



Annual Budget

Fiscal Year 2009

City of Chelsea, Massachusetts





**CITY OF CHELSEA, MASSACHUSETTS
FISCAL YEAR 2009
FINANCIAL PLAN & OPERATING BUDGET
CITY COUNCIL**

General and Enterprise Funds

July 1, 2008 to June 30, 2009

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**City of Chelsea
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For the Fiscal Year Beginning

July 1, 2006

A handwritten signature in cursive script, likely belonging to the President of the GFOA.

President

A handwritten signature in cursive script, likely belonging to the Executive Director of the GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented its Award for Distinguished Budget Preparation to the City for the annual budget for the FY'07. In order to receive this award, a governmental unit must publish a budget document that meets award criteria as a policy document, as an operational guide, as a financial plan and as a communication medium. While the award is valid for one year only, the City will be submitting the annual budget for consideration on odd fiscal years, including this budget. That decision was made in recognition of the tremendous amount of work it takes to prepare the submission for review; time that can also be spent on other pressing matters. Even in those years when the budget is not submitted, though, it remains the City's intentions to draft a budget that is consistent with GFOA standards.

TABLE OF CONTENTS

Introduction

TITLE PAGE	2
DISTINGUISHED BUDGET AWARD	3
TABLE OF CONTENTS	4

Section 1

BUDGET MESSAGE	6
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Section 2

CITY OVERVIEW

City Map.....	21
Chelsea at a Glance.....	22
Census Profile	24
City Organization	28
Organization Chart	30
Organizational Summary	31
City Council	32
School Committee.....	34
Boards and Commissions.....	35

Section 3

BUDGET OVERVIEW

Budget Calendar.....	36
Reader's Guide.....	37
Budget Development.....	42
Budget Policy Objectives.....	43
Budget Goals.....	45
Basis of Budgeting.....	47

Section 4

FINANCIAL POLICIES

Financial Reserve Policies	48
Capitalization Policy.....	50
Procurement Policy.....	51
Investment Policy.....	52
Cash Management Policy.....	54
Debt Policy.....	54
Debt Schedules.....	57

Section 5

SUMMARY OF FISCAL YEAR 2009 BUDGET	60
Personnel Analysis.....	62

Section 6

FINANCIAL PLANS

Enterprise Funds Financial Plan	65
General Fund Revenue Summary Table.....	70
General Fund Revenue Detail Table.....	70
General Fund Expenditure Summary Table.....	74

Section 7

DEPARTMENT PROGRAMS

Organizational Structure.....	76
City Council.....	77
City Manager’s	79
City Auditor.....	84
Treasurer/Collector.....	86
Assessing	90
Procurement	92
Law	94
Personnel	96
Management Information Systems.....	98
City Clerk, Traffic and Parking.....	100
Licensing.....	102
Planning and Development.....	104
Education.....	111
Police	113
Fire.....	119
Inspectional Services.....	124
Emergency Management.....	126
Public Works.....	128
Health and Human Services.....	135
HHS Administration.....	135
Public Library.....	139
Elder Affairs.....	141
Health.....	143
Veterans Services.....	145
Community Schools and Recreation	147
Debt Service.....	149
Health and Benefit Insurance.....	150
Retirement.....	152
Undistributed Cherry Sheet Assessments.....	153

Section 8

GLOSSARY



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May 1, 2008

The Honorable City Council:

I am pleased to present you with the City's Fiscal Year 2009 Annual Budget as proposed by the City Administration, entitled "Staying the Course." This submission, which is consistent with the City Charter and State law, contains spending and revenue provisions for three areas, General, Water Enterprise Fund and Sewer Enterprise Fund. The combined proposal of \$131,890,279 includes \$118,327,808 for the FY'09 General Fund Budget (the FY'09 Budget) and a combined \$13,562,471 for the Water and Sewer Enterprise Funds. This communication will specifically address the provisions of the FY'09 Budget. In short, this is a "maintenance" budget, meaning in difficult municipal financing times this budget provides adequate, not extraordinary, resources to fund the City's municipal operations, including Police, Fire and Schools, and is funded by sufficient revenues to support yet another balanced budget. Importantly, this budget supports the City's continuing growth, and further positions the City to build off the critical successes that have been produced here over the last dozen years.

For reference, the FY'09 Budget is up 3.52%, or \$4,023,757, over last year's spending plan. Excluding the School spending increase supported by an increase in Chapter 70 of \$2,280,218, the FY'09 non-school budget is up 3.2%.

As we have discussed and have well documented in the past, certain "budget busters" continue to "drive" the City's spending. Most notably, health insurance continues to dominate locally budget attention. Health insurance is up 7%, and, despite most employees now paying a greater portion towards their health insurance, the percentage of the overall budget being spent on health insurance continues to grow. In FY'09, health insurance is expected to consume 12% of the overall budget, up from less than 5% in 2000. As has been the case in previous years, retirement costs continue to escalate beyond the overall growth of the budget, up 5.07%, or \$253,780 this upcoming budget year. Two-thirds of the total retirement assessment of \$5,258,484 for FY'09 represents the City's "catch-up" payment to address the chronic underfunding of the retirement system and to meet the State's mandate that the system be fully funded by 2028.

One last budget concern on the expenditure side relates to energy. As every consumer knows, heating oil, gasoline, electricity and petroleum based products, like tires, are all rising. While the City looks at more "green" options, the energy pinch is causing the City's budget to feel the effects.

On the revenue side, Cherry Sheet local aid estimates indicate that educational aid is up by \$2,382,004, while general government aid is down \$184,992. Local receipts on the two most significant non-school aid accounts, Lottery Aid and Additional Assistance, are level funded, at \$10,221,702, and still remain below FY'01 highs.

This maintenance budget could be balanced without the need for Free Cash. However, spending priorities, like the hiring of at least two and perhaps 10 police officers, and the financial managerial decision to continue “pay as you go,” instead of borrowing, in order to fund numerous aspects of the City’s Capital Improvements Program have resulted in a shortfall which is rightly offset by a modest amount of Free Cash, \$623,905, the lowest such appropriation of Free Cash in nearly a decade. Funding the City’s modest budget growth is revenues derived from an aggressive economic development campaign. Thrifty spending habits imbedded in departments, reduced reliance on reserves and the success on the economic development agenda are all combining to ensure that no drastic cuts in services and no extraordinary revenue raising methods, such as a Proposition 2 ½ override, are necessary for the City to continue its otherwise remarkable record of growth and revitalization.

The above reflects a promising picture for the City; not one shared by all Massachusetts municipalities. Sluggish revenue growth and spiraling costs in areas of little or no discretion continue to place incredible pressure on budgets everywhere. Some communities have had to rely upon deep service reductions or Proposition 2 ½ overrides, or both, to balance their budgets. In addition to paring back spending, the City is fortunate to have built reserves in good times to rely on “rainy day” funds during the troubling municipal financing times that have been present for most of this decade. Still, the reduced levels of local aid since FY’01 have cost the City, and the City’s rainy day funds, an accumulated \$9.7 million. While some additional spending is being taken on in this budget in the form of police hires and capital acquisitions, City officials will need to prioritize replenishing reserves to similarly be prepared for the current or next downturn that may impact the City’s budget.

The City is enjoying a period of renaissance, including a reassuring level of budget stability. A significant factor in such is the dozen years of focus on a single, pro-Chelsea agenda; a collaborative agenda of the City Administration and City Council that has produced more than accomplished financial management and an economic development agenda that is the envy of many others. Steady advancements in neighborhood revitalization, continued achievements on individual and family supports, gains in public safety and a further opening up of the process of government continues to earn the City and entire community many plaudits. This will be advanced through the City Council’s adoption of your “Priorities, Policies and Visions” work that is sure to singularly focus the City even more.

Yes, there is still much more to accomplish in our community. To continue to be in a position to meet and overcome any and all challenges, our budget must continue to not only be balanced, but supportive of our greater goals, both fiscal and otherwise. This is certainly easier said than done, as increasing employee overhead costs, employee and service contracts, assessments and infrastructure needs, as well as energy and technology costs place great pressure on the local budget and others around the state and country. The State is seemingly incapable of providing local aid at levels to offset such pressure, as adjusted for inflation, the FY’09 non-school transfer is far below 1984 levels.

The City, however, has seemingly institutionalized a process under which fiscal management on the short-term and deft planning and advocacy on longer-term “fixes,” such as economic development and statewide municipal finance reforms, have a chance to “kick-in” and make a difference in the future here and elsewhere. The ability to manage short-term issues, no matter how dire, while promoting long-term solutions, no matter how complex, reflects the success the City is enjoying by staying the course.

An Overview of the Issues Impacting the City's Finances

The State budget had not fully recovered from the last recession before what many believe to be current recessionary times fell upon the country. The State budget crisis therefore continues, and is leading to local budgeting difficulties here and almost everywhere in the state. The root causes of the State's difficulty, employee overhead, most notably health care costs, and stagnant revenue growth, are similar to issues plaguing the State's municipalities. However, cities and towns do not enjoy the same discretion the State has to address those shortcomings. Thus, burdened with limitations in some areas and downright prohibitions in other areas, cities have struggled to make ends meet. Without more options of value, the persistence of budget busters in local budgets, reduced or spent reserve levels, and, candidly, the ability of the cities to manage the strain local governments have felt in navigating through what is generally considered the worst municipal finance period in at-least the last 50-years has the City remaining cautious about the fiscal future, even as budget deficits disappear and building construction booms.

Generally speaking, the City has been able to control discretionary spending. Evidence of that includes employee levels and wages, where employment levels have remained basically flat and employee wages for FY'06-FY'08 have been negotiated at 2%-2%-2%, with a 1% increase following the last day of FY'08. Even on more difficult items to manage, like debt service, the City has been able to hold in-check accounts that have thrown other municipal budgets into chaos. Health insurance and retirement costs, though, are continuing to present great challenges.

Of course, the City is not alone in bemoaning the cost of health insurance, as nearly every entity, be they government, business or non-profits, has not escaped the pressures that health insurance costs are placing on the bottom-line. However, Massachusetts communities have less flexibility than most in addressing health insurance, as employee contributions are subject to collective bargaining.

Not all communities are so dramatically impacted as the City by retirement costs. Thus, not as much statewide focus has been placed on retirement cost issues as has been placed on health insurance. The City has been raising retirement costs as a municipal finance issue, and hopes that ensuing education will lead to a plan for relief sometime in the near future.

Fortunately, other "traditional" budget busters have been held in check or not required substantial new local dollars. The City has made a conscious decision to hold down debt service by paring back spending on capital projects. This action requires regular review, though, as it would be imprudent to not adequately address the City's infrastructure needs today, at the expense of having more costly projects tomorrow. Currently, the City believes that capital spending is adequate, but may require greater levels in the future. Another budget buster, State assessments, was down marginally \$52,623 for FY'09. The School Choice/Charter School assessment is down 5.3%, or \$126,339, offset by a \$102,463 increase in Charter School reimbursement. Overtime has been held generally in check. In fact, a plan to apportion Fire Department overtime on two-month allotments has proven to be successful since implemented, although not without much oversight.

Traditional budget busters aside, high energy costs are eating away at City revenues, as is the demanding for increased spending on technology. The City has established an in-house task force to seek and implement energy conservation initiatives. Regarding technology, acquisition, maintenance and licensing costs are putting an additional strain on the budget. More and more advanced technology is out there and tempting to

acquire. However, the cost of technology is significant, even for technology acquired through grants for little or no cost. Staffing; equipment acquisition, maintenance and replacement, and licensing fees have driven the IT budget up \$284,152, or 71% since FY'06. As that occurs, the City is regularly saying no to many technology requests, although new systems like tablets for Inspectional Services inspectors will make access to files available in the field, and field observations more accessible to all departments that can benefit from the information gathered or generated.

On the revenue side, an increase in local aid, up 2.31 %, is welcomed news, but only for education and not for general municipal operations. In fact, the combined total of Lottery Aid and Additional Assistance is still \$400,000 below the level it was in FY'01, and a recent report indicated that statewide these accounts are below FY'84 highs when adjusted for inflation, or nearly \$3 million locally. The two accounts are the City's most significant non-school aid accounts, and thus the reduced levels of aid continue to hamper the City's budget-balancing and service delivery issues. Given that the City has pared the budget to a level providing little room for future cuts, and given the projected spending increases in traditional and new budget buster areas, more revenues are needed to offset increased spending and eventually allow the City to return to the days of increasing reserves.

Fortunately, though, existing local revenues are beginning to grow at levels significant enough to fund the FY'09 Budget and beyond. That realization is not the result of a Proposition 2 ½ override, but is instead a direct result of the City's aggressive economic development agenda. With some 1,700 residential units under- or near-construction, one-time building permit fees and recurring property taxes are growing at record numbers. The good news must be tempered, however, as not every project has broken ground yet, nor has structural changes occurred within the major budget busters, again, most notably health insurance and retirement costs. In some past years, the growth in the latter two have eclipse the new growth generated by economic development. For City budget writers, as well as City economic development officials, there is a real need to do all that is possible to "hold back" the budget busters while "pushing" revenue-growing economic development.

The City has proven to be equal to the challenges that have been present, in large part by anticipating problems ahead of time, devising plans to address those problems and then implementing those plans to perfection. Good planning in the 1990's has allowed for the City to manage through the budget crisis that began in FY'02 without dramatically impacting services or requiring an override vote. It is hoped that good planning this decade will allow officials in the next decades to fully benefit from decreasing debt service levels and the further expansion of the local tax base.

In 2002, as it was becoming apparent that local aid would not bounce back anytime soon and health insurance and retirement costs would continue to skyrocket, the City set out to find local solutions, while also advocating for statewide relief. The local solution was revealed in 2005 with the announcement that an aggressive economic development agenda would be implemented to help the City to "grow" out of budget imbalances by encouraging the development of 1,200 units of housing.

Concurrently, the City was among a handful to lead public policy debate around municipal finance issues and became directly and influentially involved in a successful statewide effort to allow municipalities to join the State's Group Insurance Commission. Like many other communities, the City has not reached agreement, to date, with its labor unions to avail itself of the GIC opportunity. As discussions continue, the City is also focused upon promoting regionalism, and will be seeking to develop a coalition to examine the

potential improvements in service and reductions in cost that may be obtainable by regionalizing at least one service. As was privatization in the 1980's and 1990's, the City believes that regionalism will provide the next "wave" of operational savings and service maintenance and expansion over the next decade.

A lesson from this latest period of budget unrest is that reserves, while not bottomless and generally not regenerating, are advantageous, in that the financial flexibility provided for by having adequate reserves allows for solutions to be found without crisis forcing undesirable consequences. The management of reserves was and continues to be a most critical aspect of the City negotiating through difficult financial times. However, budget busters and suppressed local aid transfers are making it most challenging for the City to now rebuild those reserves to a position that would allow the City to similarly outlast a prolonged period of budget stress.

An Historical Perspective

In light of the then difficulties and the projections for even more difficult days for the City's annual budget plans that would follow, the City initiated a Three-Year Budget Plan in early 2002 for the budget years FY'03 – FY'05. That vehicle for understanding City finances was of such great assistance that a similar forecast was created for FY'06-FY'08. The philosophy behind the long-term strategy was that financial planning was necessary to ensure the smoothest ride possible through the turbulent times that appeared to be and were, in fact, ahead. An important consideration that was central to budget planning was that the use of reserves should not solely resolve the deficits that were being projected for each of the budget years being reviewed.

The City acted as early as FY'02 to make mid-year budget adjustments, and then began the process of developing a "zero-growth" strategy that would seek to offset mandatory increases in spending and reductions in revenues. Priority actions in that strategy included:

- managing projected reductions in local aid and other sources of revenues so as to limit or avoid an impact on core municipal services and programs of critical concern;
- controlling costs in "non-discretionary" spending areas, including existing employee and other contracts, health and other insurance premiums, debt service and assessments;
- constraining "discretionary" spending by identifying, reviewing and prioritizing areas of need;
- seeking increases in new revenue sources to offset budget shortfalls, being cognizant of revenue raising capabilities and constraints, as well as being sensitive to the impact of revenue raising initiatives on taxpayers, and
- utilizing the City's reserves in such a fashion as to allow for long-term budget stability.

Consistent with the goals above, the FY'03 Budget was trimmed at its drafting through the elimination or reduction of 19 positions and cuts in other expenditures. Discretionary spending was reduced by almost 1%. While neither may seem significant, much "excess" had been trimmed a decade earlier during Receivership and not allowed to re-accumulate in the early years of the new, city manager form of government. During the year, after the State took the unprecedented step of reducing previously approved local aid levels to balance its own budget, additional cuts were made to keep the budget in balance. Furthermore, the City adopted the following deficit reduction plan:

- Institution of a hiring freeze,
- Elimination of out-of-state travel,
- Elimination of tuition reimbursements,
- Reduction in training accounts,
- Additional scrutiny of all expenditures over \$500,
- Reduction in “Pay-As-You-Go” CIP appropriations, and
- Reduction in the issuance of new debt.

With those actions, a new baseline had been set for the City’s first Three-Year Budget Plan.

Having reduced the City’s discretionary budget in FY’03, the City needed to drive down similar expenditures in FY’04. To achieve that reduction, the City added to its deficit reduction plan by:

- Continuing to prioritize economic development and other means to increase revenues outside of the existing property tax base;
- Enacting additional efficiencies in government and potential refinancing opportunities to reduce existing debt-service costs, and
- Managing reserves to reduce the impact of the recession and to allow the City to prosper during the economic recovery.

To reduce the structural imbalance, the City again restricted discretionary spending and slashed another 25 positions from the workforce. Additionally, the cost of most licenses, permits and fees was raised.

Good news, of sorts, finally found its way to City Hall from Beacon Hill in FY’05, as the State first level-funded non-school local aid and then provided cities and towns with a one-time increase in Lottery Aid. However, additional cuts, revenue enhancements and use of rainy day funds were still required to offset a projected deficit initially estimated at \$4.7 million.

To reduce that projected deficit, the deficit reduction plan instituted in FY’03 and expanded in FY’04 was added to yet again, with provisions made to:

- Developing a plan to recover funds owed by the top five tax delinquents;
- Eliminating Pay-As-You-Go CIP appropriations, and
- Increasing the cost for selected licenses, permits and fees.

As a result of the deficit reduction plan and other efforts, especially through additional departmental cuts, the overall shortfall for FY’05 was reduced to \$2.7 million. That deficit, like those in each of the previous four fiscal years, was erased with the use of reserves.

FY’06 saw an additional increase in Lottery Aid of 24%, or \$1,055,146, but that increase was insufficient to cover health insurance increases of over \$1,000,000, let alone any other costs. Even after a continuation of the deficit reduction plans and cuts and other modest revenue enhancements, \$3.3 million was necessary to be appropriated from reserves to eliminate the shortfall. Lottery Aid increased in FY’07 as well, up 21%, or \$1,183,133, but, again, not up sufficient enough to raise the Lottery Aid and Additional Assistance accounts up to the FY’01 high. The reduced gap, though, was down to \$500,000, and the total City withdrawals on

reserves relating to the cumulative gap hit \$8.9 million. After again constraining new spending, and absorbing a 10.5% increase in health insurance and a 7.6% increase in retirement costs, the City withdrew \$2,324,534 from Free Cash to balance the budget.

The structural imbalance continued to decline in FY'08, with the deficit reduced nearly in half to \$1,257,414. The early impacts of the City's 1,200 unit development plan began to have a desired impact. While initial discussions with bargaining units regarding the potential of joining the State's health insurance system did not result in an agreement to do so, the first year of the agreement to have HMO subscribers contribute 15% of the premium cost did take place.

FY'09 – Staying the Course

The FY'09 Budget presents another in a line of constrained spending plans. It is a balanced budget which requires the smallest appropriation of Free Cash since the onset of budget difficulties began in FY'02. Two-thirds of the budget's increase relates to additional school spending supported by State Chapter 70 aid. Including that school spending, the budget is up 3.52%. Excluding school spending, the cost of operating City government, including health insurance, pensions and debt service, is only up 3.2%.

Two new positions are funded in the FY'09 Budget. Those positions, and as many as 5-8 more the City hopes to be eligible for State and Federal grant funding to largely support, will allow the Police Department to make additional advances on its public safety agenda. The City is making such a commitment to public safety in part because the Council and Administration have carefully watched over local finances and now believe the signs are there that a balanced budget means that the next available dollar should go towards public safety. There are outyear deficits being forecasted, but the City hopes to stay the course and adopt a plan to eliminate those deficits without the need for layoffs or overrides to be considered. That hope is based in the long-range planning, and requires additional spending restraint and continued strategic revenue growth.

The largest single dollar increase in any budget, \$631,953 in the Fire Department, is deceptive, in that it represents retroactive increases owed firefighters for three years of work without a new contract. The City Manager's Office is up nearly 12%, or \$37,222, \$35,500 or which is to fund the acquisition of a vehicle to replace the aging and expensive to maintain vehicle currently assigned to the City Manager. The Personnel Department is up 8%, or \$12,214. A third of that increase is to fund some additional staff training, which is not sufficient to fully meet the training requirements for City personnel, and another third relates to the additional drug testing the City now incorporates into the stringent hiring process for public safety officers. Information Technology is also up 8%, or \$50,916, due mainly to the desire of the City to spend operating dollars, instead of bonding the replacement of computer equipment. Veterans Services is up nearly 7%, as the department's caseload continues to grow as a result of a new waive of veterans in need of services. Departments have been generally able to hold the line on spending, even in the face of heating, electricity and gasoline costs increasing substantially.

The FY'09 Budget calls for a 3.80% increase, or \$2,295,520, for the School Department. Again, the increase in spending is solely the result of additional State aid coming in to support education, for example, the largest of these sources, Chapter 70, has increased 4.7%, or \$2,280,218. The City is contesting the Northeast Regional Vocational School Assessment, which requested a 20% increase, and instead has budget a still large increase of more than 8% to that account.

The Salary Reserve account is carrying \$450,931 to offset future collective bargaining agreements with the City's labor unions, all of which require new contracts beginning in FY'09. Being factored into individual department salary lines is a 1% increase for all employees due after the last day of the current fiscal year. All exempt employees are receiving a 2.5% increase for FY'09. As of FY'09, employee contributions towards HMO coverage stands at 15% and Blue Cross remains at a 25%. The City is engaged in discussion with labor unions regarding the potential of joining the State's Group Insurance Commission. If unsuccessful in that move, which could save the City 10-15% on health insurance annually, the City will be seeking further employee contributions towards health insurance in the next round of negotiations. Despite a 7% increase in health insurance premiums, health insurance costs will actually rise by 4%, the result of changes in plan selection by employees. Retirement is up 5%, or \$253,780. The "catch up" provision of the retirement payment to cover the unfunded liability and to move the system towards full funding three years prior to the 2028 deadline will cost the City \$5,953,180.

On the revenue side, Lottery Aid and Additional Assistance remain level funded, which continues to be disappointing news, as the combined accounts are still below FY'01 highs. Real estate taxes are up \$1,512,787, including 2.5% above existing collections plus estimated new growth of \$825,000. The City's 1,200-unit goal continues to have a positive impact on revenue growth, including building permits, which are expected to again surpass historical highs. Fines and fees are expected to remain stable, with the trash fee, which is imposed on non-owner occupied units, increasing by 5%. Parking and motor vehicle fines are also expected to increase, as a result of more targeted enforcement.

FY'09 – Addressing a “Shortfall” of Sorts

As noted, the FY'09 Budget has a shortfall of \$623,905 that is largely the result of the City's decision to hire new police, at a cost of \$225,000, and to fund capital acquisitions through the budget, at a cost of \$317,639. Those two items combine to cost \$542,639. Even with those expenditures, the FY'09 Budget shortfall is less than half of the FY'08 shortfall. The Administration would argue that the shortfall is statistically insignificant, at one-half of one percent of the total budget, and could have easily been covered through more liberal revenue projections. Nonetheless, the shortfall does need to be accounted for, so the Administration plans on making a request for a Free Cash appropriation.

The adherence to the City's process of methodically looking forward over multiple years to plan out expenditures and project the revenues available to fund those expenditures continues to meet with near universal applause. As a result, the City has been able to continue to achieve a most important goal: protecting core municipal services during incredibly difficult municipal finance times. This goal has not changed from year to year. As a component of that plan, the City is sensitive to not overburdening taxpayers. That, too, is a familiar refrain.

Similarly, lost and constrained revenues must be discussed yet again when reviewing the structural deficits that the City continues to battle. Of the most significant issues are:

- Revenues lost to non-school local aid cuts equal a cumulative \$9.7 million from FY'01 highs;
- Proposition 2 ½ limits property tax growth to 2 ½% annually, plus new growth;

- Budget busters, most notably health insurance and retirement, continue to increase in cost substantially above all other expenditures, and
- The last recession, subsequent weak recovery period and now potentially new recession have negatively impacted revenue growth.

The City, primarily hampered on the revenue side by still depressed local aid levels and the constraints held in place by Proposition 2 ½, cannot and will not seek to solely rely on another round of fee increases to make up for lost revenues. However, the City cannot cut much further into the budgets supporting core services while attempting to offset budget shortfalls being created by expanding costs in mostly non-discretionary areas. An option that yet another informal poll of Councillors suggests is not an option is for the City to mirror what 20% of Massachusetts communities attempted to do in 2007, that being to secure a Proposition 2 ½ override to increase revenues to close or completely eliminate future shortfalls. In fact, to avoid a need for an override, reserves were built up and a Three-Year Budget Plan was created. So, after nudging revenues up as much as is possible, practical and responsible, and after making another round of budget cuts, the City will turn to its reserves to fund the modest shortfall projected in FY'09.

