accomplishment of the goals set by this and prior Town Meetings to:

    a) Maximize the economic return of Little Neck, either through negotiating an acceptable, maximum sale price, or a market based land rent, in the event that the property is not sold; and

    b) Restructure the Feoffees trust to reflect the content of the FY2010 town meeting article addressing the structure of the Feoffees as soon as possible either by litigation, petition to the Legislature or both.

3. The Action Plan must be approved by all three Boards before any expenditure are made from the Feoffees Litigation Fund.

4. The School Committee and their attorneys shall report monthly on their progress and next steps in implementing the Action Plan along with a bill for services.

5. Funds expended from this account by the School Committee shall be repaid by the School Committee to the Town of Ipswich general fund as soon as possible, but not to exceed 3 years, after receipt of the Feoffees disbursements to the School Committee which total or exceed the amount of such funds; or to take any other action relative thereto.
(Requested by: Finance Committee)

Board of Selectmen: Approve (3-0)
Finance Committee: Approve (7-0)
School Committee: Approve (4-0)

ARTICLE 27 RECONSIDERATION

To see if the Town will vote:

to reconsider any or all previous articles raising and/or appropriating money which have a direct impact on the levy for the next ensuing fiscal year, as contained in this warrant, for the purpose of completing a budget which is balanced and in compliance with the levy limit provisions of Proposition 2½, so called; or to take any other action relative thereto.
(Requested by: Board of Selectmen)

And you are directed to serve this Warrant by posting at least one attested copy in each precinct in the Town at least seven days prior to the time for holding said meeting in a newspaper published in, or having a general circulation in, the Town of Ipswich.

Given unto our hands this Eleventh day of April, Two Thousand Eleven.

TOWN OF IPSWICH
BOARD OF SELECTMEN

_____
Chair, Charles D. Surpitski

_____
Vice-Chair, Raymond K. Morley

_____
Patrick J. McNally, Member

_____
Shirley A. Berry, Member

_____
William M. Craft, Member

APPENDIX

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.

EXHIBIT B

COMPARATIVE TAX RATE BURDEN

Town	2009 Pop	2009 Pop per Sq Mile	2009 Housing Units Per Sq Mile	2009 Road Miles	2010 EQV Per 2009 Population	FY 2010 Avg Single Family Tax Bill
Ipswich Rank	12/17	5/17	7/17	14/17	9/17	7/17
Mean	10,767	1,008	395	69	211,935	6,276
Boxford	8,164	341	109	99.7	236,516	7,649
Danvers	27,232	2,051	735	127.4	159,932	4,577
Essex	3,342	236	102	30.0	258,299	6,686
Georgetown	8,726	674	202	65.4	145,728	4,364
Hamilton	8,251	565	193	51.8	183,150	8,030
Ipswich	13,412	412	172	96.0	192,542	5,265
Lynnfield	12,035	1,187	421	75.1	213,083	6,917
Manchester-by-the-Sea	5,205	560	250	39.4	467,818	9,424
Newbury	6,912	285	116	64.9	207,835	4,390
Newburyport	17,594	2,100	942	76.0	209,390	5,260
North Reading	14,463	1,092	368	87.0	189,658	6,008
Rowley	5,826	311	107	48.1	164,278	4,845
Salisbury	8,608	558	269	56.0	182,888	3,236
Scituate	18,297	1,065	447	120.4	236,473	5,482
Swampscott	14,044	4,605	1,944	46.4	174,067	7,843
Topsfield	6,144	482	168	60.6	207,611	7,606
Wenham	4,778	619	171	32.1	173,621	9,105

Source: Massachusetts Department of Revenue, updated 12/3/10

Ipswich rank of 1 would be the lowest in the group