The deficit is reducing, in large part because new revenues, including building fees and new taxes relating to the 1,200-unit plan, are filling the gaps. Deficits are also reducing because spending has been constrained, so that the gap between expenditures and revenues was not allowed to widen. Good fiscal management and focused economic development present the City with real hope for the future. External help, in the way of increases in local aid, would further brighten the City's future prospects. The City, however, cannot and will not budget on the basis of that being the solution.

That a shortfall, before reserves are tapped, still exists indicates that more is being spent to provide services and programs than is being taken in through revenues. City budgeters have been especially focused on this realization because if economic development was to not occur as envisioned, or if excess spending is allowed to take place, then future deficits may become more, not less, severe. However, the decision to spend more on policing and infrastructure is a conscious decision that is made possible because of the City's relatively good financial health and the City's ability to envision the future.

The Fundamentals Guide Long-Term City Policy

Several years ago, the City embraced the slogan: "plan the work and work the plan." Plan we do, through such vehicles as Five-Year Financial Forecasts and Annual State of the City Reports. Those plans cause officials and stakeholders to engage in discussion and produce consensus, as well as provide a roadmap for the direction of continuing City action. The stability of the processes of planning the work, as well as the accurate visioning that goes into creating such forecasting, has resulted in the City working, and remaining consistent to, plans that have indeed resulted in desired goals.

The most basic tenet directing City leaders in assembling priorities during the annual budget process is the planning that takes place around the "Fundamentals," a set of policy objectives that form the basis of all municipal government activities. The Fundamentals are meant to direct City policy makers and budget drafters towards common goals that seek to promote a single, pro-Chelsea agenda. The realization of goals provided for through the broad statements about critical program areas are an important achievement advanced annually by the City's financial plan. The Fundamentals are:

- Financial – steadily improving the City’s financial condition through balancing budgets and advancing responsible reserve policies that strengthen local government’s flexibility to act on pressing needs while protecting against the impacts of economic downturns that could threaten municipal service delivery and the viability of City government;
- Economic Development – further supporting the City through an aggressive agenda that seeks to attract new revenues in a variety of forms, including property tax, auto excise tax, hotel/motel tax and building fees, while simultaneously increasing employment opportunities for local residents and emphasizing the conversion of the City’s older, heavy industrial base into higher and better uses that broaden the sectors of the economy doing business in the city and lead to an overall improvement of the image of the city, both internally and externally;
- Neighborhood Enhancement – continually producing improvements in each and every neighborhood of the city by updating infrastructure through a functioning Capital Improvement Program, cleaning streets, rehabbing the housing stock, enhancing open space, eliminating blight and tackling and resolving long-standing problems, including residential and industrial conflicts, that have persisted throughout the city, in some cases, for decades;
- Community Development – fully encouraging partnerships between City government and its stakeholders in Chelsea’s success, including other governmental entities, the business community, non-profit leaders, neighborhood groups and individual residents, in order to support a broad array of programs and initiatives that may or may not be City-run, but are all supportive of the City’s desire to promote the advancement of its families and individual residents over a broad range of human needs, including, but not limited to, affordable housing, health care, education and job training;
- Public Safety – constantly improving upon the protection of the public and its property by initiating policy and providing the necessary resources, be it training, manning or equipment, to effectively carry-out the missions of the City’s law enforcement, fire and emergency management agencies, and
- Governmental Philosophy – becoming a more open, responsive and responsible municipal government that not only hears the needs of its people, but develops and initiates efforts designed to address those needs in a honest, fair, equitable, accountable and cost-efficient manner, while never sacrificing good government for the benefit of those whose goals run counter to that of a pro-Chelsea agenda.

FY’09 – Fundamentals in Action

Financial matters are a top priority in the context of providing the City with the resources to maintain core municipal services and expand City programming where necessary and warranted. Thus, the successful implementation of the Financial Fundamental is the basis for all else the City wishes to do. In FY’09, like previous years, the City will strive to constrain spending and seek new revenues. The City continues to believe that spending can be restrained while not devastating local service delivery. Thus, critical services and programs continue to receive the financial support they require. Regarding new revenues, those new revenues the City seeks will be in the form of an expanding tax base, not piling more of a tax burden on existing residents.

The last point is an important one, as the Financial Fundamental needs to be humanized in respect to tax burden. The City is not seeking to maximize revenues at the expense of making the community unaffordable. An updated survey of neighboring communities was undertaken, as a matter of fact, to take a look at the City’s affordability relative to its neighbors. What was learned was the city remains the most affordable community in which to reside. You, City Council, are largely responsible for that, as your

combination of fiscal restraint and prioritization of owner-occupant tax relief means the average local tax bill and water and sewer charge is some \$232 less expensive than the closest community's burden. In fact, communities range from 7.3% to 53.7% more costly than the local experience.

As new revenue growth takes place, constraint needs to be practiced again in FY'09. The City hopes to engage in fruitful collective bargaining conversation, seeking to strike a fair compromise between what bargaining units wish to receive in wage increases versus what the City's budget can afford, the latter suggesting something in the area of 2½, 2½ and 3% increases over the next three year. Further work on health insurance on both the local and statewide level is aimed at reducing the costs for employee coverage. The City will seek to advance State discussion about reducing the burden of retirement costs on those municipalities feeling a pinch, and will lead efforts to promote the regionalism of those services which would seem to lend themselves to such an approach.

In order to ensure continued affordability, the City must achieve the 1,200-unit residential development goal, plus some, over the next three to five years. That goal is well within reach as the City's Economic Development Fundamental is promising to attract the new revenues from an expanding property tax base, and doing so while attracting national and international attention from companies that have the ability to invest anywhere, and are now choosing the city. Those new revenues not only include recurring property tax receipts, but also increased annual excise tax revenues and one-time building fees. More than 700 units are presently under construction, with more than 1,000 additional units currently being planned and permitted.

Additional economic development activities will focus on the Mystic Mall and the Everett Avenue Urban Renewal District. The second phase of retail activities is almost complete at Chelsea Commons, the former Parkway Plaza. Meanwhile, construction of a new Market Basket is underway and will be ready by early 2009, providing the catalyst for even greater, perhaps mixed-use, investment at the Everett Avenue shopping center thereafter. In addition to the residential development planned in the EAURD, the City is optimistic that a second hotel will begin development at Chelsea Gateway, and that focused planning to bring a major residential development to the Chelsea Residential Overlook Project area will materialize with a late FY'09, early FY'10 groundbreaking. In the Downtown, the City is working on a Main Streets Program that could be advanced with the recent opening of the new CVS and other retail and residential projects along Broadway.

The FY'09 Budget provides for important public safety advances, including increasing the size of the Police Department by perhaps more than 10%. That manpower will allow the Police to undertake additional "zero tolerance" operations addressing quality of life, among many other important goals. Technology improvements throughout public safety will make the City's forces more prepared and efficient in what they already do best, that being protecting the public.

The Community Development Fundamental will be advanced in FY'09 through the Shannon Community Safety Initiative prevention activities targeted to address at-risk youth issues. The State is expected to open the new DCR (Department of Conservation and Recreation) Pool on Carter Street late in FY'08. The City is seeking to expand the traditional pool hours for the benefit of local youth and families, a major target of the Shannon Community Safety Initiative expansion. More summer jobs are expected to be offered this upcoming summer with the assistance of State grant funding and support by Massport. A new afterschool program will soon be unveiled in the community, with its major funders, the Hyams Foundation and the

MGH Community Benefits Program, helping to shape the offering targeted to 7-10 graders. FY'09 will mark the first year in twenty that the Schools operate independent of the highly successful and soon to be completed BU/Chelsea Partnership. The School Department and School Committee will continue the transition planning to attempt to secure a seamless transition from that accomplished, two-decade-long management of the local school system by Boston University. New affordable housing options will open as the City's 1,200-unit residential goal, which includes provisions for 15% affordability, comes on line.

An affordable housing project that doubles as a prime example of the City's Neighborhood Enhancement Fundamental is the work being done to create a new residential neighborhood on Gerrish Avenue. This budget provides for the debt service necessary for the City to address pressing infrastructure needs in the area to support 121 new units of housing at former industrial properties in the district, the first of which have already been occupied. Sixty-five (65) of those units will be affordable. Likewise, the transformation of the residential portion of the Everett Avenue Urban Renewal District, from tired, blighted, marginal industrial to 400-600 units of housing is likewise supported by short- and long-term borrowing financed through this budget. The City is prioritizing the Phase I project there, known as Crescent Court, as it does many because of their "smart growth" impacts that promote "transit orient development" and the reuse of formerly developed sites.

The openness and transparency of municipal government will be extended in FY'09. Police Department community meetings and the additional engagement of the community on issues ranging from waterfront development to trash initiatives will ensure that the public has the opportunity to participate in and contribute to the workings of their City government. The increased use of Channel 15 for public announcements and the R911 system for emergencies and community convenience will help City government continue to communicate with residents in new and effective ways.

The above initiatives and others will combine with the more routine City efforts to provide quality municipal service over a broad spectrum.

FY'08 – Success, One Step at a Time Begets Staying the Course

The validity of the last statement is supported by the accomplishments the City has produced in the past, including those enjoyed on the FY'08 municipal agenda. In fact, there is a connectivity that transcends budget years, as stable government and a unified approach to addressing issues allow one year to close and another to open, without any loss of focus or resolve. The City builds off of previous successes to further strengthen its core and to promote even greater opportunity for future success. In FY'08, those noteworthy successes included:

- Balancing the FY'07 Budget, the twelfth straight balanced budget, consistent with the City's Five-Year Financial Plan;
- Maintained a bond rating from Standard & Poor's of "A," the City's highest rating perhaps ever;
- Received GFOA audit award, and secured an outside audit that, for the ninth time in a row, reported no material weaknesses in the City's operations;
- Completed FY'06-'08 cycle of collective bargaining with municipal employee unions;

- Completed a statewide advocacy role in support of legislation to allow municipalities to join the State's Group Insurance Commission to secure health insurance for municipal employees, which eventually passed the Legislature and was signed into law by Governor Deval Patrick;
- Conducted the third annual "municipal tax burden" study which continued to confirm that the City's charges to local owner-occupants, on average, are the lowest in the eight community study area;
- Aided Council in its adoption of the maximum commercial shift and residential exemption permitted by State law, saving the average single family owner-occupant approximately \$1,259 in property taxes for the current tax year;
- Secured the approval of the City's 27th business development project, Tri-State Signals, through the TIRE Program, and aided the company in its facility needs while its new headquarters was under construction and eventually opened on Spencer Avenue;
- Secured present and future budget stability by advancing the City's 1,200-unit residential development goal by facilitating pre-development action for more than 1,700 units, including projects at Parkway Plaza, Admirals Hill and the Everett Avenue Urban Renewal District (EAURD);
- Advanced the goal of securing 15% affordability within the residential units being constructed as part of the 1,200-unit goal, including successfully negotiating a commitment of \$1.8 million for to the City's Affordable Housing Trust Fund from JPI, the developer of the first of two phases of residential development in the EAURD's "Chelsea Residential Overlook Project;"
- Negotiated successfully to acquire all of the targeted acquisitions in CROP and for the disposition of the parcels included in the first phase of the two phased residential redevelopment, including entering into a 238-unit development agreement with JPI;
- Led a process that successfully replaced the abandoned HP Hood headquarters project in the EAURD's "Chelsea Gateway" parcels with a designation to a development group that includes Choice Hotels;
- Advocated for as part of a statewide coalition and was successful in securing a second round of funding through the Shannon Community Safety Initiative to support local enforcement and prevention efforts around an anti-youth violence agenda, which included hiring a second gang officer, adding 50 afterschool slots at the Boys & Girls Club, enhancing programming targeting youth and substance abuse at the Chelsea Housing Authority and transitional employment for court and/or state services involved youth;
- Advanced goals established in the Chelsea Police Department's Supplemental Enforcement Efforts, including a successful partnership with State Attorney General's Office, Suffolk County District Attorney's Office and the Insurance Fraud Bureau to combat local auto insurance fraud, which has contributed to a more than 16% reduction in local auto insurance rates;
- Enhanced the City's efforts to combat graffiti by prioritizing enforcement through the Police Department, coordinating abatement through a cooperative arrangement with Roca and securing new equipment for the DPW to utilize on public properties;
- Assisted in the advocacy and secured the project start of the reconstruction of the DCR Pool on Carter Street;
- Advocated for and participated on a panel developing a comprehensive afterschool program for students in grades 7-10 for implementation for the upcoming school year;
- Coordinated planning activity and secured Massport land contribution and State grant funding to establish a new tot lot at Adamski Park, and secured State funding to support another new park being created as a result of the Corcoran project;
- Partnered with the School Department and Chelsea Little League to secure lights for the Little League Field and advance a plan to develop a concession stand/restrooms for the field at the Burke Complex;

- Devised a funding strategy to support the development of second artificial turf field, this one at Highland Park;
- Secured the installation of odor recovery equipment at Chelsea Terminal;
- Conducted a search which led to the hiring of a new Police Chief, and filled other critical positions within the organization with talented and dedicated existing and new staff members;
- Finalized plans and initiated the process which led to the hiring of a part-time Quality of Life Inspector, the City's first;
- Expanded the City's outreach for minority candidates to fill staff vacancies by participating in a new web posting service;
- Implemented an on-call translation service to connect Spanish speaking residents to important board and community meetings;
- Revamped Chelsea Community Cable Television Channel 15 to allow for City staff access to post important City notices in a more timely fashion, and
- Resolved several hardware and software issues that allowed the City to access R911 services and tested the service of sending pre-recorded messages out to the public.

Securing Progress by Staying the Course – FY'09 and Beyond

Success can be measured in many ways. That the City can survive, and thrive, during the most difficult of financial times, while a decade and a half earlier a relatively mild recession thrust the City into unparalleled financial stress, is a great success story. Maintaining the City's "A" credit rating and perhaps being in a position to upgrade it, even in these difficult times, is reflective of that success. So, too, can success be pronounced when major investor after major investor chooses Chelsea for greater investment, including, most recently, one of the world's largest hotel companies for the New England roll-out of their newest and most upscale hotel product. That compared to twenty-five years ago when one of the nation's largest abandoned an expansion project in the city. Success can be seen in the City's public forces, where the City's public safety officers are on the cutting-edge of enforcement and protection activities. The City has been successful at becoming a champion in many movements, including managerial, like advancing health insurance and regionalism; operational, like leading the effort to secure a third round of funding for municipalities to support programs targeted at at-risk youth, and out in the community, where, for example, ROCA and the City are collaborating on a statewide initiative to address employment for court or state-serve involved youth. Where Chelsea was once known for failure, it is today recognized for leadership. That's success that has been earned by first plotting the right course, which arguably was done more than a decade ago, and then staying the course, which necessarily requires a daily recommitment. Industrial/residential conflicts, remnants of the Industrial Revolution, are being resolved systematically, as are other noxious impacts from the City's industrial past. That success has made the city one of the area's most attractive for investment by national and international concerns. At City Hall, leaders are being sought after for advice and counsel, not for questioning about nefarious activities. In the community, City aided initiatives are truly capturing the eye of regional and national observers. The City can be proud of such success.

FY'09 promises to be another year of progress. The stabilization of the budget, realization of the economic development agenda, establishment of remarkable youth development programs, building of a new neighborhood on Gerrish Avenue, expansion of policing initiatives and the evolving of community visioning are among many achievements that can be expected in the year ahead. Those successes will build

off of a dozen years of earlier success, and will be the foundation for even greater success in the years to come.

Success does not mean that all is fixed or that problems do not exist. No entity could ever claim such accomplishment. Success, as evidenced by this budget, simply means that the City is in control of its destiny and not shying away from difficult choices that could paralyze others. Instead of presiding over the decay of a city due to serious budget issues and poor community planning, the City is, in fact, looking forward with great anticipation to what has become expected of City government, the achievement of additional successes that continue to move the City towards even greater gains. Time not spent on managing crises is time much better spent on promoting a terrific community that is now becoming accustomed to realizing its potential, and leading the way for others to do the same.

Together, we serve the people of this community, first, last and always. Your leadership in making all that is contained within this budget document possible is a tribute to you individually and collectively. It is my pleasure to work with you to make our every successful step possible today and for many more years to come.

Very truly yours,

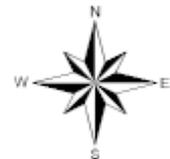
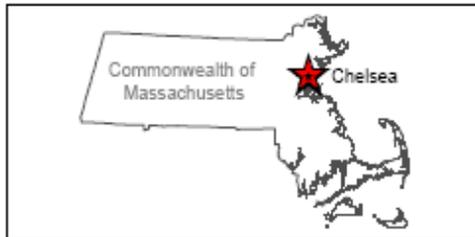
A handwritten signature in cursive script that reads "Jay Ash". The signature is written in black ink and is positioned to the left of the typed name.

Jay Ash
City Manager



Annual Budget

City of Chelsea Suffolk County, MA



Chelsea at a Glance

General Statistics

Population:	35,080 (2000)
Size:	1.86 square miles
Income per capita:	\$14,628 (1999)
School Enrollment:	5,575 (4/25/2008)
Population per Sq. Mile:	14,973.5 (2008)
Median Family Income:	\$32,130 (1999)
Registered Voters:	11,971 (2008)
Public Roads Miles:	48.92
EQV Per Capita:	\$80,572 (2006)

Tax Data (Certified by Massachusetts Department of Revenue for FY 2008)

Classification	Levy percentage	Valuation	Tax rate per \$1,000
Residential	54.7950%	\$1,969,347,968	\$9.95
Open Space	0.0000%	\$0	\$0.00
Commercial	30.7925%	\$467,205,982	\$20.76
Industrial	9.7396%	\$147,778,700	\$20.76
Personal Property	4.6729%	\$70,889,900	\$20.76

The City of Chelsea, Massachusetts (the “city”) is located directly across the Mystic River from the City of Boston. The city covers an area of approximately 1.8 square miles and is bordered by Boston on the south, the City of Everett on the northwest, and the City of Revere on the northeast. The city was first settled in 1624, established as a Town in 1739, and incorporated as a City in 1857. In August 1995, the City government, the "City", implemented a new City Charter that vested legislative power in an eleven member City Council and placed executive authority in a City Manager appointed by the City Council. The implementation of the new City Charter followed four years in which a State-appointed receiver with broad administrative, fiscal, and political authority administered the affairs of the City. Receivership followed years of increasingly aggressive State intervention in the City’s finances, and was specifically triggered by a growing cash shortage in the spring of 1991.

PHYSICAL AND ECONOMIC CHARACTERISTICS

Chelsea is an inner urban suburb of Boston. Chelsea City Hall is approximately three miles from Boston City Hall; it is less than three miles from Logan International Airport. The proximity of the city to downtown Boston and Logan Airport is the source of much of the city's economic potential. Airport-related businesses, including a major hotel, have come to the city in recent years. Chelsea is diverse in a number of respects. Its economic base includes strong trade, manufacturing, and services sectors. The city is home to many individuals of diverse cultural origins, many of whom are first-generation Americans. The city has throughout its history been a first home on these shores for immigrants; this has provided the basis for a vibrant cultural and economic life for the city. With the implementation of a new City Charter in 1995, the City has been better able to build on its advantages of diversity and proximity to attract increased business and public investment.

Principal Employers: The following are the largest employers, other than the City itself, located in the city:

Company Business	Current Employees
The Commonwealth of Massachusetts - State Government – Inform Tech(IT)	1,100
Massachusetts Water Resources Authority - State Government	564
Market Basket Grocery Sales	300
Paul Revere Transportation Company	260
Signature Breads – Food	250
Massachusetts General Hospital Medical Center	250
Metropolitan Credit Union Financial Services	220
Kayem Foods Manufacturer/Distributor - Food	180
Stop & Shop Grocery Sales	147
Kettle Cuisine – Food	130

Source: Chelsea Department of Planning and Development 2007 Census

Census Profile 2000



The U.S. Bureau of the Census completes a decennial census count for the direct purpose of creating new legislative districts based on population changes. The Census figures also indirectly affect billions of dollars of federal and state grants for local communities such as Chelsea. These Census numbers allow grantors to compare communities across the nation by accessing their demographic, economic, housing, and social statistics. Beyond the realm of grant funders, there is also a need among local residents to have some measurement of the ways in which their community is changing. This analysis of recent community trends allows government, community, resident, and business spending to reflect these calculated changes and better direct future dollars.

Chelsea Is Growing Rapidly

Between 1990 and 2000, Chelsea's population grew at a very high rate from 28,710 to 35,080. This 22.2% growth rate between 1990 and 2000 represents the highest growth rate of all municipalities over 30,000 in the Metropolitan Area Planning Commission (MAPC) region¹. This growth is continuation of growth seen since 1980 when Chelsea's population was at 25,431 it's lowest recorded Census population. This rapid growth can stress transportation infrastructure, schools, housing, and social service networks if these systems do not keep up with the expanding population. Effects of this population growth are especially visible in municipal service budgets such as roads, schools, and public safety that struggle to provide all residents with uninterrupted high levels of service.

Chelsea Is Diverse

Chelsea continues to be a community of diverse racial backgrounds, with Hispanic or Latino being the largest segment of the population at 48.4%. Much of the population increase was an influx of Hispanic or Latino residents (+7,966). The remaining Non-Hispanic groups compose 51.6% of the population, with White Alone comprising 38.3% of Chelsea's population. The Chelsea population largely identifies with one race (93.4%) while 6.6% of residents identify with two or more races.

Chelsea Incomes Increase, But Remain Low

The 2000 median household income rose 20% to \$30,161 from the 1990 median of \$25,144. The per capita income also reflects an increase from 1990 to 2000 as incomes changed 26.6% from \$11,559 to \$14,628, respectively. These median income levels continue to lag behind national median income levels of \$41,994 for households and \$21,587 per capita. The largest household income bracket in 1999 still remains the lowest reported income bracket, households earning less than \$10,000, which numbered 2,255 (18%) households. The number of individuals living in poverty increased by 1,206 (18%) from 6,715 in 1990 to 2,665 (28.8%) in 2000. The poverty levels for related children under 18 dropped from 2,792 (38.9%) in 1990 to 2,665 (28.8%) in 2000.

¹ The MAPC region includes 101 communities in the metropolitan Boston region.

Chelsea Offers Many Business Options

Occupations primarily include, but are not limited to service (25.2%), sales and office (25.3%), production/transportation (23.4%), and management/professional (17.9%). Industry in 2000 includes, but is not limited to educational/health/social services (16.6%), manufacturing (15.1%), professional/scientific/management/administrative (12.2%), arts/entertainment/recreation (10.7%), retail trade (9.7%), and finance/insurance/real estate (7.2%). The wide variety of occupations and industries represents a diverse field of business options that are not dominated by one or two sectors, but offer many options.

Chelsea's Labor Force is Increasing

Unemployment in Chelsea declined from 12.1% in 1990 to 7.3% in 2000. At the same time, the labor force participation increased from 13,626 persons in 1990 to 14,212 persons in 2000.

Chelsea Uses Alternative Transportation Options

Commuters going to work primarily drive alone (47.8%), carpool (17.6%), use public transportation (24.9%), or walk (6.6%). When compared to the rest of the MAPC region, these figures demonstrate high usage of public transportation and carpooling to get to work. Walking to work remains average while Chelsea's rate of single drivers is low when compared to the MAPC region average. Seventy-nine point six percent of households own one or no cars in 2000 and only 20.3% own two or more.

Chelsea Has A Housing Shortage

The total number of housing units increased from 11,574 in 1990 to 12,337 in 2000, an increase of 6.6%. At the same time, population grew by 22.2% and the housing supply did not keep pace with the demand.

Indicators of this housing shortage include:

- Increases in population exceeding increases in total housing units
- Increase in number of residents per unit
- Decrease in vacant housing units for both renters and owners
- Extremely low number of seasonal or vacation homes
- Increase in average household sizes of both renters and owners
- Increase in value of units
- Low percentage of owner-occupied units
- Increase in mortgage costs for owners
- Increase in gross rents
- Aging housing stock
- Increase in the number of housing units without plumbing facilities
- Increase in the number of housing units without kitchen facilities.

Chelsea Residents Spend More for Housing

The Boston region has extremely high housing costs² and Chelsea is no exception to this trend. However, most Chelsea residents spend a disproportionate amount of their income on housing, and home ownership is still not economically feasible for most residents. Monthly costs for owner-occupied units, with and without mortgages, rose by 35.9% and 32.7% respectively since 1990. In 1999, 50% of all owners had monthly housing costs of less than 20% of their household income. Nineteen point five percent (19.5%) of all owners had monthly housing costs of greater than 30% of their household income. Median gross rent for renter-occupied units increased from \$594 in 1990 to \$695 in 2000 a change of +17%. In 1999, 26.4% of all renters had monthly rents of less than 20% of their household income. Forty-two point four percent (42.4%) of all renters had monthly rents greater than 30% of their household income.

Chelsea Has Many Family Households

The total number of households in Chelsea has increased by 1,335 (12.7%) to 11,888 in 2000 from 10,553 in 1990. Family households comprise 7,614 (64%) of households and nonfamily households equal 4,274 (36%) in 2000. Between 1990 and 2000, there was a 16.7% increase in the number of family households and a 6% increase in the number of nonfamily households. The average household size is 2.87 persons and the average family size is 3.5 persons. Of the relationships in the total population, 97.3% of the population is in a household while 2.7% is in group quarters

School Enrollments Are On The Rise; Educational Attainment is Declining

School enrollment increased on all levels between 1990 and 2000: preschool and kindergarten enrollment increased by 884 students (219.9%), elementary school and high school enrollment increased by 1,878 (38.9%), and college enrollment increased by 199 students (12.9%). The educational attainment of the population over 25 years old in 2000 indicates that 40.5% of residents do not have a high school diploma, 49.5% of residents have a high school diploma, some college, or Associate's degree, and 10% of residents have a Bachelor's degree or higher. Numbers of residents with higher education decreased between 1990 and 2000.

Chelsea Has Special Needs

Of the 1,013 households with grandparents living with young grandchildren, grandparents are responsible for the children in 411 households (40.6%). Civilian veterans number 2,263 (8.9%) in Chelsea. Nine hundred and fifty-nine (11.6%) of 5 to 20 year olds have a disability, 6,670 (33.7%) of 21 to 64 year olds have a disability, and 1,917 (56.9%) of those over 65 years old have a disability.

² Greenberger, Scott S. "Dollar Gets Less Mileage Within Boston." *Boston Globe*. December 21, 2003.

Chelsea is an Immigrant Community

The majority of Chelsea residents, 22,406, (63.9%) are native born while 12,674 (36.1%) are foreign born. Of those foreign born residents, 2,548 (20.1%) are naturalized citizens while 10,126 (79.9%) are not US citizens. Most foreign born residents are from Latin America, 9,180, (72.4%) with smaller segments from Europe, 1,330, (10.5%) and Asia, 1,292, (10.2%). Most households in Chelsea speak a language other than English at home. Thirteen thousand four hundred and fifty-three (41.6%) residents speak English only at home while 18,861 (58.4%) speak a language other than English. Non-English speaking households include 14,144 (43.8%) Spanish speakers, 2,953 (9.1%) Indo-European language speakers, and 1,222 (3.8%) Asian language speakers.



This aerial photograph was taken above Chelsea looking south to neighboring Boston. Route 1 winds through Chelsea and crosses the Mystic River via the Tobin Bridge. In the foreground is Chelsea's modern Williams Elementary School Complex. Across the river is the Leonard Zakim/Bunker Hill Bridge's unique "cable-stay" engineering. This bridge begins the Interstate 93 tunnel under Boston.

City Organization

Background

Chelsea is located in Suffolk County, directly across the Mystic River from the City of Boston. The city was first settled in 1624, established itself as a town in 1739 and was incorporated as a city in 1857. The city has a population of 35,080 (2000 US Census) and occupies a land area of 1.8 square miles both make it the smallest city in Massachusetts. Regarding the former, it is estimated that at least 5,000 residents are not counted by the Census but do live within the city limits.

The City provides general governmental services for the territory within its boundaries, including police and fire protection, collection and disposal of trash, public education for pre-kindergarten through grade twelve, water and sewer services, parks and recreation, health and social services, libraries and maintenance of streets and highways. The principal services provided by Suffolk County are prosecution, incarceration and registries. The Massachusetts Bay Transportation Authority ("MBTA") provides commuter rail and bus service throughout the city with connections to the metropolitan Boston area. The Department of Conservation and Recreation ("DCR") maintains certain parks, highways and a pool. Additional roadways are managed by the Massachusetts Highway Department ("MHD") and the Massachusetts Port Authority ("Massport"). The Massachusetts Water Resource Authority ("MWRA") provides water and sewage disposal services to the City.

In August 1995, the City implemented a new City Charter, which vested policy and legislative authority in an eleven member City Council and placed strong executive and administrative powers in an appointed City Manager. The implementation of the new Charter followed four years in which the affairs of the City were administered by a State-appointed Receiver with broad administrative, fiscal and political authority.

City Charter

On June 21, 1994, local voters approved a proposed new City Charter. The proposed Charter was approved by a margin of three to two. The vote was advisory and not binding on the Receiver, who was required by the Receivership Act to recommend a future form of government for the City. The proposed Charter was submitted to the Massachusetts Legislature in late June of 1994. After approval of the House and the Senate on August 22, 1994, the new Charter was signed by the Governor on August 26, 1994. The Charter became effective on August 18, 1995 with the appointment of the City's first City Manager.

Local voters continue to elect the policy makers in the form of a City Council. The City Council then, by a super majority (a majority vote plus one), appoints the City Manager. The City Manager is the chief executive of the City and is responsible for the day-to-day administration of City affairs.

The Charter requires the implementation of a coordinated citywide budget process. The City Council and the School Committee share responsibility and coordinate their activities. In addition, the Charter requires the City to implement and undertake annual processes for capital planning, long-term financial forecasting and an open operating budget development process. All of these financial mandates required by the Charter have been successfully implemented.

The successful administration of the City Charter has been one of the most significant factors contributing to the City's continued success. Beginning in 2000, the City Council oversaw a Charter-mandated charter review process. That process led to minor Charter changes being adopted locally and, in 2002, approved by the State.

Administrative Organization

The organizational structure of the City is outlined in the City's Administrative Code as promulgated pursuant to Section 6-1 of the City Charter. Section 6-1 authorizes the City Manager to organize or reorganize City departments or agencies. The Administrative Code provides for the internal organization and administration of City government. The intention and purpose of this Code is to establish a legal, practical and efficient plan of organization and administrative procedures, which allows and encourages the effective delivery of municipal services to the residents of the municipality.

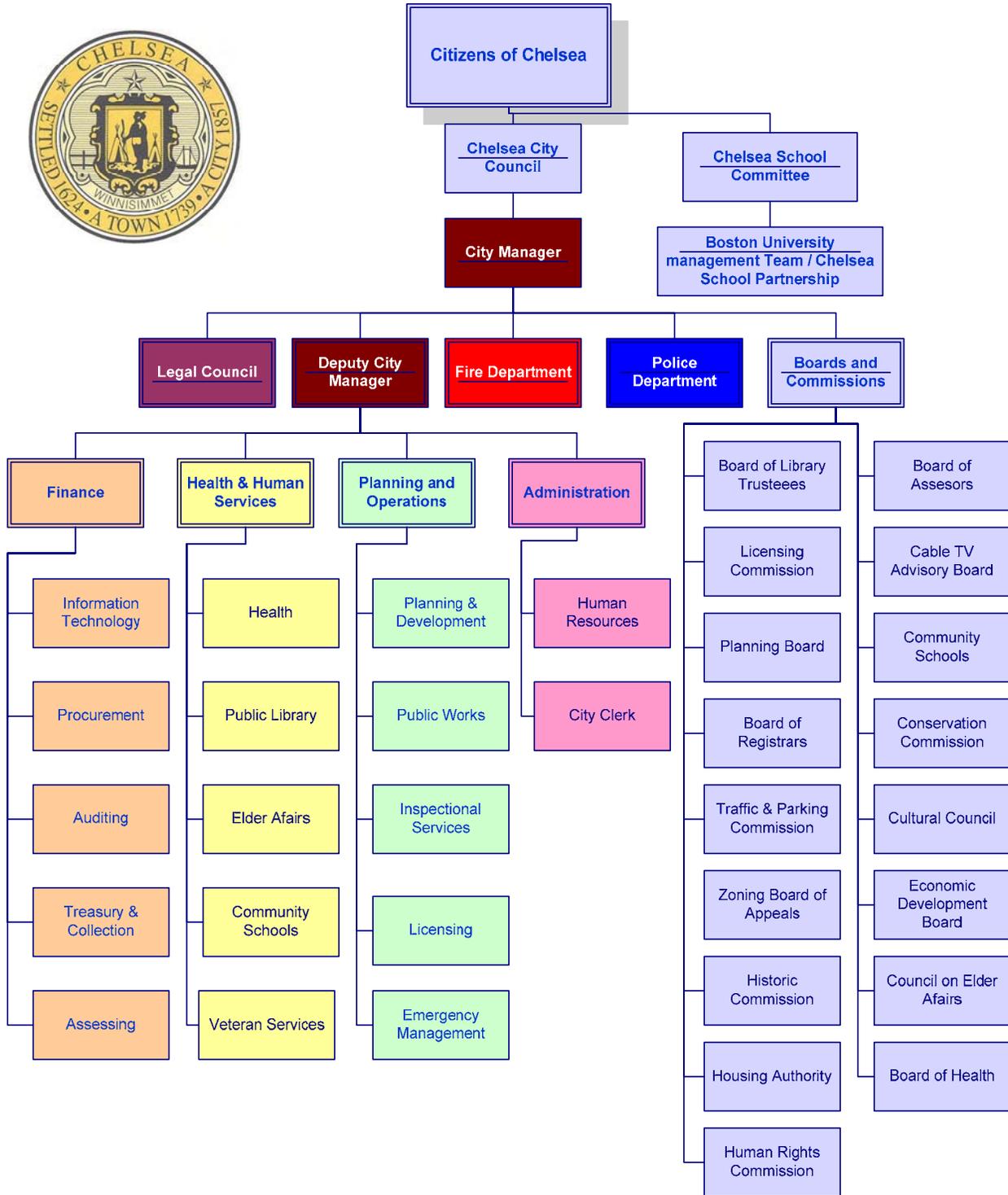
Under the Code, as amended, City departments are aligned under the Executive, Administration, Finance, Health and Human Services and Planning and Operations Divisions. The Executive Department, under the jurisdiction of the City Manager, includes the Law, Police and Fire Departments. The Deputy City Manager reports directly to the City Manager, is a member of the Executive Department, and is responsible for the day-to-day operation of City government. All non-Executive Department staff report to the Deputy City Manager.

City administrations have implemented several organizational changes since the end of Receivership that were designed to improve coordination and communication among departments and to optimize the efficiency of City government. Presently, there is a central Planning and Operations section, which consists of the Departments of Planning and Development, Public Works and Inspectional Services. This functional group centralizes all the functions related to permitting, plan review, overall economic development initiatives and operational and inspection activities required by new construction in the city. The coordination also allows for the institution of "one-stop shopping" to facilitate the required processes for most major and minor local projects.

Other changes implemented have served to improve the coordination and specialization in the Administration, Finance and Health and Human Services functions. As shown on the organizational chart, the segregation of these departments into three separate divisions, headed by members of senior staff, has served to flatten the organizational structure facilitating intradepartmental communication and coordination, therefore improving the quantity and quality of service provided by the City government.

The organization chart and accompanying table on the following pages provide a complete list of City departments and the respective department heads.

City of Chelsea Organization



Organization Summary

Department	Official(s)	Additional Areas of Authority
Assessors	Phillip J. Waterman, Chairman Ken Stein, Director	
Auditing	Edward Dunn, Auditor	
City Clerk	Robert Bishop, City Clerk	Traffic & Parking
City Council	Stanley Troisi, President Paul Casino, Administrator	
Executive	Jay Ash, City Manager Ned Keefe, Deputy City Manager	
Emergency Management	Allan Alpert, Director	E911
Fire Chief	Herbert Fothergill, Chief	
Health & Human Services	Luis Prado, Director	Elder Affairs, Health, Library, Veterans Services, Community Schools
Human Resources	Karen Budrow, Director	
Inspectional Services	Joseph Cooney, Director	
Legal	Cheryl Watson, Corporate Counsel	
Licensing	Deborah Clayman, Director	
M.I.S.	John Hyland, Acting Director	
Planning & Development	John DePriest, Executive Director	Planning, Economic Development, Housing
Police	Brian Kyes, Chief	Animal Control, Harbor Master
Public Works	Joseph Foti, Director	
Retirement Board	Joseph Siewko, Chairman	
School	Michael J. Caulfield, Chairperson Dr. Thomas Kingston, Superintendent	
Treasurer/Collector	Robert Boulrice, Director Treasurer/Collector	Central Billing and Research
Veteran Services	Francisco Toro, Director	

City Council

The City Charter establishes a Legislative branch of government which consists of eleven City Councillors, one councillor elected from each of the City's eight legislative districts and three councillors elected at-large. All members of the City Council serve two-year terms, with a President, Vice President and Delegate to School Committee being elected by a majority vote annually. The Council is responsible for selecting and evaluating the City Manager, as well as adopting financial measures, including the budget, and amending City ordinances. In accordance with the mandate of the City Charter, Councillors may not hold any other City office or City employment while serving and are not eligible to assume a position in the City for one year after leaving office.

The City Council has organized into eight Sub-Committees, which correspond to many of the appointed boards and commissions in the City or relate directly to legislative or policy issues of importance. The Sub-Committees, through open public meetings, enable the Council to address issues of concern in the City and also to communicate in an effective and ongoing manner with the City Manager and various City departments. The City Council members and their Sub-Committee assignments for calendar 2008 are outlined below:

At Large	Roy A. Avellaneda
At Large	Roseann T. Bongiovanni
At Large	Leo Robinson
District One	Stanley Troisi, President
District Two	Mike McKonnen, Vice President
District Three	Matthew R. Frank
District Four	Paula S. Barton
District Five	Brian B. Hatleberg
District Six	Marilyn Vega-Torres
District Seven	Deborah Washington
District Eight	Ron D. Morgese

- **Sub-Committee on Conferences**
All members of the Chelsea City Council.
- **Sub-Committee on Finance and Accounts**
Councillor Hatleberg, Chairman, Councillor Robinson, Councillor Troisi.
- **Sub-Committee on Public Safety**
Councillor McKonnen, Chairman, Councillor Bongiovanni, Councillor Frank, Councillor Hatleberg, Councillor Morgese.
- **Sub-Committee on Public Works**
Councillor Morgese Chairman, Councillor Hatleberg, Councillor McKonnen, Councillor Vega-Torres, Councillor Washington.
- **Sub-Committee on Rules and Ordinances**
Councillor Barton, Chair, Councillor Frank, Councillor Troisi, Councillor Washington, Councillor Vega-Torres.
- **Sub-Committee on Community Development and Housing**
Councillor Avellaneda, Chairman, Councillor Bongiovanni, Councillor Robinson.

- **Sub-Committee on Public Health, Education, Training and Human Resources**
Councillor Bongiovanni, Chair, Councillor Avellaneda, Councillor Robinson.
- **Sub-Committee on Inter-Governmental Affairs**
Councillor Washington, Chair, Councillor Barton, Councillor Frank, Councillor Morgese, Councillor Vega-Torres.
- **Sub-Committee on Labor Relations and Collective Bargaining**
Councillor Robinson, Chairman, Councillor Avellaneda, Councillor Hatleberg.
- **Sub-Committee on Inspectional Services**
Councillor Vega-Torres, Chair, Councillor Barton, Councillor Frank, Councillor MeKonnen, Councillor Morgese.



THE 2008-09 CHELSEA CITY COUNCIL – Pictured left to right are: (Seated) Councillor Deborah Washington; Councillor Roseann Bongiovanni; Councillor Stanley Troisi, President; Councillor Marilyn Vega-Torres, and Councillor Paula Barton. (Standing) City Manager Jay Ash; City Council Secretary Nancy Pantano; Councillor Leo Robinson; Councillor Brian Hatleberg; Councillor Roy Avellaneda; Councillor Mike MeKonnen, Vice-President; Councillor Ron Morgese; Councillor Matthew Frank; Council Clerk Paul Casino, and State Representative Eugene O’Flaherty (D-Chelsea).

School Committee

The School Committee has general charge and superintendence of the public schools of the City. The School Committee is a nine-member committee. Since January 2006, the School Committee has been comprised of one elected school committee member from each of the eight established districts plus one member elected at large. The City Charter vests in the School Committee the power to select and terminate a superintendent of schools, establish educational goals and policies for the schools consistent with the requirements of the laws of the Commonwealth and standards established by the Commonwealth. The School Committee also has all the powers and duties given to school committees by the laws of the Commonwealth.

In 1989, the School Committee entered into a partnership agreement with Boston University that provides for the management of the local school system by BU. BU has installed a management team to oversee the development and implementation of policies and the overall administration of the schools. Under this agreement, the School Committee retains veto power over policies adopted by the BU Management Team, as well as the right to terminate the agreement by a simple majority vote at anytime. The original ten-year contract has been twice extended, the last time being 2003. The amended term of the BU/Chelsea partnership ends at the close of the 2007-2008 school year. Thus, FY'09 represents the first year in twenty that the School Committee is solely responsible for the oversight and management of the school system.

The committee members are:

At Large	Morrie Seigal
District One	Rosemarie Carlisle
District Two	Michael J. Caulfield, Chairman
District Three	Melinda M. Alvarado-Vega
District Four	Lucia H. Colón
District Five	Lisa Lineweaver
District Six	James Dwyer
District Seven	Ramona Foster
District Eight	Edward C. Ells

Boards and Commissions

In addition to being shaped and influenced by the City's elected officials and appointed staff, City policy and programs are impacted by the actions of the City's Boards and Commissions. The size, responsibility and source of authority of the City's Boards and Commissions vary. With the exception of those members who derive their appointments as a result of their position in City government and the City Charter mandating their membership, members are appointed by the City Manager and confirmed by the City Council. Boards and Commissions are autonomous in their decision making capabilities and are typically led by a chairperson and staffed by City personnel. Boards Commissions in the city and the maximum number of members (in parenthesis) include:

Board of Assessors (3)

Cable Television Advisory Committee (5)

Community Schools Advisory Board (9)

Conservation Commission (5)

Cultural Council (7)

Economic Development Board (5)

Council on Elder Affairs (17)

Board of Health (5)

Historic Commission (7)

Housing Authority Board of Commissioners (5)

Board of Library Trustees (7)

Licensing Commission (5)

Planning Board (9)

Board of Registrars (5)

Traffic and parking Commission (7)

Zoning Board of Appeals (3 members, 2 Associates)

Budget Calendar

<u>Task</u>	<u>Start Date</u>	<u>Finish Date</u>
Executive Committee updates Citywide mission and goals	12/1/07	12/31/07
City Manager issues Citywide objectives and constraints	2/1/08	2/1/08
Operating divisions coordinate Citywide goals with departmental goals	2/1/08	2/29/08
Distribute budget notebook and materials	3/1/08	3/1/08
Departments compile budget information	3/2/08	3/16/08
Departmental budget review with division head	3/17/08	3/31/08
Submit departmental budget to Budget Director	4/1/08	4/1/08
Departmental presentations to City Manager	4/11/08	4/15/08
Submission of City Manager budget to Council	5/1/08	5/1/08
Council Department hearings	5/19/08	5/29/08
Public Hearing	6/2/08	6/2/08
Council vote on City Budget	6/2/08	6/2/08

Amendment and Adoption Process

The City Council may by majority vote make appropriations for the purposes recommended and may reduce or reject any amount recommended in the annual budget, but, except on recommendation of the manager, shall not increase any amount in or the total of the annual budget.

If the Council fails to take action with respect to any amount recommended in the annual budget either by approving, reducing or rejecting the same, within forty-five days after the receipt of the budget, such amount shall without any action by the council become a part of the appropriations for the year, and be available for the purposes specified.

Reader's Guide

Scope of the Budget. The budget contains most of the ongoing operations of the City of Chelsea. Certain programs are not included. The detail of programs funded by potential grants and gifts, while estimated in summary form in the comprehensive financial plan table, are outside the scope of this document.

Capital Programs. The budget includes two types of capital expenditures: Cash Capital, the direct outlay for capital purposes, and Debt Service, the repayment of principal and interest on previously authorized borrowing. Not included is the appropriation of the proceeds from note and bond sales that may occur during the year. These will be included in future budgets as Debt Service. A separate Capital Improvements Program (CIP) document details all expected capital program expenditures the current fiscal year, as well as for the subsequent four year period.

Budget Format - Departmental Sections. Each departmental section contains a department narrative, which includes organization, program functions, authority, goals and financial data relating to the total department.

Budget Procedure. The preparation of the Annual Budget for the City of Chelsea is governed by the provisions of Chapter 103 of the Acts of 1994 establishing a new charter for the City of Chelsea in 1994. The budget cycle for FY'09 was initiated in December 2007, and at that time, the City Manager established general budgetary guidelines and limitations for the coming year.

The City Manager convened a City-wide annual budget meeting attended by all department heads and finance personnel concerning a general overview of the state of the economy, and outlined specific guidelines dictating the preparation of individual department budgets. In consultation with the City's Budget Director, each department then prepared FY'09 operating budgets and a program summary outlining the projected goals for the future. These operating budgets, which include expenditure and revenue estimates, were submitted to the Finance Director and City Manager.

During April 2008, each department made a presentation to the City Manager justifying proposed budgets and program changes for the coming year. Specific requests were negotiated during these sessions and appropriate revisions were made to the submitted budgets.

As the proposed budgets were reviewed by the City Manager, the budgets submitted were adjusted based on the individual needs of each department. During the months of April and May, the Budget Director finalized the Annual Budget document for submission to the City Council. By charter, the budget must be submitted to the City Council at least 60 days before commencement of the ensuing fiscal year. The City Manager submitted the FY'09 budget to the City Council on May 1st.

From then to the last meeting in May, the City Council will hold a series of department hearings to review each departmental budget requests. The City Council has the jurisdiction to make reductions, but cannot increase the proposed budget without the consent of the City Manager. Following submission of the budget, the City Council has 45 days in which to act; and the Annual Budget for FY'09 becomes effective for the period of July 1, 2008 – June 31, 2008.

The following sections of Chapter 103 and applicable provisions of Chapter 44 of the Massachusetts General Laws govern the City's budget procedure:

Chapter 103. Section 5-1 Annual Budget Policy. The President of the City Council shall call a joint meeting of the City Council and School Committee prior to the commencement of the budget process to review the financial condition of the City, revenue and expenditure forecasts, and other relevant information prepared by the City manager in order to develop a coordinated budget. The Superintendent of Schools and the City Manager shall be present at any such meeting.

Section 5-2 Submission Of Operating Budget; Budget Message. At least sixty days before the commencement of the ensuing fiscal year, the City manager shall submit to the City Council a proposed operating budget for all City agencies, which shall include the school department, for the ensuing fiscal year with an accompanying budget message and supporting documents. The budget message submitted by the City Manager shall explain the operating budget in fiscal terms and in terms of work programs for all City agencies. It shall outline the proposed fiscal policies of the City for the ensuing fiscal year, describe important features of the proposed operating budget and indicate any major variations from the current operating budget, fiscal policies, revenues and expenditures together with reasons for such change. The proposed operating budget shall provide a complete fiscal plan of all City funds and activities and shall be in the form the City Manager deems desirable.

The school budget as adopted by the School Committee shall be submitted to the City Manager at least thirty days prior to the submission of the proposed operating budget to the City Council. The City Manager shall notify the school committee of the date by which the budget of the School Committee shall be submitted to the City Manager. The City Manager and the Superintendent of Schools shall coordinate the dates and times of the School Committee's budget process in accordance with the laws of the Commonwealth.

Section 5-3 Action On The Operating Budget.

(a) Public Hearing

The City Council shall publish in at least one newspaper of general circulation in the city a summary of the proposed operating budget as submitted by the City Manager by a notice stating: (1) the times and places where copies of the entire proposed operating budget are available for inspection by the public, and (2) the date, time and place not less than fourteen days after such publication, when a public hearing on said proposed operating budget will be held by the City Council. For the purpose of this section the summary of the proposed operating budget that is required to be published shall contain proposed appropriations, funding sources and any narrative summary deemed necessary by the City Council.

(b) Adoption of the Budget

The City Council shall adopt the operating budget, with or without amendments, within forty-five days following the date the budget is filed with the Clerk of the City Council. In amending the operating budget, the City Council may delete or decrease any amounts except expenditures required by law, but except on the recommendation of the City Manager, the City Council shall not increase any item in or the total of the proposed operating budget, unless otherwise authorized by the laws of the Commonwealth.

If the City Council fails to take action with respect to any item in the operating budget within forty-five days after receipt of the budget, such amount shall, without any action by the City Council, become a part of the appropriations for the year, and be available for the purposes specified.

AS OTHERWISE MODIFIED BY THE PROVISIONS OF CHAPTER 44 OF THE MASSACHUSETTS GENERAL LAWS, INCLUDING; CHAPTER 44, SECTION 31

A. REPORT OF ESTIMATED EXPENSES; PERIOD COVERED: CONTENTS

Every officer of any City except Boston having charge of, or jurisdiction over, any office, department or undertaking, requesting an appropriation shall, between November first and December first of each year, furnish the mayor and the City Auditor, or officer having similar duties, on forms provided by the City Auditor or officer having similar duties, and approved by the bureau of accounts in the department of corporations and taxation, detailed estimates of the full amounts deemed necessary for the next fiscal year for the ordinary maintenance of the office, department or undertaking under his charge or jurisdiction, and for expenditures other than the ordinary maintenance, with the amounts, if any, expended for similar purposes during the preceding fiscal year and during the first four months of the then current fiscal year, and an estimate of the amounts required to be expended for such purposes during the last eight months of the then current fiscal year, giving explanatory statements of any differences between the amount of any estimate for the next fiscal year and the amount expended or estimated to be required as aforesaid.

The information hereby required to be furnished shall set forth the number of permanent or temporary employees, or both, requested in each classification or rating in the next fiscal year and the number of permanent or temporary employees, or both, employed on October thirty-first of the then fiscal year, or the nearest week-end thereto, except laborers and persons performing the duties of laborers, with the annual, monthly, weekly or hourly compensation of such employees, and shall state whether such compensation is fixed by ordinance or otherwise and whether or not such employees are subject to chapter thirty-one.

The foregoing shall not prevent any City, upon recommendation of the Mayor, from so setting forth the number of permanent or temporary laborers and persons performing the duties of laborers, or both such permanent and temporary laborers and persons, with the annual, monthly, weekly or hourly compensation of such employees. The City Auditor, or officer having similar duties, shall forthwith at the close of each calendar year furnish the mayor with a written report of the money received from estimated receipts applicable to the payment of expenditures of the first six months of the then current fiscal year, with an estimate of such receipts for the last six months of such year and for the next fiscal year.

CHAPTER 44. SECTION 33A. SALARY PROVISIONS IN BUDGET: REQUIREMENTS AND LIMITATIONS

The annual budget shall include sums sufficient to pay the salaries of officers and employees fixed by law or by ordinance. Notwithstanding any contrary provision of any City Charter, no ordinance providing for an increase in the salaries of wages of municipal officers and employees shall be enacted except by a two-thirds vote of the City Council, nor unless it is to be operative for more than three months during the calendar year in which it is passed. No new position shall be created or increase in rate made by ordinance, vote or appointment during the financial year subsequent to the submission of the annual budget unless provision therefor has been made by means of a supplemental appropriation. No ordinance, vote or appointment creating a new position in any year in which a municipal election is held shall be valid and effective unless said ordinance, vote or appointment is operative for more than three months during said municipal election year.

CHAPTER 44. SECTION 32. SUBMISSION TO CITY COUNCIL: PROCEDURE FOR APPROVAL, REJECTION OR ALTERATION

Within one hundred twenty days after the annual organization of the City government in any City other than Boston, the Mayor shall submit to the City Council the annual budget which shall be a statement of the amounts recommended by him for the proposed expenditures of the City for the next fiscal year. The annual budget shall be classified and designated so as to show separately with respect to each officer,

department or undertaking for which an appropriation is recommended:

(1) Ordinary maintenance, which shall also include debt and interest charges matured and maturing during the next fiscal year, and shall be subdivided as follows:

(a) Salaries and wages of officers, officials and employees other than laborers or persons performing the duties of laborers; and (b) Ordinary maintenance not included under (a): and

(2) Proposed expenditures other than ordinary maintenance, including additional equipment the estimated cost of which exceeds one thousand dollars.

The foregoing shall not prevent any City, upon recommendation of the Mayor and with the approval of the Council, from adopting additional classifications and designations.

The City Council may by majority vote make appropriations for the purposes recommended and may reduce or reject any amount recommended in the annual budget, but, except on recommendation of the mayor, shall not increase any amount in or the total of the annual budget, nor add thereto any amount for a purpose not included therein, except as provided in section thirty-three. Except as otherwise permitted by law, all amounts appropriated by the City Council, as provided in this section, shall be for the purposes specified. In setting up an appropriation order or orders based on the annual budget, the council shall use, so far as possible, the same classifications required for the annual budget.

If the Council fails to take action with respect to any amount recommended in the annual budget either by approving, reducing or rejecting the same, within forty-five days after the receipt of the budget, such amount shall without any action by the council become a part of the appropriations for the year, and be available for the purposes specified. If, upon the expiration of 120 days after the annual organization of the City government, the Mayor shall not have submitted to the council the annual budget for said year, the City Council shall within thirty days upon its own initiative prepare the annual budget, and such preparation shall be subject to the same requirements as the Mayor's annual budget, so far as apt. Within fifteen days after such preparation of the annual budget, the City Council shall proceed to act by voting thereon and all amounts so voted shall thereupon be valid appropriations for the purposes stated therein to the same extent as though based upon a mayor's annual budget, but subject, however, to such requirements, if any, as may be imposed by law.

If the Council fails to take action with respect to any amount recommended in the budget, wither by approving, reducing or rejecting the same, within fifteen days after such preparation, such amount shall, without further action by the Council, become a part of the appropriations for the year, and be available for the purposes specified.

Nothing in this section shall prevent the City Council, acting upon the written recommendations of the Mayor, from voting appropriations, not in excess of the amount so recommend, either prior or subsequent to the passage of the annual budget.

The provisions of this section shall apply, in any City adopting the Plan E Form of government under chapter forty-three, only to the extent provided by section one hundred and four of said chapter.

Neither the annual budget nor appropriation orders based thereon shall be in such detail as to fix specific salaries of employees under the direction of boards elected by the people, other than the City Council.

The City Council may, and upon written request of at least ten registered voters shall, give notice of a public hearing to be held on the annual budget, prior to final action thereon, but not less than seven days after publication of such notice, in a newspaper having general circulation in the City. At the time and place so advertised, or at any time or place to which such public hearing may from time to time be adjourned, the City Council shall hold a public hearing on the annual budget as submitted by the mayor, at which all interested persons shall be given an opportunity to be heard for or against the proposed expenditures or any items thereof.

CHAPTER 44. SECTION 33B. TRANSFER OF APPROPRIATIONS; RESTRICTIONS

On recommendation of the mayor, the City Council may, by majority vote, transfer any amount appropriated for the use of any department to another appropriation for the same department, but no transfer shall be made of any amount appropriated for the use of any department to the appropriation for any department except by a two thirds vote of the City Council on recommendation of the mayor and with the written approval of the amount of such transfer by the department having control of the appropriation from which the transfer is proposed to be made. A town may, by majority vote of any meeting duly held, transfer any amount previously appropriated to any other use authorized by law. No approval other than that expressly provided herein shall be required for any transfer under the provisions of this section.

CHAPTER 44, SECTION 33. POWER OF COUNCIL TO ADD TO APPROPRIATION; CONDITIONS; LIMITATIONS

In case of the failure of the Mayor to transport to the City Council a written recommendation for an appropriation for any purpose not included in the annual budget, which is deemed necessary by the Council after having been so requested by vote thereof, said Council, after the expiration of seven days from such vote, upon its own initiative may make such appropriation by a vote of at least two thirds of its members, and shall in all cases clearly specify the amount to be expended for each particular purpose, but no appropriation may be voted hereunder so as to fix specific salaries of employees under the direction of boards elected by the people, other than the City Council. Amended by St. 1941, chapter 473, Sec. 3.

Budget Development

The budget development process is structured to integrate long-term plans and issues with the specific choices and decisions made in the annual budget. The City has adopted a number of techniques, including the Government Finance Officers Association (GFOA) budget format, to enhance the comprehensive and farsighted nature of the process:

Strategic Budget - Based on Long-Term Policies and Plans - The budget process begins with a review of the City's long-term plans, including the 5 Year Financial Plan, the Five Year Capital Improvement Plan, and adopted facilities and services plan for municipal functions, such as the Open Space and Recreation Plan. The linkage to long-term plans provides the strategic context for the budget and reinforces the budget's role of implementing priorities within those plans.

Financial Context for the Budget - The budget process begins with a rigorous gathering of information to identify the financial environment for the budget period and for the next four years. The Five Year Financial Plan provides the focus of the process and includes a comprehensive review of financial policies, a scan of the economy, development of the Revenue Manual and projection analysis using the five year projection model. The City Administration and the City Council review this data in order to develop the budget guidelines and policies that guide the then development of the fiscal year budget.

Toward the Future - One outcome of the budget process is to identify issues and challenges that the City will address in the upcoming and future fiscal years. Looking beyond the current fiscal year, the City has implemented financial reserve policies that are designed to provide the fiscal stability necessary to insure that the City is able to meet its commitments to local residents and taxpayers well into the future. The financial policies reflect a keen awareness of the City's past experiences, including those that led the City into Receivership, as well as the City's foremost priority to keep its financial house in order through careful planning and professional administration.

Budget Policy Objectives

Through the annual budget process, the City has and continues to align short-term actions with long-term policy objectives. In fact, the commitment made annually to the “Fundamentals,” a broad set of policy objectives that seek to promote a single, pro-Chelsea agenda, is once again defining the goals that are established as part of the FY’09 Budget. The primary focuses of the Fundamentals are:

- **Financial** – steadily improving the City’s financial condition through balancing budgets and advancing responsible reserve policies that strengthen local government’s flexibility to act on pressing needs while protecting against economic downturns that could threaten municipal service delivery and the viability of City government;
- **Economic Development** – further supporting the City through an aggressive agenda that seeks to attract new revenues in a variety of forms, including property tax, auto excise tax, hotel/motel tax and building fees, while simultaneously increasing employment opportunities for local residents and emphasizing the conversion of the City’s older, heavy industrial base into higher and better uses that broaden the sectors of the economy doing business in the city and lead to an overall improvement of the image of the city, both internally and externally;
- **Neighborhood Enhancement** – continually producing improvements in each and every neighborhood of the city by updating infrastructure through a functioning Capital Improvement Program, cleaning streets, rehabbing the housing stock, enhancing open space, eliminating blight and tackling and resolving long-standing problems, including residential and industrial conflicts, that have persisted throughout the city, in some cases, for decades;
- **Community Development** – fully encouraging partnerships between City government and its stakeholders in Chelsea’s success, including other governmental entities, the business community, non-profit leaders, neighborhood groups and individual residents, in order to support a broad array of programs and initiatives that may or may not be City-run, but are all supportive of the City’s desire to promote the advancement of its families and individual residents over a broad range of human needs, including, but not limited to, affordable housing, health care, education and job training;
- **Public Safety** – constantly improving upon the protection of the public and its property by initiating policy and providing the necessary resources, be it training, manning or equipment, to effectively carry-out the missions of the City’s law enforcement, fire and emergency management agencies, and
- **Governmental Philosophy** – becoming a more open, responsive and responsible municipal government that not only hears the needs of its people, but develops and initiates efforts designed to address those needs in a honest, fair, equitable, accountable and cost-efficient manner, while never sacrificing good government for the benefit of those whose goals run counter to that of a “pro-Chelsea” agenda.

Developing balanced budgets in difficult financial times continues to be challenging. While substantial improvements in the process of administering the financial affairs of the City have resulted from professional management and leadership from elected officials, the City, in fact no city, is exempt from the inescapable realities of rising costs and sluggish revenue growth that confronts local, state and federal

governments. How governments chose to proceed in addressing those realities is reflective of foundations set or not and operational philosophies followed or ignored.

This FY'09 Budget continues to be consistent with the foundation established through the Fundamentals. As such, the City has established a basis for providing municipal programs and services that is consistent with both its long- and short-term goals. By establishing policy objectives and then defining budgetary issues that allow for the yearly achievement of those objectives during a three-year window, the City has sought to manage budget issues and avoid radical shifting of City policy and/or programming.

Notwithstanding the planning exercises, challenges did exist in assembling the FY'09 Budget. However, those challenges were anticipated in the earlier financial forecasts and have not inhibited the City's potential success in realizing additional gains on the broad Fundamentals agenda.

Budget Goals

The FY'09 Budget allows the City to meet the present budgetary challenges, some which have been lingering for several years, and provides a glimpse at how the City believes budgets in the future will be better financed. In addition to offering another balanced budget, the FY'09 Budget provides the City with the opportunity to seek advances in each of the programming areas contained within the Fundamentals. The combination of acting on short-term needs and opportunities while continually being focused on sustainable long-term achievement is the most basic premise of the Fundamentals. Thus, the City remains loyal to the philosophies which have directed the budget process for more than a decade.

Unfortunately, fiscal uncertainty seems to be an annual concern. Perhaps municipal budgets for most will necessarily be influenced by such continuing fiscal uncertainty. Locally, the City seeks to meet such uncertainty by first understanding the nature of the uncertainty, then by assessing its potential impacts. From there, the City charts a course that mitigates those impacts and allows for the further stability of the local budget and a growth of the local community. In short, the City's belief is that all good things come from a proper financial foundation. So, to no surprise, the City's focus on the Financial Fundamental may continue to be the most important of its Fundamental views.

This FY'09 Budget is constructed to maintain the integrity of the City's finances. With the Financial Fundamental providing perspective, the following budgetary goals are most critical:

- Managing still reduced non-school local aid levels while waiting for economic development activities to “kick-in” locally generated revenue expansion, all while limiting or avoiding an impact on core municipal services and programs of critical concern;
- Controlling costs in “non-discretionary” spending areas, including existing employee and other contracts, health and other insurance premiums, debt service and assessments, achieved, in part, by restricting the growth of the workforce, rebidding service contracts where savings can be achieved, auditing health and other insurance accounts, restraining capital expenditures, refinancing existing debt and advocating for reductions in budgets supported by assessments to the City;
- Constraining “discretionary” spending by identifying, reviewing and prioritizing areas of need, eliminating non-grant out of state travel, eliminating tuition reimbursements and reducing training accounts;
- Being cognizant of revenue raising capabilities and constraints, as well as being sensitive to the impact of revenue raising initiatives on taxpayers, and
- Utilizing the City's reserves in such a fashion as to allow for long-term budget stability and to allow the City to prosper during the economic recovery.

After reducing departmental requests and maximizing revenues wherever possible and responsible, the City will turn to Free Cash to cover the budget shortfall that is projected for FY'09. During FY'09, the City will continue existing efforts and adopt several new initiatives to seek further enhancements in the City's financial position, including:

- Entering into collective bargaining negotiations with each of the eight municipal workers bargaining units to secure agreements that are both fair and fiscally responsible;
- Continuing discussion with all City and School workers bargaining units on the matter of entering the State's Group Insurance Commission pool for the purposes of procuring health insurance at what is anticipated to be a savings over the current procedure,

- Advocating for greater regional and statewide discussion on the potential of regionalizing certain municipal services to achieve greater efficiency at the same or improved effectiveness, and
- Prioritizing the Economic Development goal of increasing the local housing stock by 1,200 units or more by the end of FY'10.

Regarding the latter, City officials have seen the expansion of the tax base as an absolute priority in trying to offset reduced local aid levels and skyrocketing costs relating to non-discretionary spending. While general local aid is increased in FY'09 over FY'08 levels, non-school aid is being level funded and is still below FY'01 highs. When inflation is factored in, as well as the realization that almost \$10 million in local reserves have been tapped to fill the budget gaps left by reduced levels of non-school local aid over the past 7 years, the continuing impact of lower local aid levels becomes even more acute. Thus, the City continues to prioritize the development of at least 1,200 new units of housing, which could increase the tax base by as much as \$3 million or more, and provide one-time revenues of another \$3 million. If realized, the initiative would grow the tax base by more than 11%.

So, Economic Development priorities include:

- Supporting the 1,200-unit initiative, which includes more than 1,700 units in the construction or permitting phases;
- Completing the remaining phases in the Chelsea Commons redevelopment and at the Mystic Mall, and the planning for future phases of redevelopment at the Mystic Mall, and
- Facilitating groundbreaking in the Everett Avenue Urban Renewal District, including the Phase I residential development of Crescent Court and the Choice Hotels construction at Chelsea Gateway.

Other priority initiatives in the City's Fundamentals include:

- Securing the successful opening of the new afterschool initiative for students in the 7-10 grades, the Chelsea REACH Program, working with funding partners, The Hyams Foundation and Partners Health Care, and the School Department, and the community board overseeing the program;
- Completing the infrastructure supporting the newly established neighborhood on Gerrish Avenue and Library Street, known as the Box District, as units open and residential life takes hold in the area prioritized by the City for resolution of "industrial/residential" conflicts that had impacted the area of the city for generations;
- Hiring as many as 10 new police officers to better equip the Police Department in undertaking its various campaigns to promote safety in the community and especially address prevention and enforcement issues around youth violence that could be supported by a third round of State funding through the Shannon Community Safety Initiative, for which the City is a leading champion;
- Advocating for regional approaches, supported by funding and technical assistance, to pressing municipal issues involving development, public safety, education and quality of life issues, and
- Implementing the R911 system, which allows the City to do automated calling to residents, and Channel 15, the local government channel offered through Chelsea Community Cable Television, to better inform and ultimately engage residents on matters of importance taking place in the community.

The formation of the goals listed above and others that follow in individual departmental listings are reflective of the needs of the city's stakeholders as expressed by those stakeholders. While a budget is traditionally thought of as a financial plan, the City's annual budget is about much more than numbers. Ultimately, the achievement of the City's financial priorities must relate to even greater accomplishment on the City's non-financial goals in order for the City to be considered a success. In the Financial Plan that follows, a balanced budget that promotes continuing advancement for a great community can be found.

Basis of Budgeting and Accounting

The modified accrual basis of accounting is followed (for both accounting and budgeting) by all funds. Accordingly, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City recognizes funds received 60 days after the close of its fiscal year as revenue of that reporting period. All other amounts not received during that period are deferred and recognized in future accounting periods. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria is met. The accounts of the City are organized into various funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts.

The City's Proprietary Funds which include the Water and Sewer Enterprise Funds and our internal service Funds are budgeted accounted for on the same modified accrual basis other than generally accepted accounting principals (GAAP Basis). The actual results of operations are presented on a "budget (cash) basis" to provide a meaningful comparison of actual results with the budget. The major differences are that revenues are recorded when cash is received (budgeted) as opposed to when susceptible to actual (GAAP). Second, encumbered and continuing appropriations are recorded as the equivalent of expenditures (budgeted), as opposed to a reservation of fund balance (GAAP).

Our Financial statements are restated in full compliance with GAAP at the end of each year and published in our Comprehensive Annual Financial report. It is for that annual restatement that we capture necessary data such as fixed assets depreciation and compensated absences.

Budgets for the General Fund, Water Fund, Sewer Fund and Capital Project Funds are appropriated by the City Council and may not be legally overspent in any of the three categories: (1) Salaries, (2) Operations & Maintenance, and (3) Capital. Budgets are created in other funds merely as a way of planning for revenues expected and expenditures not exceeding those revenues.

Financial Policies

The City is committed to preparing, submitting and operating with a "balanced budget." A balanced budget is defined as a budget in which receipts are greater than (or equal to) expenditures.

Reserve Policies

Fund balance and reserve policies were initially established to protect the City from unforeseen increases in expenditures, reductions in revenues, a combination of both or any other extraordinary events. Fund balance and reserve policies also serve to provide an additional source of funding for capital construction and replacement projects. Reserves should normally average between 5% and 10% of the City's operating budget.

As a result of a strict adherence to financial reserve policies, the City, as authorized by the City Council, steadily built up reserves in the good years in anticipation of a time when revenue growth would slow or stop. The realities of the most recent and current economic conditions, however, continue to negatively impact the City's revenue prospects in FY'09 and potentially for several additional fiscal years thereafter. Reserves, therefore, have been used and will be further drawn against in FY'09, in thoughtful combination with future or previously instituted budget cuts, workforce reductions and other budgeting techniques, to maintain order in the municipal budget and allow for a smooth transition through the turbulent times that still exist.

There are two classes of reserves: 1) restricted reserves which are to be utilized only for purposes designated, and 2) unrestricted reserves which can be utilized for unspecified purposes. Reserve policies cover operating reserves, which provide for unanticipated expenditures or unexpected revenue losses during the year; capital reserves, which provide for the normal replacement of existing capital plan and the financing of capital improvements; cash flow reserves, which provide sufficient cash flow for daily financial needs, and contingency reserves, which provide for unanticipated expenditures or for expenditures while anticipated are non recurring. The policies presented here are categorized in the following sections:

- **Operating**
 - Undesignated Fund Balance
 - Free Cash
 - Contingency Reserve
- **Capital Improvements**
- **Stabilization Fund**

Operating

The maintenance of adequate operating reserves is essential to the financial strength and flexibility of the City as a whole. Adequate operating reserves are an integral part of the financial structure of the City and help make it possible for the City to issue debt, among many other functions.

Fund Balance as of June 30, 2008 <i>preliminary</i>	\$8,601,823
Projected FY'09 Revenues and other Financing Sources	117,703,903
Projected FY'09 Expenditures and other Financing Uses	<u>118,327,808</u>
Projected Fund balance as of June 30, 2009	\$7,977,918

Undesignated Fund Balance

Operating fund balance shall be maintained at sufficient levels to absorb unpredictable revenue shortfalls and to insure desired cash flow levels. With regard to the General Fund, cash balances available at year-end shall be sufficient, in combination with new revenues, to preclude any requirement for short-term debt to sustain City operations. Should this fund balance fall below 5% of the "Fund Balance Floor," defined as revenues less Chapter 70 school aid, a plan for expenditure reductions and/or revenue increases shall be submitted to the City Council during the next budget cycle.

What is considered the minimum level necessary to maintain the City's credit worthiness and to adequately address provisions for: a) economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy; b) cash flow requirements; c) In addition to the designations noted in (a) and (b) above, fund balance levels shall be sufficient to meet funding requirements for prior year approved projects which are carried forward into the new year, debt service reserve requirements, reserves for encumbrances, and other reserves as required by contractual obligations or generally accepted accounting principles.

Free Cash Reserves

This reserve provides for the temporary financing of unforeseen opportunities or needs of an emergency nature, including increases in service delivery costs. This is the portion of Undesignated Fund Balance certified by the Department of Revenue, Division of Local Services, as "Free Cash." Monies held in this reserve may be appropriated during the current budget year and may also be used as a source of revenues for the ensuing budget year. Of all general fund reserves, this is the most flexible. The amount of money to be held in this reserve should not be less than 3% or more than 8% of the approved General Fund operating expenditures less debt service.

Contingency Reserve

The City will establish and maintain an operating Contingency Reserve, which will provide for emergency expenditures and unanticipated revenue shortfalls. These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate need for short-term borrowing and assist in maintaining an investment-grade bond rating. While no appropriation is made to the Contingency Reserve in the FY'09 Budget, this reserve should ideally be based upon a target 1% of budgeted expenditures in the General Fund. For reserve purposes, budgeting expenses are calculated upon the funds' total operating expense budget, excluding ending fund balances, capital purchases, debt service for capital improvements and the current year's portion of principal and interest paid on outstanding school debt. The actual reserve level is determined as part of the budget adoption process.

Capital Improvement Reserve Fund

Capital Reserves are established primarily to set aside funds to provide for additional projects and additions to existing budgeted projects which may be deemed appropriate for funding after the Annual Budget and CIP are adopted. The City has endeavored and succeeded to increase this reserve fund balance to the equivalent to three years of operating budget capital accounts. The Treasurer shall be the custodian of the fund, which may be deposited or invested using the applicable laws of the commonwealth. Interest on this fund shall be added to and becomes a part of the fund.

The City Council must amend the existing CIP, by resolution, to include additional projects or additions to existing projects before reserve funds can be appropriated. City Council appropriation of reserve funds requires a two-thirds affirmative vote. The City can use these reserve funds to pay for the General

Obligation bond debt service costs of existing approved projects only if the prior year audited Undesignated Fund Balance falls below the previously identified Fund Balance Floor.

Fund Balance as of June 30, 2008 <i>preliminary</i>	\$849,520
Projected FY'09 revenues and other Financing Sources	33,981
Projected FY'09 expenditures and other Financing Uses	<u>0</u>
Projected Fund balance as of June 30, 2009	\$883,501

Stabilization Fund

The purpose of this reserve is to provide long-term financial stability for the City, while also improving the City's credit worthiness and flexibility. The provisions for this fund are dictated by Chapter 40 Section 5B of Massachusetts General Law. This fund may be appropriated for any purpose for which the City would be authorized to borrow money under Sections 7 or 8 of Chapter 44 of MGL, or for any other lawful purpose. City policy is to maintain this reserve at a minimum of 3% of operating expenditures. However, at no time can an appropriation into this fund exceed 10% of the previous years real property tax levy or can the fund exceed 10% of the equalized value of the City. Appropriations from this fund are governed by statute and require a two-thirds affirmative vote of the City Council.

Fund Balance as of June 30, 2008 <i>preliminary</i>	\$3,656,270
Projected FY'09 revenues and other Financing Sources	146,251
Projected FY'09 expenditures and other Financing Uses	<u>0</u>
Projected Fund balance as of June 30, 2009	\$3,802,521

Capitalization Policy

Consistent with GASB 34 and the guidelines and recommendations of the Massachusetts Department of Revenue - Division of Local Service - Bureau of Accounts the City has established the following capitalization thresholds and depreciation:

Asset Type	Estimated Useful Life	Capitalization Threshold
Machinery, Equipment and Vehicles	3-15 yrs. <i>per detailed schedule</i>	\$5,000
Buildings and Facilities	40 yrs.	\$100,000
Building Improvements (<i>excluding carpet which has \$50,000 for 7yrs</i>)	20 yrs.	\$50,000
Land	N/A	\$25,000
Land Improvements	20 yrs.	\$25,000
Infrastructures	5-50 yrs. <i>per detailed schedule</i>	\$150,000

Construction in Progress will be capitalized only if total cost is anticipated to exceed capitalization threshold.

Procurement Policy

Chapter 30B of the Massachusetts General Laws establishes different procedures for the purchase of supplies based on the value of the purchase. The “thresholds” are:

- Purchases for less than \$5,000
- Purchases for \$2,500 or more but less than \$25,000 (**Goods**)
- Purchases for \$5,000 or more but less than \$25,000 (**Services**)
- Purchases for \$25,000 or more
- Sole Source procurements

1. Purchases < \$5,000

For contracts less than \$5,000, Chapter 30B requires that you use “sound business practices.” This means you should make a reasonable effort to make sure you are getting your money’s worth.

2. Purchases \$2,500 or > but < \$25,000

For purchases of (**Goods Only**) \$2,500 or more, but less than \$25,000, you must solicit at least three oral or written quotes and award the **CONTRACT** to the responsible, responsive vendor who gives you the lowest quote that meets your purchase description.

For purchases \$5,000 or more, but less than \$10,000, you must solicit at least three oral or written quotes and a Short Form **CONTRACT** must be executed.

For purchases \$10,000 or more, you must solicit at least three written quotes and a Long Form **CONTRACT** must be executed.

3. Contracts \$25,000 or >

For purchases \$25,000 or more, you must solicit formal advertised bids or proposals and award a **CONTRACT** to the responsible, responsive bidder offering the lowest price.

4. Sole Source Procurements

The threshold for sole source Procurements is now \$25,000.

For purchases of Sole Source Goods or Services < \$25,000, you must adhere to the above procedures.

For purchases of Sole Source Goods or Services over \$25,000, you must solicit formal advertised bids or proposals and award a **CONTRACT**.

Contracts are signed and approved by the requesting Department as to the need for such goods and services, the Purchasing Manager as to the compliance with the above requirements, the City Solicitor as to form, the City Auditor as to the sufficiency of the appropriation as evidenced by the accompanying purchase order, and finally by the City Manger as to the desirability of the goods and services.

Investment Policy

I. Policy Statement

It is the intent of this policy statement for the City to invest funds in a manner which will provide for the maximum investment return while securing principle, mitigating investment risk (credit & interest rate), maintaining liquidity for the daily cash flow demands of the City and conforming to all statues governing the investment of the City.

II. Scope

The investment policy applies to all financial assets associated with the General Fund, Special Revenue Funds, Capital Projects Funds and the Enterprise Funds including all proceeds associated with bond issuance's and short term financing

III. Objective

The primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of this investment policy statement. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of principle in the overall portfolio. To attain this objective, the City will mitigate credit and interest rate risk as well as diversify where prudently possible.

A. Credit Risk: Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which an entity will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized.

B. Interest Rate Risk: Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities.

2. Liquidity: the investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated using cash forecasting techniques.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. Standards of Care

1. Prudence: The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

“Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

2. Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Officers and employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Chelsea.

3. Delegation Authority: Authority to manage the investment program is granted to the City’s Treasurer. The Treasurer shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City’s Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Safekeeping and Custody

1. Authorized Financial Institution: The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the state of Massachusetts. No public deposit shall be made except in a qualified public depository as established by state laws.

2. Internal Controls: The Treasurer is responsible for establishing controls and procedures in writing to ensure adequate control of the assets of the City. The internal controls should protect the City from loss, theft or misuse. An annual independent audit shall be performed by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following:

- A. Control of Collusion:** The separation of duties performed by staff who account and record the assets of the City;
- B.** Ensure written confirmations of all investment and wire transactions, and
- C.** Ensure wire transfer agreements are in place with financial institutions.

3. Delivery vs. Payment: When applicable, all security transactions will be executed by delivery vs. payment and held by a third party custodian for safekeeping purposes.

VI. Authorized Investments

The authorized investments allowable for the City within statutory limits are those with in the legal list of investments pursuant to Massachusetts General Laws Chapter 167 Section 15A.

The City's investments shall be diversified with maturities not to exceed cash flow requirements.

VII. Financial Reporting

On a quarterly basis, the Treasurer shall provide financial reporting to the Director of Finance. The reporting will consist of a holdings report, current rates, valuations and mark to market.

VIII. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified with in this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The performance should be compared to appropriate benchmarks on a regular basis.

Cash Management Policy

Consistent with Massachusetts General Laws, all money belonging to the City is turned over to the treasurer who receives and takes charge of all money. Departments turn over all money collected to the treasurer daily. Mindful of the principals of security, liquidity and yield described in the City's Investment Policy the treasurer shall keep safe that amount of cash necessary for routine transactions and deposit all other money in an appropriate financial institution daily. Daily, the treasurer shall account to the Auditor all treasury collections according to departmental direction for the Auditor's review. Collections made by the Collector are deposited daily but are reported to the Auditor for entry to the General Ledger weekly.

Debt Policy

General Debt Limit

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer project bonds and solid waste and solid waste disposal facility bonds (as approved by the Emergency Finance Board), and, subject to special debt limits, bonds for water, housing, urban renewal and economic development (subject to various debt limits) and electric and gas (subject to a separate limit to the General Debt Limit, inducing the same doubling provision). Industrial revenue bonds, electric revenue bonds and water pollution abatement revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

Debt Limit Calculation (Debt from all sources including Water and Sewer) *as of June 30, 2007*

Equalized Valuation for 2007	2,642,115,600
Debt Limit	132,105,780

Outstanding Debt outside Limit 6/30/07	51,342,848
Outstanding Debt inside Limit 6/30/07	<u>11,337,591</u>
Total Outstanding Debt 6/30/07	62,680,439
Debt Limit	132,105,780
Debt Subject to Debt Limit	<u>11,337,591</u>
Borrowing Capacity <i>approximate</i>	120,768,189

Communities have four basic ways to finance capital projects: pay-as-you-go financing, debt financing, public private ventures, and intergovernmental financing (such as the MWRA’s interest free loan/grant program). Over-reliance on any one of these options can be risky to a local government's fiscal health. It can also restrict the municipality’s ability to respond to changes in economic and fiscal conditions. The City’s policy makers are careful to choose the right combination of financing techniques. In addition to debt financing, the City uses, when appropriate, the pay-as-you-go technique in its capital programs. Since FY’03, the City had sought to reduce its debt financing in response, primarily, to the poor general state and national economic climates.

Authorization of General Obligation Debt

Under the General Laws, bonds and notes of a City are generally authorized by vote of two-thirds of all the members of the City Council. Provision is made for a referendum on the filing of a petition bearing the requisite number of signatures that would require all the cost to be excluded from the Proposition 2 ½ taxation limits. Borrowing for certain purposes also requires administrative approval from the Commonwealth.

Temporary loans in anticipation of current revenues, grants and other purposes can be made without local legislative approval.

Types of Obligations

Under the statutes of the Commonwealth, the City is authorized to issue general obligation indebtedness of the following types:

Serial Bonds and Notes - These are generally required to be payable in equal or diminishing annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. Level debt service is permitted for bonds or notes issued for certain purposes, and for those projects for which debt service has been exempted from property tax limitations. The maximum terms vary from one year to 40 years, depending on the purpose of the issue. Most of the purposes are capital projects. They may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum terms measured from the date of the original bonds or notes. Serial bonds may be issued as "qualified bonds" with the approval of the State Emergency Finance Board, subject to such conditions and limitations, (including restrictions on future indebtedness) as may be required by the Board. The State Treasurer is required to pay the debt service on "qualified bonds" and thereafter to withhold the amount of the debt service from state aid or other state payments. Administrative costs and any loss of interest income to the Commonwealth are to be assessed upon the City.

Bond Anticipation Notes - These generally must mature within two years of their original dates of issuance, but may be refunded from time to time for a period not to exceed five years from their original dates of issuance, provided that (except for notes issued for certain school projects that have been approved for state school construction aid) for each year that the notes are refunded beyond the second year, they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes, except for notes issued for such State-aided school construction projects.

Revenue Anticipation Notes - Revenue Anticipation Notes are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes - Grant Anticipation Notes are issued for temporary financing in anticipation of federal grants and state and county reimbursements. They must generally mature within two years, but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

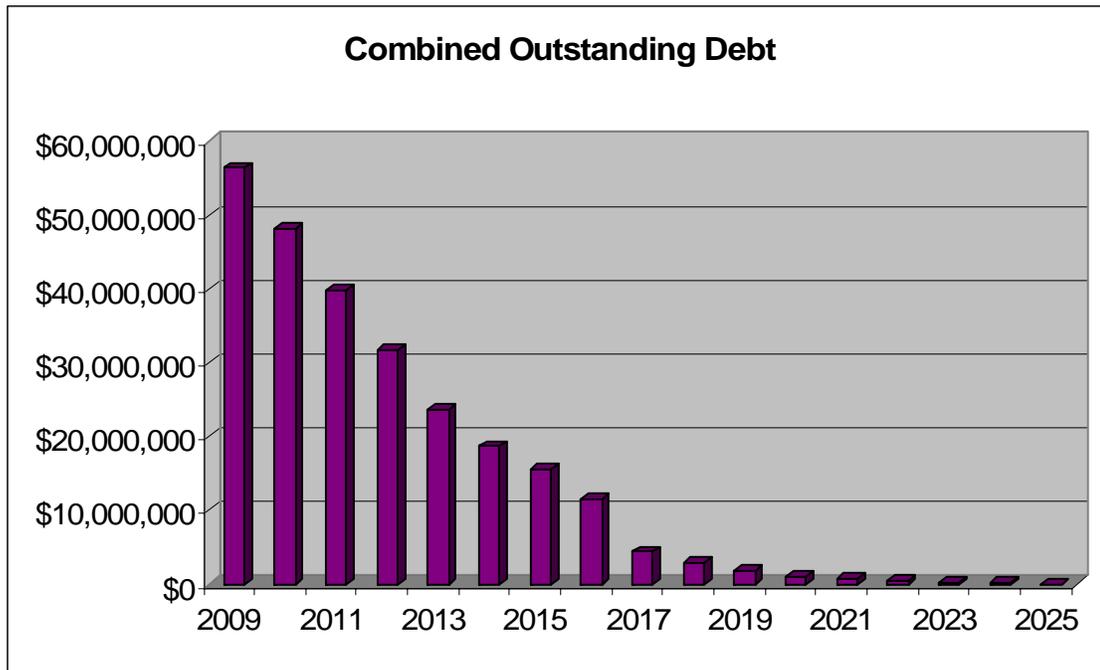
Revenue Bonds - Cities and towns may (though the City has none) issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's water pollution abatement revolving- loan program. In addition, cities and towns having electric departments may issue revenue bonds, and notes in anticipation of such bonds, subject to the approval of the state Department of Public Utilities. The City does not have an electric department, and has not authorized any other City revenue bonds.

Bond Ratings

The City's bond rating is as follows: Standard & Poor's "A" *December 2007*

Debt Schedules

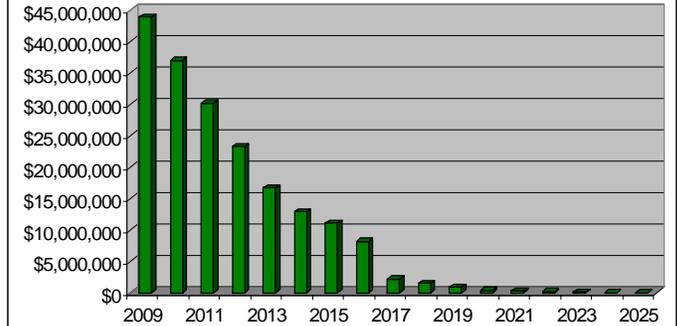
Combined Debt Schedule				
Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2009	56,446,255.11	8,314,839.75	2,796,370.01	11,111,209.76
2010	48,131,415.36	8,237,839.74	2,363,520.04	10,601,359.78
2011	39,893,575.62	8,222,839.74	1,949,298.78	10,172,138.52
2012	31,670,735.88	7,963,257.96	1,539,213.75	9,502,471.71
2013	23,707,477.92	5,053,257.95	1,130,386.26	6,183,644.21
2014	18,654,219.97	3,088,267.95	895,636.25	3,983,904.20
2015	15,565,952.02	4,083,976.01	752,855.03	4,836,831.04
2016	11,481,976.01	7,093,976.01	556,741.27	7,650,717.28
2017	4,388,000.00	1,484,000.00	206,667.49	1,690,667.49
2018	2,904,000.00	1,029,000.00	141,527.51	1,170,527.51
2019	1,875,000.00	810,000.00	90,819.97	900,819.97
2020	1,065,000.00	295,000.00	46,348.75	341,348.75
2021	770,000.00	295,000.00	32,929.99	327,929.99
2022	475,000.00	195,000.00	21,970.00	216,970.00
2023	280,000.00	140,000.00	13,300.00	153,300.00
2024	140,000.00	140,000.00	6,650.00	146,650.00
2025	(0.00)			



General Fund Debt Schedule

Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2009	43,867,535.24	6,913,969.72	2,324,280.36	9,238,250.08
2010	36,953,565.52	6,820,791.84	1,945,068.48	8,765,860.32
2011	30,132,773.68	6,808,791.84	1,577,984.80	8,386,776.64
2012	23,323,981.84	6,639,009.09	1,215,172.65	7,854,181.74
2013	16,684,972.75	3,738,721.21	856,133.29	4,594,854.50
2014	12,946,251.54	1,829,033.34	670,232.18	2,499,265.52
2015	11,117,218.20	2,847,345.46	576,319.85	3,423,665.31
2016	8,269,872.74	6,054,745.46	429,768.79	6,484,514.25
2017	2,215,127.28	685,069.70	118,196.97	803,266.67
2018	1,530,057.58	592,557.58	81,591.85	674,149.43
2019	937,500.00	517,500.00	48,710.00	566,210.00
2020	420,000.00	90,000.00	18,070.00	108,070.00
2021	330,000.00	90,000.00	14,370.00	104,370.00
2022	240,000.00	80,000.00	10,920.00	90,920.00
2023	160,000.00	80,000.00	7,600.00	87,600.00
2024	80,000.00	80,000.00	3,800.00	83,800.00
2025	(0.00)			

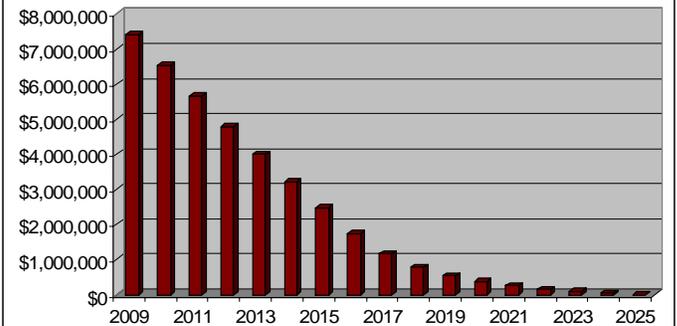
General Fund Outstanding Debt



Sewer Fund Debt Schedule

Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2009	7,412,048.50	869,712.94	276,060.88	1,145,773.82
2010	6,542,335.56	875,524.00	241,675.01	1,117,199.01
2011	5,666,811.56	880,524.00	213,867.65	1,094,391.65
2012	4,786,287.56	788,336.33	185,852.82	974,189.15
2013	3,997,951.23	786,531.39	156,183.99	942,715.38
2014	3,211,419.84	740,351.45	126,698.94	867,050.39
2015	2,471,068.39	739,160.52	97,085.36	836,245.88
2016	1,731,907.87	566,159.52	67,169.90	633,329.42
2017	1,165,748.35	391,195.64	47,063.01	438,258.65
2018	774,552.71	244,316.71	32,683.63	277,000.34
2019	530,236.00	161,816.00	23,085.29	184,901.29
2020	368,420.00	111,309.00	15,582.58	126,891.58
2021	257,111.00	111,309.00	10,453.60	121,762.60
2022	145,802.00	55,802.00	6,704.20	62,506.20
2023	90,000.00	45,000.00	4,275.00	49,275.00
2024	45,000.00	45,000.00	2,137.50	47,137.50
2025	0.00			

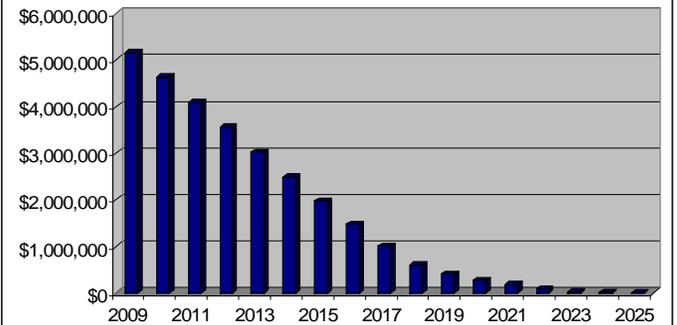
Sewer Enterprise Fund Outstanding Debt



Water Fund Debt Schedule

Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2009	5,166,671.37	531,157.09	196,028.77	727,185.86
2010	4,635,514.28	541,523.90	176,776.55	718,300.45
2011	4,093,990.38	533,523.90	157,446.33	690,970.23
2012	3,560,466.48	535,912.54	138,188.28	674,100.82
2013	3,024,553.94	528,005.35	118,068.98	646,074.33
2014	2,496,548.59	518,883.16	98,705.13	617,588.29
2015	1,977,665.43	497,470.03	79,449.82	576,919.85
2016	1,480,195.40	473,071.03	59,802.58	532,873.61
2017	1,007,124.37	407,734.66	41,407.51	449,142.17
2018	599,389.71	192,125.71	27,252.03	219,377.74
2019	407,264.00	130,684.00	19,024.68	149,708.68
2020	276,580.00	93,691.00	12,696.17	106,387.17
2021	182,889.00	93,691.00	8,106.39	101,797.39
2022	89,198.00	59,198.00	4,345.80	63,543.80
2023	30,000.00	15,000.00	1,425.00	16,425.00
2024	15,000.00	15,000.00	712.50	15,712.50
2025	(0.00)			

Water Enterprise Fund Outstanding Debt

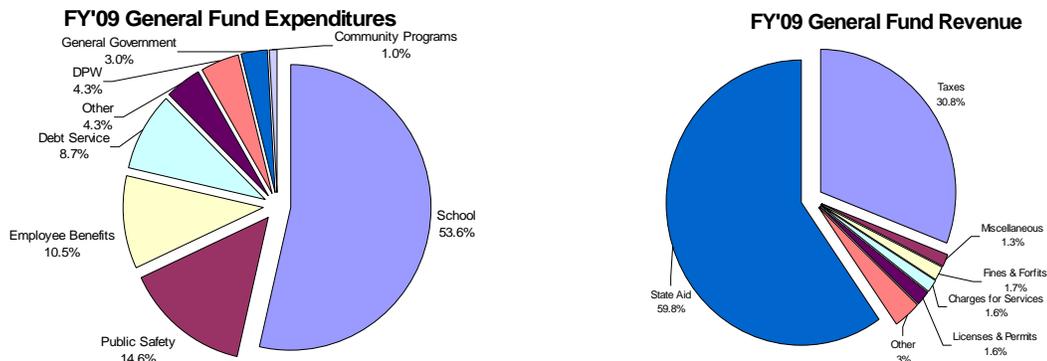


Summary Schedule of Outstanding Debt by Issue

General Fund				Outstanding Balance on July 1, 2008
Tracking #	Date of Issue	Amount		
CDL21	8/15/1994	10,815,000.00	Balance on Orig 1994	-
CDL03	7/15/1995	995,000.00	General Fund - NSQ - GO	-
CDL02	10/15/1997	2,617,900.00	Various Purposes	-
CDL06	1/1/1998	26,710,000.00	General Fund - Refunding	-
CDL05	3/1/1998	42,090,000.00	General Fund - Refunding	34,295,000.00
CDL09	1/15/1999	9,816,600.00	Various Purposes	4,794,990.00
CDL01	6/1/2001	1,454,000.00	Various Purposes	384,421.00
CDL17	4/15/2003	16,660,000.00	Refunding of Sch.Bonds 8/15/94	-
CDL18	4/1/2004	1,600,000.00	Various Purposes	1,280,000.00
CDL20	4/1/2005	1,007,663.62	Various Purposes	887,824.24
CDL22	5/1/2005	641,000.00	Various Purposes	444,200.00
CDL23	12/15/2005	691,000.00	Various Purposes	477,200.00
CDL26	12/15/2006	653,000.00	Various Purposes	560,900.00
CDL 27	12/15/2007	743,000.00	Various Purposes	743,000.00
Total				43,867,535.24
Water Fund				
CDL09	1/15/999	705,267.00	Various Purposes	404,440.00
CDL01	6/1/2001	643,627.00	Various Purposes	431,466.00
CDL07	4/15/2002	1,002,250.00	Various Purposes	674,036.00
CDL18	4/1/2004	310,000.00	Various Purposes	240,000.00
CDL20	4/1/2005	1,266,944.85	Various Purposes	1,116,269.67
CDL22	5/1/2005	254,000.00	Various Purposes	174,800.00
CDL23	12/15/2005	471,000.00	Various Purposes	376,800.00
CDL26	12/15/2006	1,477,000.00	Various Purposes	1,329,300.00
CDL14	8/15/1999	317,145.00	MWRA Water Bond	-
CDL19	5/27/2004	192,919.50	MWRA Water Bond	115,751.70
CDL25	5/15/2006	99,760.00	MWRA Water Bond	79,808.00
CDL 27	12/15/2007	34,000.00	Various Purposes	34,000.00
CDL29	5/22/2008	190,000.00	MWRA Water Bond	190,000.00
Total				5,166,671.37
Sewer Fund				
CDL02	10/15/1997	1,845,590.00	Various Purposes	-
CDL09	1/15/1999	910,133.00	Various Purposes	535,570.00
CDL01	6/1/2001	1,209,373.00	Various Purposes	709,113.00
CDL07	4/15/2002	322,750.00	Various Purposes	155,964.00
CDL18	4/1/2004	930,000.00	Various Purposes	740,000.00
CDL13	5/15/1997	143,195.00	MWRA Sewer Bond	-
CDL10	8/15/1997	56,071.00	MWRA Sewer Bond	-
CDL11	2/15/1999	56,288.00	MWRA Sewer Bond	-
CDL16	5/15/1999	251,497.45	MWRA Sewer Bond	-
CDL12	11/15/2000	93,225.00	MWRA Sewer Bond	-
CDL15	2/1/2003	211,420.00	MWRA Sewer Bond	-
CDL24	5/15/2006	472,909.00	MWRA Sewer Bond	283,745.40
CDL20	4/1/2005	710,391.53	Various Purposes	625,906.10
CDL22	5/1/2005	1,682,000.00	Various Purposes	1,176,000.00
CDL23	12/15/2005	1,708,000.00	Various Purposes	1,366,000.00
CDL26	12/15/2006	1,020,000.00	Various Purposes	919,800.00
CDL27	12/15/2007	675,000.00	Summary	675,000.00
CDL28	5/15/2008	224,950.00	MWRA Sewer Bond	224,950.00
Total				7,412,048.50

Summary of the FY'09 City Budget

The FY'09 Budget for all City services and facilities totals \$131.9 million. The total includes \$118.3 million in the General Fund Budget to support traditional municipal services such as police, fire, schools, parks, and libraries, and \$13.6 million to support the operating costs of the Water and Sewer Enterprise System. All FY'08 figures are stated as originally adopted.



General Fund

The General Fund is the basic operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund (i.e. the Water and Sewer Enterprise Funds). The total General Fund appropriation is \$118,327,808, which is the City appropriation of \$131,890,279 less the Water and Sewer Enterprise Funds appropriation of \$13,562,471.

General Fund Budget - The General Fund Budget in FY'09 totals \$118.3 million, which is a 3.5% increase over FY'08.

Capital Budget and Debt Service - The FY'09 budget includes \$10.3 million in debt service funding as required under the ongoing Citywide Capital Improvement Program (CIP). As the City continues to make progress in catching up from decades of capital neglect and therefore reduces the number of annual capital projects to be undertaken, and as the current and projected economic climates cause the City to seek to control the cost of debt service as a method of keeping the City's budget in balance, the total committed to this category is expected to decline in the years that follow.

Salary and Reserve Appropriations - The Budget also includes a salary reserve appropriation of \$450,931 to budget primarily for a 2 ½% increase in non-school salary increases as negotiations on those increases begin in earnest in July 2008. \$25,000 is also added to fund unanticipated emergencies that may arise. The salary reserve appropriations may only be "activated" with City Council approval. The salary line item in each departmental budget does not take into consideration the result of ongoing labor agreement negotiations but does include finalized agreement requirements as of July 1, 2008.

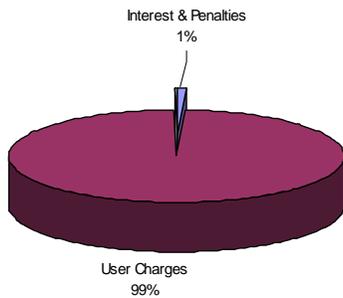
Both the Stabilization and CIP Reserve funds have reached their desired balances, as defined in the financial reserve policies. Therefore, there is no current requirement for further appropriation to these accounts.

Enterprise Funds

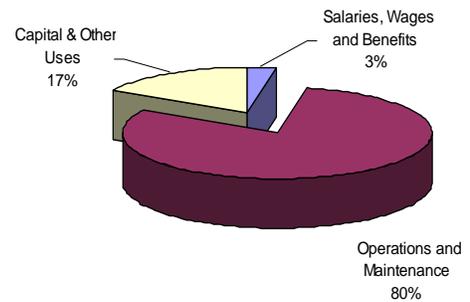
The Water and Sewer Enterprise Funds are used to account for the operations and maintenance of the City's water and sewer systems. Separate accounting exists to identify and support water-related and sewer-related needs. Both funds are financed by charges for services and miscellaneous revenue. The total appropriation for FY'09 is \$ 13,562,471.

Water Enterprise Fund

Water Enterprise FY'09 Revenue

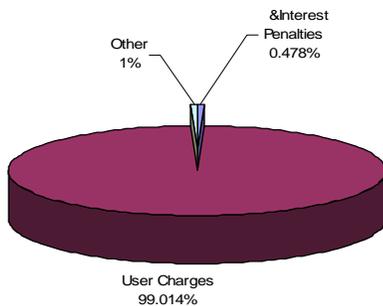


Water Enterprise FY'09 Expenses

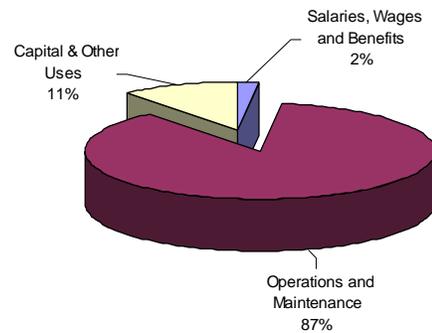


Sewer Enterprise Fund

Sewer Enterprise FY'09 Revenue



Sewer Enterprise FY'09 Expenses

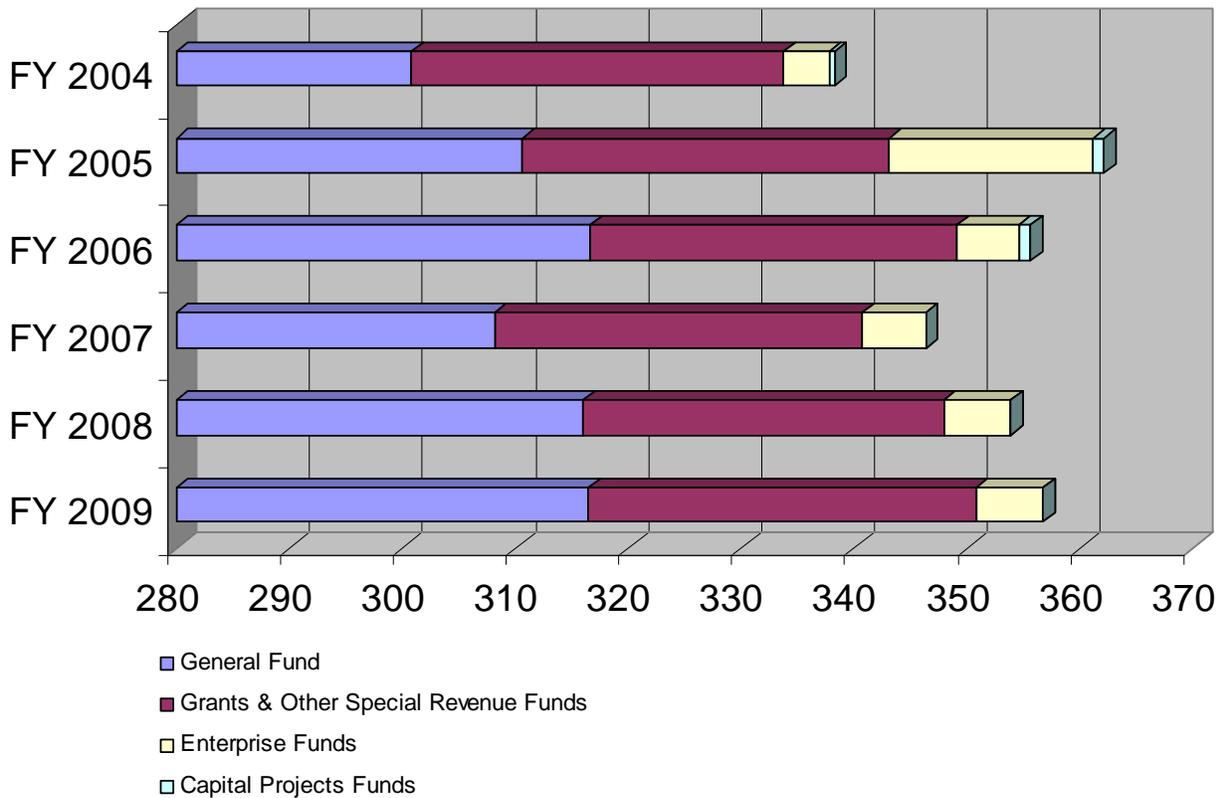


City Personnel Analysis

Because personnel costs are the most significant portion of the annual budget, it is critical for the City to continue to stringently monitor this area. The City Manager continues to review operations and make efficiency improvements, striving to maintain staffing levels and sharing human resources among departments, where possible.

The chart below shows the City's non-school headcount for FY'09 and the previous years. As a result of reduced revenues from sources like Local State Aid, the City had found it necessary to shrink the General Fund workforce at the beginning of FY'04. As revenue has stabilized and property tax has increased, some positions have since been added, especially in public safety. The apparent loss of positions (relative to FY'07) is due to the transfer of School Nurses positions from the Health Department budget to the School Department budget. Grant funded positions are not considered core positions and will fluctuate with grant awards and will not be retained after the grants terminate. The table on the following page details the full time equivalent headcount for FY'09.

Full Time Equivalent Position Count



Position List General Government *(Full Time Equivalents- FTEs)*

General Fund

Dept#	Department Name	Fiscal Year 2004 FTEs	Fiscal Year 2005 FTEs	Fiscal Year 2006 FTEs	Fiscal Year 2007 FTEs	Fiscal Year 2008 FTEs	Fiscal Year 2009 FTEs	Variance
110	Legislative	12.50	12.50	12.50	12.50	12.50	12.50	-
123	City Manager	3.50	3.00	3.00	3.00	3.00	3.00	-
135	Auditing	4.00	4.00	4.00	4.00	4.00	4.00	-
138	Purchasing	2.00	2.00	2.00	2.00	2.00	2.00	-
141	Assessors	4.50	4.50	4.50	4.50	4.50	4.50	-
145	Treasurer	10.00	10.00	10.00	10.00	10.00	10.00	-
151	Law	2.00	2.50	2.50	2.50	2.50	2.50	-
152	Personnel	2.00	2.00	2.00	2.00	2.00	2.00	-
155	MIS	2.00	3.00	4.00	4.00	4.00	4.00	-
159	Central Billing & Research	3.00	3.00	3.00	3.00	3.00	3.00	-
161	City Clerk	5.00	5.00	5.00	5.00	5.00	5.00	-
165	Licensing	1.00	1.00	1.00	1.00	1.00	1.00	-
175	Planning	-	-	-	-	1.00	1.00	-
210	Police	97.50	92.50	92.50	92.50	93.50	94.50	1.00
220	Fire	87.00	90.00	93.00	93.00	93.00	93.00	-
230	Emergency Management	1.00	14.00	14.00	14.00	16.00	16.00	(0.00)
240	Inspectional Services	11.00	11.00	11.00	11.50	11.50	11.50	-
293	Parking	1.00	1.00	1.00	1.00	1.00	1.00	-
421	DPW Administration	4.50	4.00	3.50	3.83	3.83	3.83	-
422	DPW Streets and Sidewalks	14.50	14.50	14.50	15.50	15.20	15.20	-
430	Solid Waste Disposal	-	-	0.50	-	-	-	-
470	Structures and Grounds	7.50	7.00	6.00	6.00	6.50	6.50	-
510	Health and Human Services	2.50	2.50	2.50	2.50	2.50	2.50	-
511	Health Officer	8.10	8.50	8.50	1.00	1.50	1.50	-
541	Elder Affairs	5.00	4.50	4.00	4.50	4.50	4.00	(0.50)
543	Veteran Services	1.00	1.00	1.00	1.00	1.00	1.00	-
610	Library	8.23	7.14	7.14	7.40	7.51	7.51	-
630	Recreation and Cultural Affairs	0.50	0.50	4.00	1.00	4.00	4.00	-
	Total	300.83	310.64	316.64	308.23	316.04	316.54	0.50

Note: To more accurately portray positions funded in this budget, a position in the Police Department which is grant funded has been removed from this table. The City is funding 2 new positions in FY 09, but the net impact after the grant position is reclassified indicates an increase of 1 position. For the first time, grant funded positions are listed in several departments budgets. The 9 grant funded positions listed in the Police Department include the 1 grant funded position that was reallocated from the table above.

Position List - School Department

	Instructional Staff	Specialists	Pupil Support Personnel	Administration	Operations Personnel	Total
Chelsea High School	117.00	20.00	12.00	11.00	8.00	168.00
Eugene Wright School	33.00	13.33	4.50	4.00	5.67	60.50
Joseph A. Browne School	33.00	13.33	5.50	4.00	-	55.83
Clark Avenue School	34.00	15.34	5.00	6.00	3.00	63.34
Edgar Hooks School	27.33	11.25	3.00	4.00	-	45.58
William A. Berkowitz School	31.33	11.25	3.00	4.00	1.50	51.08
Frank M. Sokolowski School	32.50	11.25	3.00	4.00	-	50.75
George E. Kelly School	28.84	11.25	3.00	4.00	-	47.09
Shurtleff School - John Silber Learning Center	90.00	17.00	6.00	8.00	1.50	122.50
Tudor Hill School	-	-	-	-	-	-
Sytemwide	11.00	4.00	13.50	43.47	68.78	140.75
FY 09 District Total	438.00	128.00	58.50	92.47	88.45	805.42
FY08 District Total	431.00	123.00	58.50	91.47	89.28	793.25
Variance	7.00	5.00	-	1.00	(0.83)	12.17

Enterprise Funds Financial Plan

The Water and Sewer Enterprise Funds are two of the various City funds separated from other City funds and dedicated to tracking and reporting all activities associated with the operation and maintenance of the water distribution and wastewater collection systems in the city. Enterprise funds by State law are required to be self-sustaining, requiring that revenues from operations are sufficient to fund all direct and indirect expenditures of the fund.

Sewer Enterprise Personnel Listing #6000

Title	2005	2006	2007	2008	2009	Variance
Field Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Director	0.00	0.25	0.25	0.25	0.25	0.00
Assistant Director	0.25	0.25	0.25	0.25	0.25	0.00
Business Manager	0.25	0.25	0.25	0.25	0.25	0.00
Capital Projects Manager	0.00	0.00	0.33	0.33	0.33	0.00
Yard Supervisor	0.00	0.00	0.00	0.15	0.15	0.00
Meter Reader	1.50	1.50	1.50	1.50	1.50	0.00
Total Department	2.25	2.50	2.83	2.98	2.98	0.00

Water Enterprise Personnel Listing #6010

Title	2005	2006	2007	2008	2009	Variance
Field Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Director	0.00	0.25	0.25	0.25	0.25	0.00
Assistant Director	0.25	0.25	0.25	0.25	0.25	0.00
Business Manager	0.25	0.25	0.25	0.25	0.25	0.00
Capital Projects Manager	0.00	0.00	0.33	0.33	0.33	0.00
Yard Supervisor	0.00	0.00	0.00	0.15	0.15	0.00
Meter Reader	1.50	1.50	1.50	1.50	1.50	0.00
Total Department	2.25	2.50	2.83	2.98	2.98	0.00

Sewer Enterprise

Sewer Enterprise #6000

Revenue Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Interest & Penalties	31,726	38,217	31,549	37,000	37,000	-
User Charges	6,015,511	5,775,712	5,945,331	7,659,704	8,112,659	452,955
Sewer Liens	332,591	369,413	345,924	0	0	-
Other	21,600	31,533	41,358	39,290	48,000	8,710
Total Revenue	6,401,427	6,214,875	6,364,162	7,735,994	8,197,659	461,665

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	69,941	91,421	142,679	156,927	157,745	818
Operations and Maintenance	5,652,250	5,845,890	6,268,562	6,853,700	7,146,914	293,214
Capital & Other Uses	575,824	743,437	907,879	725,367	893,000	167,633
Department Total	6,298,015	6,680,748	7,319,120	7,735,994	8,197,659	461,665

Water Enterprise

Water Enterprise #6010

Revenue Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Interest & Penalties	34,718	40,067	35,787	40,000	38,000	(2,000)
User Charges	3,760,287	4,270,646	4,356,964	5,293,716	5,320,412	26,696
Water Liens	206,999	288,810	275,373	0	0	-
Other	8,491	48,646	17,888	8,000	6,400	(1,600)
Total Revenue	4,010,495	4,648,169	4,686,012	5,341,716	5,364,812	23,096

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	94,875	136,323	140,378	156,927	157,745	818
Operations and Maintenance	3,485,780	3,873,019	3,876,937	4,208,792	4,312,067	103,275
Capital & Other Uses	690,706	704,077	816,775	975,997	895,000	(80,997)
Department Total	4,271,361	4,713,419	4,834,090	5,341,716	5,364,812	23,096

Enterprise Funds Revenue

Interest and Penalties: Some ratepayers pay their water and sewer bills late. In these cases, the accounts accrue an interest penalty of 14%.

Liens: At the end of each fiscal year an analysis of the accounts with outstanding balances on the water and sewer accounts is performed. If an account has an unpaid balance in excess of two hundred dollars, the amount is relieved from the water and sewer bill and placed on the Real Estate account and collected with the property tax bill. This year we have chosen to foregone this revenue estimate and instead budget the full current bill as if will be collected. This is the practice used in Real Estate taxes.

The estimate of receipt for Real Estate tax rarely equals what is being billed. The uncollected amount is generally offset by the amount collected for prior years. The same approach is taking with respect to water and sewer billing and payment.

This revised way of setting revenue estimate also helps better link the amount of water consumed, the charges and sewerage service metered to the billing rates and to the actual revenue billed and collected.

Usage Charges: Below is the support to the Estimates of Revenue and the Consumption/Usage estimates used to calculate the necessary rates for FY'09.

Consumption Estimates		
	<u>Sewer</u>	<u>Water</u>
	<i>based on FY 2007 actuals</i>	
Tier 1 0 - 1,000 cu. Ft.	41,453,554	41,385,905
Tier 2 1,001 - 5,000 cu. Ft.	39,007,604	39,681,532
Tier 3 5,001 - above cu. Ft.	37,890,115	47,527,859
Total Billable Consumption	118,351,273	128,595,296

Application of Rates				
Tier 1	0 - 1,000 cu. Ft.	100.0%	\$3.82	\$1,580,941.57
Tier 2	1,001 - 5,000 cu. Ft.	100.0%	\$4.22	\$1,674,560.65
Tier 3	5,001 - above cu. Ft.	100.0%	\$4.67	\$2,219,551.02
Total Water				\$5,475,053.24
Tier 1	0 - 1,000 cu. Ft.	100.0%	\$5.81	\$2,408,451.49
Tier 2	1,001 - 5,000 cu. Ft.	100.0%	\$6.42	\$2,504,288.18
Tier 3	5,001 - above cu. Ft.	100.0%	\$7.10	\$2,690,198.17
Total Sewer				\$7,602,937.83
Tier 1	0 - 1,000 cu. Ft.		\$9.63	\$3,989,393.06
Tier 2	1,001 - 5,000 cu. Ft.		\$10.64	\$4,178,848.83
Tier 3	5,001 - above cu. Ft.		\$11.77	\$4,909,749.18
Total Combined				\$13,077,991.07

Annual Combined Water and Sewer Costs for User based on Annual Consumption of 120 HCF	
Water Use	\$458.40
Sewer Use	\$697.20
Combined	\$1,155.60

General Fund Revenue Summary Table

Revenue Summary	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Taxes	29,926,489	32,364,813	33,019,807	34,722,187	36,476,771	1,754,584
Charges for Services	1,649,239	1,791,790	1,869,243	1,801,685	1,870,194	68,509
Licenses & Permits	1,149,447	1,141,437	1,767,426	1,904,510	1,917,210	12,700
Fines & Forfeits	1,509,779	1,578,151	1,534,903	1,711,370	2,035,600	324,230
Intergovernmental	61,068,226	61,082,742	64,471,667	69,106,521	70,705,128	1,598,607
Miscellaneous	1,157,086	2,161,213	1,984,786	1,501,000	1,501,000	0
Other Financing Sources	4,321,041	2,039,770	2,250,966	3,556,778	3,821,905	265,127
Total	100,781,307	102,159,916	106,898,798	114,304,051	118,327,808	4,023,757

General Fund Revenue Detail Tables

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
TAXES						
Personal Property	1,091,944	1,100,785	1,120,412	1,471,882	1,638,679	166,797
Real Estate Taxes	24,969,258	26,582,991	27,839,769	29,622,319	31,135,106	1,512,787
Motor Vehicle Excise	2,766,554	2,973,033	2,390,737	1,950,000	2,000,000	50,000
Interest /Penalties on Taxes	120,343	123,113	119,836	50,000	50,000	0
Interest /Penalties on Tax Titles	127,552	170,610	109,113	60,000	60,000	0
Interest /Penalties Excise & Charges	73,937	74,828	63,935	50,000	50,000	0
Payment in Lieu of Taxes	609,949	1,195,899	1,185,030	1,292,986	1,292,986	0
Hotel/Motel Tax Ch 145	166,953	143,554	190,975	225,000	250,000	25,000
TOTAL TAXES	29,926,489	32,364,813	33,019,807	34,722,187	36,476,771	1,754,584

Revenue Detail	2005	Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
CHARGES FOR SERVICES							
Fees Cable Franchise		3,736	-	3,806	3,800	3,800	0
Fees Lien Certificates		44,500	47,100	40,850	78,200	78,200	0
MV Registry Clears		215,100	206,813	235,482	225,000	225,000	0
Deputy Collector		60	-	3,178	0	0	0
Constables		1,449	-	2,011	0	0	0
Fees Copies of Certificates		55,288	48,329	47,786	30,000	30,000	0
Passports		-	10,917	13,770	11,000	11,000	0
Miscellaneous Fees				1,856			
Fees Zoning Board		16,075	19,626	20,568	10,000	10,000	0
Site Plan Review		-	-	0	12,500	12,500	0
Application Fee		-	-	0	0	0	0
Design Reiew		-	-	0	1,000	1,000	0
Fees Police Details		47,390	42,055	49,988	35,000	35,000	0
Fees Copies of Reports - Police		4,279	4,849	6,998	5,000	5,000	0
Fees Fire Details		30,311	30,445	31,903	10,000	10,000	0
Fees Copies of Reports - Fire		96	74	125	100	100	0
Vehicle Lease Surcharge		3,154	2,438	3,407	1,500	1,500	0
Interest & Penalties		-	-	0	0	0	0
Fire Alarm Connection		-	-	0	0	0	0
Trash Removal Charges		1,216,194	1,369,093	1,397,599	1,370,185	1,438,694	68,509
Fee Sale of Bags		102	136	104	100	100	0
Fee Compost Bins		26	32	68	100	100	0
Sale of Applcance Stickers				0			
Information Requests Copies		-	784	4,124	0	0	0
Fee Rubbish Decals		11,480	9,100	5,620	8,200	8,200	0
TOTAL CHARGES FOR SERVICES		1,649,239	1,791,790	1,869,243	1,801,685	1,870,194	68,509

Revenue Detail	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
LICENSES AND PERMITS						
Licenses Various Clerk	16,504	17,571	15,439	12,000	12,000	0
Licenses Alcoholic Beverages	136,550	132,175	142,975	130,000	130,000	0
Licenses Common Victualers	8,478	9,400	8,876	8,000	8,000	0
Licenses Amusements	-	16,644	15,351	16,000	16,000	0
Licenses Const	-	16,013	0	15,000	15,000	0
Licenses Tobacco		3,800	1,775	3,000	3,000	0
Licenses Parks		29,675	13,109	11,000	11,000	0
Licenses Various	91,549	5,850	2,355	5,000	5,000	0
Licenses Petroleum Storage	76,200	76,800	76,870	60,000	60,000	0
Licenses Business Certificates	3,855	2,930	3,185	3,000	3,000	0
Licenses Rooming Houses	1,125	1,025	1,375	1,100	1,100	0
Licenses Automobiles	6,625	43,650	43,725	4,760	4,760	0
Licenses Hackney	9,145	8,946	5,297	3,500	3,500	0
Permits Firearms	-	8,900	3,275	4,800	4,800	0
Permits Smoke Inspections	16,440	19,540	25,345	11,000	11,000	0
Permits Oil Burner Inspection	820	575	1,050	700	700	0
Permits Tank Truck Inspect.	2,285	150	6,400	2,000	2,000	0
Permits Misc. Fire	8,390	6,751	5,773	2,000	2,000	0
Permit Alterations/Sign	263,810	255,757	354,672	290,000	290,000	0
Permit Cert. Of Occupancy	19,713	18,965	18,130	10,000	10,000	0
Permit New Buildings	172,135	128,068	677,740	1,043,800	1,056,500	12,700
Permit Electrical	53,743	65,738	57,141	50,000	50,000	0
Permit Cert. of Inspection	12,117	7,249	10,503	7,500	7,500	0
Permit Copies/Research Plans	800	215	519	200	200	0
Permit Gas/Plumbing	25,335	24,455	33,772	24,000	24,000	0
Permit Sidewalks/Streets	3,300	4,650	7,550	3,000	3,000	0
Permit Cert. of Fitness	58,430	62,590	46,090	40,000	40,000	0
Permit Dumpsters	55,108	53,425	53,150	50,000	50,000	0
Permit Pools/Baths/Tanning	350	400	415	200	200	0
Permit Sale of Food	40,018	39,325	39,628	35,000	35,000	0
Permit Caterers	800	900	800	700	700	0
Permit Bars & Clubs	1,425	1,800	1,500	1,300	1,300	0
Permit Temporary	1,650	3,650	50	1,500	1,500	0
Permit Tobacco	-	375	0	0	0	0
Permit Summer Camps	100	250	100	100	100	0
Permit Weights & Measures	24,374	30,225	29,533	20,000	20,000	0
Permit Parking	18,229	5,246	4,925	3,000	3,000	0
Permit Parking		10,350	10,625	7,000	7,000	0
Visitor Passes	4,020	3,595	3,660	2,000	2,000	0
Sidewalk Occupancy			275			
Permit Street Openings - DPW	13,475	21,031	30,058	20,000	20,000	0
Bus Shelter License			11,045			
Licenses Funeral Director	350	350	350	350	350	0
Health Permit Beauty & Tattoo	-	375	850	0	0	0
Permit Burial	2,200	2,060	2,170	2,000	2,000	0
TOTAL LICENSES & PERMITS	1,149,447	1,141,437	1,767,426	1,904,510	1,917,210	12,700

Revenue Detail	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
FINES						
Fines - Bad Checks	3,209	2,530	3,335	3,600	3,600	0
Fines - Non-Criminal 21D	71,165	81,980	54,720	52,000	52,000	0
Fines - CMVI	142,166	184,628	152,684	185,000	242,000	57,000
Fines - Towing	43,300	33,755	40,895	48,000	48,000	0
Court Fines	18,080	13,919	12,802	10,000	10,000	0
Library Fines	-	-	0	0	0	0
Fines - Parking Tickets	1,231,859	1,261,340	1,270,467	1,412,770	1,680,000	267,230
TOTAL FINES & FORFEITS	1,509,779	1,578,151	1,534,903	1,711,370	2,035,600	324,230

Revenue Detail	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
INTERGOVERNMENTAL						
Other	3,114	74	0	0	0	0
Quigley Mace Park	-	-	0	0	0	0
Voke Park	25,013	259,492	0	0	0	0
Medicare Part D Fed Reimbursement	-	-	180,670	225,000	225,000	0
Medicaid School Care Delivery Reimb.	1,040,926	1,027,467	942,963	940,640	650,000	(290,640)
Veterans Abatements	-	-	0	0	17,598	17,598
Surviving Spouse Abatements	-	-	0	0	28,840	28,840
Abatements Veterans/Spouse/Blind	36,134	35,439	48,882	51,614	2,444	(49,170)
Elderly Abatements	20,624	20,620	20,628	20,628	20,610	(18)
State Owned Land	51,784	67,780	86,981	97,180	104,279	7,099
Charter School Reimbursement	333,714	207,863	539,493	934,758	1,037,221	102,463
Charter School Capital Reimbursement	57,194	56,373	0	0	0	0
School Construction	8,385,911	8,093,289	7,795,391	7,492,223	7,183,781	(308,442)
School Transportation	-	-	0	0	0	0
School - Chapter 70	41,799,800	42,000,971	44,127,092	48,517,117	50,797,335	2,280,218
School - State	425	-	162	0	0	0
Police Career Incentive	228,793	252,899	437,510	440,000	330,000	(110,000)
Veterans Benefits	161,177	133,850	182,136	165,659	86,318	(79,341)
Additional Assistance	4,176,002	3,396,864	3,396,864	3,396,864	3,396,864	0
Urban Redevelopment	-	-	0	0	0	0
Lottery	4,747,616	5,529,762	6,712,895	6,824,838	6,824,838	0
TOTAL INTERGOVERNMENTAL	61,068,226	61,082,742	64,471,667	69,106,521	70,705,128	1,598,607

Revenue Detail	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
MISCELLANEOUS REVENUE						
Earnings on Investments	1,132,655	1,878,714	1,961,787	1,500,000	1,500,000	0
Reimbursement -Treasury	368	36,610	3,297	0	0	0
Sale of Assets -Treasury	-	-	0	0	0	0
Miscellaneous Revenue	4,310	8,996	7,071	0	0	0
Restitution	715	-	408	0	0	0
Reimbursements	10,140	37,035	5,483	0	0	0
GIS Map Sales	316	995	275	1,000	1,000	0
Sale of Assets - Police	-	3,972	300	0	0	0
Miscellaneous Revenue - Police	12	7,233	2,653	0	0	0
Miscellaneous Revenue - Fire			68			
Sale of Assets - DPW	-	2,409	0	0	0	0
Miscellaneous Revenue - DPW			2,665			
General Revenue	-	414	724	0	0	0
Misc. Revenue	8,571	2,512	55	0	0	0
Tailings	-	182,323	0	0	0	0
TOTAL MISCELANEOUS	1,157,086	2,161,213	1,984,786	1,501,000	1,501,000	0

Revenue Detail	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
OTHER FINANCING SOURCES						
Bond Premium	28,516	12,185	29,288	0	0	0
School Building Assitance Adjustment	38,220	412,585	0	0	0	0
Accrued Interest on Bonds Issued	-	4,000	4,152			
Transfers from Special Revenue Funds	300,000	310,000	280,000	280,000	310,000	30,000
Transfer From Receipts Reserved	2,848,515		504,000	550,000	1,300,000	750,000
Transfer from Sewer Fund	491,295	1,301,000	707,675	725,367	793,000	67,633
Transfer from Water Fund	614,495	-	725,851	743,997	795,000	51,003
Snow & Ice Deficit to be raised			0	0	0	0
Use of Certified Free Cash	-		0	1,257,414	623,905	(633,509)
TOTAL OTHER FINANCING SOURCES	4,321,041	2,039,770	2,250,966	3,556,778	3,821,905	265,127

GENERAL FUNDS TOTAL	100,781,307	102,159,916	106,898,798	114,304,051	118,327,808	4,023,757
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**EXPENDITURE SUMMARY
SUMMARY OF EXPENDITURE CHANGES**

	2005	2006	2007	2008	2009	Dollar
	Actual	Actual	Actual	Budget	Budget	Variance
GENERAL GOVERNMENT						
Legislative	208,119	209,220	214,215	210,149	214,291	4,142
Executive Office	250,954	228,338	277,233	312,079	349,301	37,222
Auditor's Office	221,861	219,688	214,665	219,984	224,695	4,711
Treasurer/Collector	616,706	599,925	705,766	741,283	735,241	(6,042)
Central Billing and Research	168,842	170,650	156,977	183,641	187,330	3,689
Assessing	200,823	250,978	257,141	246,183	288,161	41,978
Procurement	97,192	92,695	103,641	106,476	105,071	(1,405)
Law Department	181,338	195,204	207,597	223,476	217,250	(6,226)
Personnel Department	134,930	127,498	145,186	151,223	163,437	12,214
Municipal Information Systems	326,458	400,252	503,578	633,488	684,404	50,916
City Clerk	272,087	247,967	273,304	308,014	287,133	(20,881)
Licensing	64,056	65,144	67,305	68,739	70,290	1,551
Planning & Development	23,588	24,250	24,000	69,487	70,846	1,359
Total General Government	2,766,953	2,831,808	3,150,608	3,474,222	3,597,450	123,228
PUBLIC SAFETY						
Police Department	6,735,183	6,908,928	7,195,582	7,510,264	7,764,711	254,447
Fire Department	6,514,290	6,525,372	6,627,371	6,701,230	7,333,183	631,953
Inspectional Services	513,240	550,784	569,947	616,290	630,527	14,237
Traffic & Parking	562,889	588,792	614,318	693,820	696,219	2,399
Emergency Management	742,434	737,079	850,337	880,782	841,941	(38,841)
Total Public Safety	15,068,037	15,310,954	15,857,555	16,402,386	17,266,581	864,195
EDUCATION						
Northeast Vocational School Department	1,562,958 45,492,316	1,269,085 47,663,396	825,626 55,524,212	684,019 60,369,365	745,410 62,664,885	61,391 2,295,520
Total Education	47,055,274	48,932,481	56,349,838	61,053,384	63,410,295	2,356,911
PUBLIC WORKS						
Administration	224,515	177,533	178,720	211,979	211,485	(494)
Street & Sidewalks	1,393,491	1,384,889	1,645,667	1,794,678	1,796,710	2,032
Solid Waste/Recycling	1,795,425	1,680,397	1,907,836	1,874,500	1,930,735	56,235
Structures & Grounds	938,342	905,638	1,049,176	1,019,667	1,049,930	30,263
Snow & Ice Removal	187,176	134,216	67,375	101,260	101,260	0
Total Public Works	4,538,948	4,282,673	4,848,774	5,002,084	5,090,120	88,036

	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
HEALTH & HUMAN SERVICES						
Administration	145,190	141,953	145,739	147,575	148,980	1,405
Health Division	404,907	406,946	50,964	67,841	68,517	676
Comm. Schools & Recreation	55,640	76,568	71,372	118,098	118,376	278
Veterans Service	275,885	325,511	309,009	313,294	335,603	22,309
Elder Affairs	196,351	201,505	207,282	207,833	191,562	(16,271)
Public Library	264,684	270,008	269,044	283,339	286,839	3,500
Total HHS	1,342,658	1,422,490	1,053,410	1,137,980	1,149,877	11,897
DEBT SERVICE	10,877,525	10,062,340	10,109,757	10,033,296	10,285,724	252,428
EMPLOYEE BENEFITS	9,222,562	10,672,888	6,160,937	7,041,768	7,151,929	110,161
RETIREMENT ASSESSMENT	5,713,400	6,209,720	4,711,630	5,004,704	5,258,484	253,780
INSURANCE & JUDGEMENTS	493,941	435,375	600,530	553,506	569,250	15,744
STATE ASSESMENTS	3,103,478	3,197,867	3,530,244	4,600,721	4,548,098	(52,623)
Transfers to Spec. Revenue	725,054	0	0	0	0	0
Transfers to Capital Projects	998,700	397,408	150,000	0	0	0
General Fund Budget	101,906,529	103,756,005	106,523,283	114,304,051	118,327,808	4,023,757

City Department Organization Structure

#100 General Government:

- #110 Council
- #123 Manager
- #135 Auditor
- #145 Treasurer/Collector
- #159 Central Billing
- #141 Assessor
- #138 Procurement
- #151 Law
- #152 Personnel
- #155 Information Technology
- #161 City Clerk
- #293 Traffic and Parking
- #165 Licensing
- #175 Planning

#200 Public Safety

- #210 Police
- #220 Fire
- #230 Emergency Management & Dispatch
- #240 Inspectional Services

#300 Education

- #300 Local School District
- #301 Regional School District

#400 Public Works

- #421 DPW Administration
- #422 DPW Streets and Sidewalks
- #423 Snow Removal
- #430 Solid Waste Removal
- #470 Structures and Grounds

#500 Health and Human Services

- #510 Health Administration
- #541 Elder Services
- #543 Veteran Services

#600 Culture and Recreation

- #630 Community Schools and Recreation
- #610 Library

#700 Debt Service

- #710 Debt Principal
- #711 Debt Interest

#800 Intergovernmental Charges

- #820 State Assessments
- #810 Special State Assessments

#900 Undistributed Expenses

- #910 Employee Benefits
- #911 Retirement Benefits
- #941 Judgments and Insurance

City Council

General Information

In accordance with the City Charter, the City Council is composed of eleven members, three of whom shall be councillors at-Large and one district councillor in each of the eight representative districts within the city. The City Council, as a legislative body, sets the policy making agenda for the City through its official votes and resolutions, enactment of ordinances, appropriation orders and loan authorizations. The City Manager, in turn, is responsible for the implementation of said policies. The budget appropriation for the Legislative branch of Chelsea's local government, in addition to providing each elected member with an annual stipend, provides for one and one-half full-time equivalents to perform administrative duties and clerical support to the members of the Council. As mandated by the City Charter, the City Council has general responsibility for selecting the external auditor through open and competitive process and for the general oversight for the audit function.

Significant Changes

Municipal elections resulted in two new district councillors being elected. To provide for an orientation for those new councillors, and a refresher for the remaining nine, the Council held an orientation and training session at a special Saturday meeting. Following up on that, the Council held a second special Saturday meeting for the sole purpose of compiling a list of objectives for the Council and Administration for the current term. That "first-of-its-kind" visioning session resulted in the Council adopting "Priorities, Policies and Visions," a list of 11 priority items.

FY'08 Accomplishments

- Welcomed two new members and provided for a seamless transition;
- Adopted this balanced budget, and complied with all required financial matters listed in the Chelsea Charter;
- Held special Saturday sessions for an orientation and a visioning process, and
- Completed work on new ordinances on condo conversions and pigeons, and an amendment to the zoning ordinance to facilitate the development of the urban renewal district.

FY'09 Goals

- Advance the objectives listed in the City Council's "Priorities, Policies and Visions" that related to the following:
 - A Cleaner Chelsea
 - Curb Drug Sales
 - Improve Air Quality
 - Develop a Waterfront Plan
 - Accelerate Roadway Improvements
 - Increase Trucking Enforcement
 - Eliminate Prostitution

- More Police “Zero Tolerance” Operations
- Address Emerging Gun Issues
- Promote Job Development
- Expand Youth Activities

City Council Program Budget #110

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	146,451	145,141	150,719	145,041	149,183	4,142
Operations and Maintenance	61,668	64,079	63,496	65,108	65,108	-
Capital	-	-	-	-	-	-
Department Total	208,119	209,220	214,215	210,149	214,291	4,142

City Council Personnel Listing #110

Title	2005	2006	2007	2008	2009	Variance
City Councillor	11.0	11.0	11.0	11.0	11.0	0.00
City Council Clerk	0.5	0.5	0.5	0.5	0.5	0.00
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	0.00
Total Department	12.5	12.5	12.5	12.5	12.5	0.00

Executive

Mission Statement

The City Manager is responsible for carrying out the mandates of the City Charter including managing the daily administration of municipal business affairs of the City. As the Chief Administrative Officer of the City, the City Manager is the primary officer responsible for the implementation of City Council policy as outlined by the Council's votes and resolutions, enactment of ordinances, appropriation orders and borrowing authorizations. The City Manager sets the strategy of the City in accordance with City Council directives, sets overall operating goals for the City, which determine the departmental goals, and oversees the efficient and effective administration of City government to achieve those goals. The City Manager is responsible for ensuring the continued economic, social and financial viability of the City, and also for ensuring the delivery of quality services to the residents and taxpayers of the city.

Significant Changes

The departure of the previous Deputy City Manager created a vacancy which was filled with the in-house promotion of the Planning & Development Director.

Department at a Glance

- During the month of May, 2008, the City Manager averaged 4 appointments a day, with the average appointment length being 1 hour, including two meetings a week in Boston;
- During the month of May, 2008, the City Manager averaged 65 incoming emails and 26 outgoing emails a day;
- It is estimated that the City Manager's average work week divides as follows: 25% on general government oversight, 25% on economic development, 15% on finance matters, 15% on matters involving the City Council, 10% on matters involving community organizations or events and 10% on local and statewide policy, and
- The City Manager's roles outside of the community include: Board President, Metropolitan Area Planning Council; Member, Metropolitan Mayors Coalition (MMC); MMC Coordinator, Shannon Community Safety Initiative; Co-Chairman, Urban Ring Subcommittee on Finance, and Board Member, MassINC.

FY'08 Accomplishments

- Balanced the FY'07 Budget, the twelfth straight balanced budget, consistent with the City's Five-Year Financial Plan;
- Maintained the City's bond rating from Standard & Poor's at "A," the City's highest rating perhaps ever;
- Awarded GFOA audit award, and secured an outside audit that, for the ninth time in a row, reported no material weaknesses in the City's operations;

- Completed a statewide advocacy role in support of legislation to allow municipalities to join the State's Group Insurance Commission to secure health insurance for municipal employees, which eventually passed the Legislature and was signed into law by Governor Deval Patrick;
- Conducted the third annual "municipal tax burden" study which continued to confirm that the City's charges to local owner-occupants, on average, are the lowest in the eight community study area;
- Aided Council in its adoption of the maximum commercial shift and residential exemption permitted by State law, saving the average single family owner-occupant approximately \$1,259 in property taxes for the current tax year;
- Secured the approval of the City's 27th business development project, Tri-State Signals, through the TIRE Program, and aided the company in its facility needs while its new headquarters was under construction and eventually opened on Spencer Avenue;
- Secured present and future budget stability by advancing the City's 1,200-unit residential development goal by facilitating pre-development action for more than 1,500 units having already or expecting to break ground by the end of FY'08, including projects at Parkway Plaza, the Everett Avenue Urban Renewal District (EAURD);
- Advanced the goal of securing 15% affordability within the residential units being constructed as part of the 1,200-unit goal, including successfully negotiating a \$1.8 million payment to the City's Affordable Housing Trust Fund from JPI, the developer of the first of two phases of residential development in the EAURD's "Chelsea Residential Overlook Project;"
- Negotiated successfully to acquire all of the targeted acquisitions in CROP and for the disposition of the parcels including in the first phase of the two phased residential redevelopment, including entering into a 238-unit development agreement with JPI;
- Secured the commitment of Alkermes to select Chelsea over several United States and Europe alternatives for the expansion of the biopharmaceutical company's manufacturing operations, and submitted a grant request through the State's newly established "MORE" program to fund \$5 million worth of public infrastructure improvements to support the project, which is expect to begin development in FY'08;
- Led a process that successfully replaced the abandoned HP Hood headquarters project in the EAURD's "Chelsea Gateway" parcels with a tentative designation to a development group that includes Choice Hotels;
- Continued development activity at Parkway Plaza and secured the groundbreaking of the Corcoran residential development and approvals for the construction of the Phase II retail there;
- Aided the owner of the Mystic Mall in working through numerous pre-development issues, leading to a new plan for the new Market Basket and continuing discussions about the remaining build-out of the mall property;
- Advocated for as part of a statewide coalition and was successful in securing a second round of funding through the Shannon Community Safety Initiative to support local enforcement and prevention efforts around an anti-youth violence agenda, which included hiring a second gang officer, adding 50 afterschool slots at the Boys & Girls Club, enhancing programming targeting youth and substance abuse at the Chelsea Housing Authority and transitional employment for court and/or state services involved youth;

- Advanced goals established in the Chelsea Police Department’s Supplemental Enforcement Efforts, including a successful partnership with State Attorney General’s Office, Suffolk County District Attorney’s Office and the Insurance Fraud Bureau to combat local auto insurance fraud, which has contributed to a more than 16% reduction in local auto insurance rates;
- Enhanced the City’s efforts to combat graffiti by prioritizing enforcement through the Police Department, coordinating abatement through a cooperative arrangement with Roca and securing new equipment for the DPW to utilize on public properties;
- Assisted in the advocacy and secured the project start of the reconstruction of the DCR Pool on Carter Street;
- Advocated for and participated on a panel developing a comprehensive afterschool program for students in grades 7-10 for implementation for the upcoming school year;
- Coordinated planning activity and secured Massport land contribution and State grant funding to establish a new tot lot at Adamski Park;
- Partnered with the School Department and Chelsea Little League to secure lights for the Little League Field and advance a plan to develop a concession stand/restrooms for the field at the Burke Complex;
- Devised a funding strategy to support the development of second artificial turf field, this one at Highland Park;
- Secured the installation of odor recovery equipment at Chelsea Terminal;
- Conducted a search which led to the hiring of a new Fire Chief;
- Finalized plans and initiated the process which led to the hiring of a part-time Quality of Life Inspector, the City’s first;
- Expanded the City’s outreach for minority candidates to fill staff vacancies by participating in a new web posting service;
- Implemented an on-call translation service to connect Spanish speaking residents to important board and community meetings;
- Elected to the officers of the Metropolitan Area Planning Council to advance the agenda of that agency and to better influence important public policy decisions that impact the City;
- Secured award from Common Cause for the access and openness of the City’s website, and
- Participated on a panel that led a regional effort that resulted in the selection of an alternative growth plan for Metropolitan Boston for 2030.

FY'09 Goals

- Engage the City Council in a further discussion about its “Priorities, Policies and Visions” to develop an action agenda for addressing those that should be prioritized by the City Administration, especially around trash management, policing activities and community planning;

- Review the potential and, if the potential exists, seek an upgrade in the City's current bond rating of "A" from Standard & Poor's;
- Implement several strategies for developing non-state aid, non-existing taxpayer revenue enhancements to further support the continuing balancing of budgets and the ability to further offer and expand upon existing municipal services and programs;
- Complete a review of the Strengths, Weaknesses, Opportunities and Threats (SWOT) initiative begun in FY'08 to help direct future actions regarding issues across municipal departments and programs;
- Advance statewide discussion about regionalism, especially focusing on developing a plan to review the potential of entering into regional collaboration on one or more services currently operated independently by the City;
- Complete negotiations with municipal bargaining units on the option of joining the State's Group Insurance Commission for the purpose of securing more affordable health insurance for City's employees;
- Begin negotiations with municipal bargaining units on new labor agreements for the period of FY'09-FY'11;
- Encourage regular Capital Improvement Program steering committee meetings to further enhance the annual CIP process;
- Complete negotiations and acquire a parcel of land that could provide for interim uses and potentially a new home for the aging City Yard;
- Complete the necessary pre-development work to lead to the final permitting of the JPI "Crescent Court" project in the Everett Avenue Urban Renewal District, leading to a late FY'09, early FY'10 sale of the parcels in advance of the groundbreaking;
- Secure Economic Development Board approval of the proposed Cambria Suites hotel in the Chelsea Gateway area of the EAURD, and facilitate an FY'09 sale of the parcels involved and groundbreaking for the development;
- Coordinate efforts and advocate for the redevelopment of the Emerald Block within the EAURD;
- Consider the next phase of urban renewal activities in the EAURD, including the potential assemblage of parcels in the Vale Street corridor;
- Assist in the completion of the Market Basket in the Mystic Mall and work with the property owner on further developing a Phase II plan for the remainder of the property;
- Coordinate City actions to advance ongoing or permitted projects, including the JPI Admirals Hill residential project, the Chelsea Jewish Nursing Home's Admirals Hill expansion, the Forbes Lofts project and Chelsea Neighborhood Developer's projects in the Box District and at the former national guard armory;
- Advance City activities, taken in partnership with several stakeholders, to address the variety of foreclosure issues impacting local neighborhoods;
- Advocate for and secure the necessary grant funding to hire as many as 10 new police officers and to support other prevention and enforcement activities;

- Agree upon a strategy for funding a new, \$1+ million tower truck and begin the procurement process;
- Propose a major trash initiative to better keep Chelsea clean and engage more residents in doing the same;
- Lead City Hall discussions on the adoption of a formal “Greener Chelsea Initiative;”
- Devise a program to utilize City Hall as a gallery for locally produced art or works of interest to local residents;
- Supervise several open space enhancement and expansion projects, including at sites on Fifth Street, in Chelsea Commons and along the Island End River, and
- Conduct a public education campaign to increase resident awareness and use of Channel 15, the City website and R911 messaging.

Executive Office Program Budget #123

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	228,825	195,412	247,864	278,720	280,442	1,722
Operations and Maintenance	22,129	32,926	29,369	33,359	33,359	-
Capital	-	-	-	-	35,500	35,500
Department Total	250,954	228,338	277,233	312,079	349,301	37,222

Executive Office Personnel Listing #123

Title	2005	2006	2007	2008	2009	Variance
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
City Manager	1.00	1.00	1.00	1.00	1.00	0.00
Deputy City Manager	1.00	1.00	1.00	1.00	1.00	0.00
Executive Assistant	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	3.00	3.00	3.00	3.00	3.00	0.00

Auditor

Mission Statement

The Auditor provides the controllership and audit functions for the City and its departments and agencies. The Auditing Department protects the fiduciary interests of the City by ensuring that the financial records are accurately maintained and preserved; supervising and monitoring the expenditure of City funds; utilizing sound accounting practices, and performing all other auditing and accounting functions pursuant to the City Charter, City ordinances and laws of the Commonwealth.

Significant Changes

The City Auditor has assumed greater responsibility in completion of annual budget and financial forecast.

Department at a Glance

- Process weekly payroll warrant for all City and School Admin staff for an average of 600 individuals weekly, with both check and direct deposit options;
- Process several bimonthly and monthly payrolls for an average of 625 individuals mostly school teachers, with both check and direct deposit options;
- Process weekly accounts payable warrant for an average of 185 accounts payable check items and 15 prepaid items per week;
- Maintain oversight and review of 547 Funds in General Ledger (general fund and 546 non general fund) consisting of over 850 general ledger accounts in general fund alone, and
- Review all new vendor contracts (over 100 annually) and contract amendments or extensions, to ensure proper funding for approval.

FY'08 Accomplishments

- Secured Massachusetts Department of Revenue certification of Free Cash of \$4,610,537 from the FY'07 balance sheet;
- Received the GFOA Certificate for Outstanding Achievement in Financial Reporting for FY'07;
- Assumed additional responsibility for preparing the Comprehensive Annual Financial Report (CAFR), performing tasks currently provided for by an outside accounting firm, in order to continue to develop a more comprehensive perspective of the City's financial position;
- Engaged an outside consultant to complete an actuarial valuation of the City's post employment benefits other than pensions, consistent with Governmental Accounting Standards Board (GASB) Statement 45 requirements as first step for implementation;
- Initiated professional development initiatives for Department staff through varied training and educational programs from the Massachusetts Municipal Auditors and Accountants Association, The Abrahams Group and the State's Division of Local Services (DLS); and,
- Completed annual audit with no material issues.

FY'09 Goals

- Implement greater payroll functionality of MUNIS for City employees to check the status of vacation, sick and personal days, as well as confirm the recordation of time taken;
- Develop a uniform pay period for all employees to allow for better use of the automated employee benefit accruals;
- Initiate Department staff training to effectively provide for Disaster Recovery Planning of the critical functions of payroll and accounts payable, both from on and off site locations;
- Advance the implementation of additional functionality of the MUNIS Personnel module, specifically, Payroll Encumbrance, Position Control, and Job Pay, to more efficiently prevent overspending of payroll appropriations and help better monitor and manage the personnel services budgets; and
- Initiate electronic retention of accounts payable and payroll records to aid in greater efficiency of daily operation as well as to reduce the physical records retention impact, due to space considerations and as part of a more effective disaster plan.

City Auditor Program Budget #135

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	214,300	213,490	207,692	211,671	215,477	3,806
Operations and Maintenance	7,561	6,198	6,973	8,313	9,218	905
Capital	-	-	-	-	-	-
Department Total	221,861	219,688	214,665	219,984	224,695	4,711

City Auditor Personnel Listing #135

Title	2005	2006	2007	2008	2009	Variance
City Auditor	1.00	1.00	1.00	1.00	1.00	0.00
Assistant City Auditor	1.00	1.00	1.00	1.00	1.00	0.00
Head Administrative Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Head Administrative Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Senior Account Clerk	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	4.00	4.00	4.00	4.00	4.00	0.00

Treasurer/Collector/Central Support/Central Billing

Mission Statement

The Treasurer/Collector's Office encompasses the offices of the Treasurer, Collector, Central Support and Central Billing. Together, the groups preserve, protect and manage the financial resources of the City, among other responsibilities. The Treasurer is responsible for receipt, accurate accounting and prudent investment of all City funds to maximize yields while maintaining adequate liquidity and ensuring compliance with Massachusetts General Laws, City ordinances and any other applicable financial mandates. The Collection and Customer Service group is responsible for providing a single point of contact to all taxpayers and ratepayers for financial transactions. The Central Support primary function is to provide for the efficient purchasing and distribution of supplies, as well as the timely delivery of all mail. The Central Billing and Research group provides accurate and timely information on all utilities to complete a thorough and proactive review of all ratepayer accounts.

Significant Changes

A new Treasurer/Collector was hired, and a head clerk retired at the end of the year. During the year, two new collector's clerks were hired and trained in collections and customer service. The conversion to the new Star meter reading system presented challenges, which are being addressed, and opportunities, which are being explored, for the Department.

Department at a Glance

	<u>2007</u>	<u>2006</u>
• Average Monthly Cash Balances	\$55,020,938	\$55,406,167
• Total Payroll Checks Issued	54,285	55,201
• Total Vendor Checks Issued	9,325	9,234
• Monthly Average Water/Sewer/Trash Bills Prepared and Mailed:	5,100;	
• Monthly Average Returned by USPS for Bad Addresses:	175;	
• Monthly Average Number of Trash Affidavits Certified and Processed:	50;	
• Monthly Average Customer Service Inquiries for research:	60;	
• Monthly Average Customer Service Calls Received by Central Billing:	100;	
• Average Monthly Tax Title receipts:	\$25,367; Annual Total - \$304,403	
• 2007 Tax Title Ending Balance	\$796,988	

Treasury

FY'08 Accomplishments

- Initiated a critical, daily review of interest rates, as weekly funding needs are entered into the cash flow analysis on Monday to maximize interest income;
- Combined all development accounts and most low-activity trust accounts into a master investment account, which includes a liquidity aspect for monthly cash needs and a longer-term investment component to maximize returns over time;
- Examined all analysis statements to assure cost effectiveness with banking partners, resulting in upgrades to service from the City's payroll bank;

- Developed customer inquiry logging and follow-up procedure, which identifies a single point of entry for all requests, to better research and provide quicker turn-around, including allowing for customer inquiries requiring research to be followed-up with a postcard promising a response within twenty days;
- Automated the weekly transmission of employees' ING files, thereby providing for funds to now be applied to individual accounts on the day the payroll is funded, and
- Initiated monthly notification to property owners of tax title account obligations, encouraging payment and discouraging increase in receivables.

FY'09 Goals

- Implement web based vendor file transmission with Mellon Bank and Bank of America to expedite payment processing and cash management;
- Initiate, when approved, liening of outstanding 21D violations to real estate accounts, and
- Perform a monthly review of tax title accounts to initiate collection action utilizing payment plans and other techniques, as appropriate.

Collector

FY'08 Accomplishments

- Completed personal property adjustments/abatements for FY'98 and FY'99 to validate collectibles for the periods and mailed delinquent notices for collectible personal property accounts for FY'98-'99 in an attempt to collect past due money and to close accounting years;
- Completed implementation of Century Bank's Image-based Lockbox Platform, which provides a monthly CD with all of our historical data (images of bills, remittances, reports, etc.), and
- Worked with DLM & Associates (the City's real estate and personal property tax bill print vendor) to receive PDF files for all real estate and personal property bills each quarter in order to have the ability to reprint bills when necessary.

FY'09 Goals

- Submit CIP FY'10 request for study of customer services requirements on the second floor of City Hall;
- Complete personal property adjustments/abatements for FY'00 through FY'06 to validate collectibles for the periods;
- Complete implementation of an e-lockbox FTP with Century bank for more timely account postings;
- Implement new, integrated cashiering system allowing clerks to cash out more efficiently, post transactions to the accounting system more accurately and decrease customer wait times, and
- Work with ISD/Licensing to resolve license renewal requests for delinquent accounts.

Central Support

FY'08 Accomplishments

- Implemented postal increases;
- Evaluated express delivery services, resulting in the terminated of one vendor relationship and the establishment of another, and
- Created vendor relationship with two new office supply contractors.

FY'09 Goals

- Revise and update procedures manual, and train new Treasurys' Office personnel for back-up;
- Implement expected postal rate increase, and
- Develop system to capture usage of paper; water; postage and special delivery.

Central Billing

FY'08 Accomplishments

- Converted 50% of customers to new Star meters for billing purposes;
- Transitioned to new leadership in the Division and trained a new staff member;
- Completed water/sewer/trash lien process despite a temporary staffing shortage;
- Designed and implemented new customer service procedures, and
- Improved processing of monthly trash abatements.

FY'09 Goals

- Automate lien calculation and processing;
- Complete meter change-out program;
- Select and implement new billing system;
- Assess record-keeping, storage and retrieval requirements, potentially initiating a digitization project, if appropriate, and
- Reduce number of monthly accounts estimated for billing by 50%.

Treasurer/Collector's/Central Support Program Budget #145

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	404,288	420,836	424,034	442,033	442,591	558
Operations and Maintenance	212,418	179,089	281,732	299,250	292,650	(6,600)
Capital	-	-	-	-	-	-
Department Total	616,706	599,925	705,766	741,283	735,241	(6,042)

Treasurer/Collector's/Central Support Personnel Listing #145

Title	2005	2006	2007	2008	2009	Variance
Assistant Treasurer	1.00	1.00	1.00	1.00	1.00	0.00
Head Clerk	2.00	2.00	2.00	2.00	2.00	0.00
Senior Fiscal Analyst	1.00	1.00	1.00	1.00	1.00	0.00
Treasurer	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Collector	1.00	1.00	1.00	1.00	1.00	0.00
Account Clerks	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant	3.00	3.00	3.00	3.00	3.00	0.00
Total Department	10.00	10.00	10.00	10.00	10.00	0.00

Central Billing and Research #159

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	93,975	105,868	99,652	112,541	117,530	4,989
Operations and Maintenance	74,868	64,781	57,325	71,100	69,800	(1,300)
Capital	-	-	-	-	-	-
Department Total	168,842	170,650	156,977	183,641	187,330	3,689

Central Billing and Research Personnel Listing #159

Title	2005	2006	2007	2008	2009	Variance
Supervisor	1.00	1.00	1.00	1.00	1.00	0.00
Head Clerk	1.00	1.00	1.00	1.00	2.00	1.00
Senior Clerk	1.00	1.00	1.00	1.00	0.00	(1.00)
Total Department	3.00	3.00	3.00	3.00	3.00	0.00

Assessing

Mission Statement

The Assessing Department provides the City with fiscal stability by ensuring that the City's personal and real property tax base is promptly, fairly, and equitably evaluated and classified. The Assessing Department determines fair market value of all property for purposes of taxation and assesses property taxes and administers motor vehicle excise taxes in a fair and efficient manner.

Significant Changes

Replaced the retiring, long-time office manger and provided training to the new position holder.

Department at a Glance

- Property inspection program completed:
 - 109 Multiple Listing Property Data Updates
 - 97 Interior inspections
 - 663 Exterior property inspections
- 607 building permits for updated valuations
- 177 abatement applications processed
- 800+ income and expense statements sent in preparation for FY2009 and 2010 valuation programs

FY'08 Accomplishments

- Completed a comprehensive interim year valuation program, resulting in timely approval of values by the Massachusetts Department of Revenue, providing for a modest decrease in the total assessed value of taxable property from \$2.681 billion to \$2.655 billion;
- Certified \$810,000 of new levy growth, and
- Processed the comprehensive submission of financial and valuation data (the "Recap") to DOR for approval of the FY'08 tax rates and completed the processing of tax billing procedures in a timely basis.

FY'09 Goals

- Continue the cyclical property inspection program for completion by the FY'13 tax year;
- Continue integration of the entire financial operations section into the tax billing process;
- Update tax maps to include changes not on CDM version of digitized maps, and
- Carefully monitor property market conditions to ensure assessments reflect true market conditions rather than foreclosure conditions.

Assessing Program Budget #141

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	169,160	171,728	191,507	180,383	188,761	8,378
Operations and Maintenance	31,663	79,251	65,634	55,800	99,400	43,600
Capital	-	-	-	10,000	-	(10,000)
Department Total	200,823	250,978	257,141	246,183	288,161	41,978

Assessing Personnel Listing #141

Title	2005	2006	2007	2008	2009	Variance
Director of Assessing	1.00	1.00	1.00	1.00	1.00	0.00
Assoc. Assessor	1.00	1.00	1.00	1.00	1.00	0.00
Chair of Assessors	0.50	0.50	0.50	0.50	0.50	0.00
Appraiser	1.00	1.00	1.00	1.00	1.00	0.00
Head Administrative Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	4.50	4.50	4.50	4.50	4.50	0.00

Procurement

Mission Statement

The Procurement Department is responsible for preserving and protecting the fiscal resources of the City by ensuring that the process for procuring goods and services is conducted in a fair, competitive, and transparent manner, using objective standards for the selection of contractors and vendors, which allows for fair, impartial and uniform bidding, contract development and awarding procedures.

Significant Changes

The Chief Procurement Officer resigned in August of 2007 and was replaced by the former DPW Business Manager. The transition has been seamless and is now complete.

Department at a Glance

- 4,000 purchase orders processed;
- 100 written contracts completed;
- 4 Requests for Qualifications issued;
- 17 Requests for Proposals issued;
- 39 Invitations to Bid issued;
- 53 Requests for Quotes issued, and
- 1 bid protest resolved in our favor

FY'08 Accomplishments

- Created a traceable process for supplying electronic files for bid packages, reducing the Department's use of paper by one-third;
- Instituted the first stage of a user-friendly workflow process through a MUNIS messenger window for requisition approval;
- Began investigation into the current state of copy/print/fax equipment in City offices to determine cost and use efficiency of equipment expenditures, and
- Filed the quarterly report with SOMWBA detailing all purchasing contracts that included State funding.

FY'09 Goals

- Create and implement a standard for purchase and maintenance of office copy/print/fax equipment;
- Continue the implementation of the workflow procedure through the MUNIS system to in order to increase efficiency in the approval process for requisitions and purchase orders by eliminating more paper and redirecting the approval process to be done completely online from the creation of the requisition through the completed purchase order;
- Continue to explore ways to reduce paper consumption throughout the procurement process: require electronic files from engineering firms preparing specifications; build and maintain bid lists for

electronic submissions of bid solicitations; make bid specifications available for download or on disc; determine legal process for committing contracts to disc;

- Refine the City’s Fixed Asset Database structure to reflect more accurately the status and costs of fixed assets, and
- Expand the use of the City’s website and the COMM-PASS website to post bid notices monthly.

Procurement Program Budget #138

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	94,044	89,848	100,644	103,400	101,006	(2,394)
Operations and Maintenance	542	833	971	3,076	4,065	989
Capital	2,607	2,013	2,026	-	-	-
Department Total	97,192	92,695	103,641	106,476	105,071	(1,405)

Procurement Personnel Listing #138

Title	2005	2006	2007	2008	2009	Variance
Chief Procurement Officer	1.00	1.00	1.00	1.00	1.00	0.00
Head Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Senior Clerk Typist	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	2.00	2.00	2.00	2.00	2.00	0.00

Law

Mission Statement

The Law Department represents and protects the interests of the City by providing accurate and timely legal advice to all elected and appointed officials, multiple-member bodies and agencies of the City, thereby ensuring that municipal decisions are made in conformance with appropriate legal authority. The Law Department strives to decrease the potential liabilities and related risks of the City by concentrating on preventative action, including early program intervention and the constant review and examination of the legal claims filed against the City. In addition, the Law Department provides representation for the City in legislative, judicial and administrative proceedings involving the City, its officers and agencies.

Significant Changes

The Law Department will represent and protect the interests of the School Committee and the School Department on a full time basis beginning July 1, 2008. A change in staff was required with the promotion of the secretary to another position in City government. That vacant position was filled, with training provided to the new position holder.

Department at a Glance

- New litigation matters: 11
- Claims filed: 26
- Chapter 148 hearings and matters: 2
- Subpoenas responded 25
- Foreclosures/Tax Liens completed 2
- Ordinances Completed 4
- Public Records Request: City 3.5 /month
School 6.0/ month

FY'08 Accomplishments

- Finalized and negotiated the City's new cable provider contract with Comcast;
- Finalized, drafted and negotiated the City's contract with Chelsea Community Cable Television, Inc.;
- Participated in the negotiated of the School Superintendent contract and the new Labor Relations Consultant contract for the School Committee;
- Drafted the Pigeon Ordinance;
- Drafted the Condo Conversion Ordinance;
- Aided in the negotiation of the City's Memorandum of Understanding with Eastern Minerals;
- Aided in the negotiations of a new lease for the Refugee Program;
- Established new collection procedure for unpaid fire details;
- Drafted Flea Markets Ordinance;

- Prepared all documents for the Eminent Domain Taking of Griffin Way;
- Supported City Council in the revising and adoption of a revised Graffiti Ordinance, and
- Collaborated on the drafting of a revised Solid Waste Ordinance.

FY'09 Goals

- Adopt a revised Municipal Lien Ordinance;
- Adopt a revised Hawker and Peddler Ordinance;
- Draft and adopt a Wind Turbine Zoning Amendment;
- Participate in the City and School's collective bargaining process, and
- Establish a procedure on tax foreclosures.

Law Department Program Budget #151

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	144,334	153,040	151,909	158,876	160,300	1,424
Operations and Maintenance	37,004	42,163	55,688	64,600	56,950	(7,650)
Capital	-	-	-	-	-	-
Department Total	181,338	195,204	207,597	223,476	217,250	(6,226)

Law Department Personnel Listing #151

Title	2005	2006	2007	2008	2009	Variance
Secretary	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Corporate Counsel	0.50	0.50	0.50	0.50	0.50	0.00
Chief Legal Counsel	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	2.50	2.50	2.50	2.50	2.50	0.00

Personnel

Mission Statement

The Personnel Department establishes and maintains an equitable personnel system that promotes the efficiency and economy of government and supports services to maintain the morale and well being of all City employees. The Personnel Department establishes and monitors personnel policies and procedures, ensures fair and consistent hiring activities, assists in coordination of collective bargaining sessions, manages employee benefits and provides staff training and development opportunities. The Personnel Department is to assist all departments to ensure that the work place and the guidelines of the City are free from any discrimination. For positions in the Police and Fire Departments, hiring procedures require adherence to Civil Service law and regulation. The Personnel Department administers the City's self-insured workers' compensation obligations; health, safety and welfare of all in our workforce are primary obligations of this unit. The Human Resources Director assists in all discipline actions and assures obligations to law and contracts in maintaining a fair employment relationship.

Significant Changes

Complied with requirements of new Massachusetts Health law regarding employee health insurance options.

Department at a Glance

- 25 new hires and 17 terminations;
- Notification to 1,400 employees (full and part-time, City & School) of new law and rights under Mass Health mandates; with response request;
- Notification to 1,250 employees of annual insurance open enrollment;
- Notification to 400 retirees of open enrollment;
- 12 employees received Workers Compensation;
- 13 disciplinary hearings or discipline related interviews with employees.
- 3 new positions defined and assigned to appropriate Union (or assigned as exempt).
- 18 death claims for applicable life insurance and resultant changes to family health insurance enrollment.
- Process 40 direct payments for various health and life insurance plans made monthly from individuals eligible through survivor rights and those with rights to continue under COBRA legislation.
- Monthly management of payment for 9 insurance types from all sources (budget as primary and those noted above).
- Maintain weekly attendance recordation for 330 employees.
- Evaluate appropriateness of pay changes; approx. 460 changes per year.

FY'08 Accomplishments

- Concluded procedure improvements in the accounting for life and retiree health insurance benefits, including maintaining the separation of City and School employee life insurance and retiree insurance billing and documentation;

- Extended a contract for third party administration of submissions for Federal subsidy through the Medicare Drug Program;
- Placed 7 of 9 collective bargaining agreements in computer format;
- Established a digital library of various policies and practices of a number of communities received through Mass. Municipal Personnel Association;
- Provided notice of information in regard to rights and employer obligations, as required by the new Massachusetts Health law, to all employees, including providing annual notice and eliciting and maintaining responses received from qualified part-time employees, and
- Developed a procedural statement in regard to meeting hiring time frames.

FY'09 Goals

- Investigate the various retiree health plan configurations to seek enhancements in the City's financial stake in the Federal Medicare Drug Program;
- Standardize the method for communicating labor contract changes to department managers;
- Work with City Manager's team to conduct eight collective bargaining agreements for municipal bargaining units, all of whom have contracts that expire on the last day of FY'08, and
- Continue the effort to make full use of the City-wide integrated payroll and personnel aspects of the MUNIS program.

Personnel Program Budget #152

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	112,682	114,795	118,255	121,405	125,628	4,223
Operations and Maintenance	22,249	12,704	26,931	29,818	37,809	7,991
Capital	-	-	-	-	-	-
Department Total	134,930	127,498	145,186	151,223	163,437	12,214

Personnel Personnel Listing #152

Title	2005	2006	2007	2008	2009	Variance
Personnel Director	1.00	1.00	1.00	1.00	1.00	0.00
Personnel Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	2.00	2.00	2.00	2.00	2.00	0.00

Information Technology

Mission Statement

The Information Technology Department provides appropriate access to, support for and maintenance of systems and services that sustain, enhance and extend the delivery of high quality, customer-focused service. In support of the mission, the Department is tasked with primary responsibility for long-range planning; resource acquisition and integration, and system security, reliability and continuity.

Significant Changes

The Department continues to integrate technology purchasing and planning with responsibility for all City departments, including public safety. Multiple departmental staffing changes occurred during the year without any negative affect on service to the City community during these transitions. The Department now has a new Director, new Helpdesk Technician and new Network Support Specialist. Departmental staff continues to integrate the VoIP system into new areas, including the new EOC center, and improved the Reverse 911 system to be fully integrated with the VoIP system using a current resident phone list.

Department at a Glance

- Increased computer accounts to 451 users;
- Processed over 2 million legitimate inbound emails;
Blocked 1,248,775 pieces of email Spam
Blocked 2,021 email viruses
- Implemented the Reverse911 system calling every listed number in Chelsea, and
- Added 200 phones for a total of 1,000 in the IP-telephone system;

FY'08 Accomplishments

- Completed implementation of the VoIP-telephony system by connecting the Burke Complex to the system;
- Conducted replacement of the Storage Area Network (SAN) system;
- Initiated the strategic replacement of Departmental systems and core equipment;
- Improved the operation and performance of Internet-based GIS system, and
- Integrated a back-up generator for the City Hall datacenter.

FY'09 Goals

- Complete Chelsea Net wireless feasibility study, and
- Update Planometrics & GIS Website.

Municipal Information Systems Program Budget #155

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	159,521	142,924	181,255	215,930	213,146	(2,784)
Operations and Maintenance	145,659	217,328	254,323	327,558	345,758	18,200
Capital	21,278	40,000	68,000	90,000	125,500	35,500
Department Total	326,458	400,252	503,578	633,488	684,404	50,916

Municipal Information Systems Personnel Listing #155

Title	2005	2006	2007	2008	2009	Variance
Director	1.00	1.00	1.00	1.00	1.00	0.00
Systems Operator	1.00	1.00	1.00	1.00	1.00	0.00
GIS Administrator	1.00	1.00	1.00	1.00	1.00	0.00
Technician	0.00	0.00	1.00	1.00	1.00	0.00
Total Department	3.00	3.00	4.00	4.00	4.00	0.00

City Clerk

Mission Statement

The City Clerk is the primary agent responsible for serving the public through the provision of public records, vital statistics and general information. The Clerk is also the official filing agent for the City and as such, accepts, files, records and maintains all municipal records, as well as makes those records readily accessible for inspection and retrieval. The Clerk is responsible for all aspects of elections in accordance with Federal, State and City laws. Additionally, the Clerk oversees the City's Traffic and Parking Program, coordinating the parking contractor activities, administering the residential parking program and hearing appeals of ticket violations.

Significant Changes

The City Clerk's Office has been informed by Election Systems & Software, the national company supplying equipment and support for elections throughout the country, that after the upcoming Presidential Election in 2008 that support will no longer be available for the system owned by the City to conduct elections. This notification will require the City to purchase a new voting system in the near future. Municipal Management Associates has recruited and hired a new manager for the City's Parking Program and this major change in operations will require close scrutiny to assure that the program is maintained in accordance with the contract. The consolidation of polling places from seven to three was overseen and implemented with general approval by voters and poll workers. In support of the consolidation effort, two city-wide postcard mailings with polling location and additional coordination information were performed; extra bilingual workers, mostly Chelsea High School students, were placed at all polling locations to translate and direct voters, and laptop computers and the City's website were utilized to direct voters and check voter status.

Department at a Glance

- Birth, death and marriage certificates issued – 4,500
- Marriage intentions issued – 350
- Dog licenses – 450
- Passports – 400
- Parking tickets issued – 4,500 per month
- Resident parking permits issued – 1,000
- Visitor parking passes – 800
- Luther Place parking permits – 30

FY'08 Accomplishments

- Successfully transitioned from seven polling places to three polling places for Special Senator Election and Presidential Primary without any significant problems this was accomplished by the following actions, and
- Coordinated with DPW to identify missing or needed signs throughout the city to better address parking restriction and thereby reduce the frequency of parking ticket disputes.

FY'09 Goals

- Review all existing voting systems available to determine the best options for the replacement of the existing system which will soon be without technical or parts backup;
- Work with MMA, the City's parking vendor, to transition the new manager for parking enforcement and assure compliance with the City contract for parking enforcement and ticket paying services, and
- Increase voter registration by contacting property managers of new developments and getting pre-stamped voter registration forms into the hands of every new resident.

City Clerk Program Budget #161

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	232,784	215,595	228,569	258,964	251,183	(7,781)
Operations and Maintenance	36,105	32,373	44,735	49,050	35,950	(13,100)
Capital	3,198	-	-	-	-	-
Department Total	272,087	247,967	273,304	308,014	287,133	(20,881)

City Clerk Personnel Listing #161

Title	2005	2006	2007	2008	2009	Variance
City Clerk / Head Parking Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Senior Clerk/Typist	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Principal Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Assistant City Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	5.00	5.00	5.00	5.00	5.00	0.00

Traffic & Parking Program Budget #293

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	43,346	39,692	40,646	43,250	43,799	549
Operations and Maintenance	519,543	549,100	573,672	631,570	631,570	-
Capital	-	-	-	19,000	20,850	1,850
Department Total	562,889	588,792	614,318	693,820	696,219	2,399

Traffic & Parking Personnel Listing #293

Title	2005	2006	2007	2008	2009	Variance
Assistant Parking Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	1.00	1.00	1.00	1.00	1.00	0.00

Licensing

Mission Statement

The Department of Licensing, Permitting and Consumer Affairs provides administrative support to the Licensing Commission, and is responsible for the issuance of all licenses and permits granted by the Licensing Commission, as well as licenses and permits granted by the Director. The Department offers professional and efficient service to the general public by providing a streamlined process for establishment and regulation of businesses, as well as prompt and accurate information on permitting and licensing. Licensing coordinates inspections and enforcement activities for licensed establishments, and renders administrative support in the processing of non-criminal citations, issued by City agencies, with the exception of motor vehicle infractions.

Significant Changes

As a result of the Licensing Commission's adoption of limo/livery regulations, the Licensing Department is responsible for the issuance and coordination of enforcement relative to limo/livery licenses.

Department at a Glance

- Alcoholic Beverage Licenses - 51
- Sunday Alcoholic Beverage Licenses - 16
- Amusement/Entertainment - 40
- Common Victualer - 95
- Retail Business between 12:00 a.m. and 5:00 a.m. - 8
- Rooming Houses - 9
- Class I, II, and III - 11
- Garage/Repair Shops - 18
- Towing/Storage Lots - 1
- Parking Lot/Garage - 2
- Petroleum Storage - 21
- Tobacco - 75
- Business Certificates/Withdrawals - 175
- Hackney Drivers - 125
- Hackney Carriages - 25
- Old Gold - 6
- Pawnbrokers - 4
- Auctioneer - 10
- Constables - 13
- Parks - 35
- Misc. (vending/yard sales) - 25

In estimation, the Licensing Department has issued the following licenses/permits/certificates. However, it should be noted that the number of licenses issued does not correlate to the number of applications received. Additionally, some years the number of licenses/permits issued varies depending on decisions made in connection with various applications.

In addition to the aforementioned licenses/permits/certificates, considerable revenue is generated from numerous application fees.

FY'08 Accomplishments

- Participated in full and complete dialog by and between the Licensing Commission relative to the promulgation of disciplinary sanctions, whereupon it was determined that it was not in the best interest of the Commission to enact a formal schedule of sanctions;
- Supported the process which has begun to consider the possible revision of all existing vending ordinances and regulations, and
- Assisted the Fire Prevention Division of the Fire Department in gaining licensing compliance of boat storage facilities and motor vehicle storage lots/garages.

FY'09 Goals

- Collaborate with the Licensing Commission to implement annual open meeting discussions with all liquor licensed establishments to discuss mutual concerns and licensing practices;
- Implement an efficient enforcement component of recently enacted limo/livery regulations in conjunction with the Police Department, and
- Continue to collaborate with the Law Department to revise vending ordinances and regulations.

Licensing Program Budget #165

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	62,444	62,123	63,347	64,594	65,730	1,136
Operations and Maintenance	1,612	3,021	3,958	4,145	4,560	415
Capital	-	-	-	-	-	-
Department Total	64,056	65,144	67,305	68,739	70,290	1,551

Licensing Personnel Listing #165

Title	2005	2006	2007	2008	2009	Variance
Director	1.00	1.00	1.00	1.00	1.00	0.00
Clerk	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	1.00	1.00	1.00	1.00	1.00	0.00

Planning and Development

Mission Statement

The Planning and Development Department provides professional planning, project and program management services to residents and businesses of the city, to multiple-member bodies, the City Manager, City Council and all City departments as it relates to the physical, economic, social and environmental needs of the City. The Department represents the City on regional boards and committees related to development, open space, transportation, housing and the environment. The Department also develops the vision, policies and goals for the physical, environmental, economic and social growth and development of the community and incorporates these components into a comprehensive plan that guides the future of the city. The main areas of focus for Planning and Development include housing, transportation, open space, public improvements, economic development and administration.

Significant Changes

The Department will continue to advance the City's planning needs despite a change in personnel. A new Director and reorganization has created new opportunities for the Department to continue to push for a balanced program of planning and project management. The creation and filling of a new Land Use and Planning Administrator position allows the Department to streamline its permitting functions and to coordinate reviews for the Planning Board and the Zoning Board of Appeals (ZBA).

Department at a Glance

- Affordable rental units: 44 units at the Box Works District project
23 units at 261 Broadway (TILL Building)
48 units at 113 Spencer Ave (permitted)
25 units at Parkside Commons
- Affordable homeownership units: 14 units in the Box District
6 units at 139 Park Street (Katz building)
11 units in the Keen Artist Studio building
- Receivership Project: 253 Arlington Street
- Supportive Housing: 22 units at 425 Eastern Avenue
- Foreclosure Prevention Program: Counseled 52 homeowners; actively advising 30
- Distressed Foreclosure Initiative Survey completed – Negotiating on 5 properties
- Zoning Board of Appeals Applications: FY05 – 50; FY06 – 44; FY07 36

FY'08 Accomplishments

Housing

- Assisted Chelsea Restoration Corporation in creating a foreclosure prevention counseling program that is partially funded with MSCP Program Income funds, leading to CRC counseling over 52 clients, with 39 being referred for legal or refinancing assistance, and mailing all borrowers in the city with adjustable rate mortgages in an effort to proactively engage such owners prior to the increasing borrowing costs creating financial difficulties that could lead to foreclosure;

- Monitored construction and facilitated certificates of occupancies being granted to the following projects, all of which are contributing to the city's affordable housing stock: Janus Highlands, 41 affordable rental units; Till, 23 affordable rental units; Keen Studios, a 23 unit loft project that includes 11 affordable units, and Boxworks, a 26 homeownership project with 14 affordable units;
- Provided funding to Chelsea Neighborhood Developers (CND) to assist in the acquisition and renovation of the Dollar Store building;
- Assisted Caritas Communities in buying a Single Room Occupancy on Eastern Avenue for 21 units of affordable SRO housing, which is undergoing renovation and is scheduled to be completed in FY 09;
- Provided assistance to CND in funding 113 Spencer Avenue, a 48 unit affordable rental project that should be under construction by the end of FY'08;
- Staffed and provided technical assistance to the newly formed Affordable Housing Trust Fund, which has created by-laws and is working on a mission statement and priorities based on local housing needs;
- Assisted in the creation of a data base that tracks all properties that have had some kind of foreclosure action taken on them, including information on services, investors and property managers in charge of the properties;
- Developed and began to implement a strategic code enforcement program with ISD that focuses predominantly on problem properties, with an emphasis on properties that are either in the foreclosure process or have been through it and are bank-owned real estate;
- Permitted the development of 144 residential units on a 2 acre parcel through the Planned Development process;
- Worked with the developer to approve 160 rental units on Admiral's Hill, now under construction, and
- Monitored the construction and permit compliance for 238 rental units, including 25 affordable units, at the former Parkway Plaza.

Transportation

- Continued to advocate for the development of the Urban Ring and participate in the environmental review as a member of the Urban Ring Citizen Advisory Committee;
- Applied for funding to supplement federal funds for improvements to the Beacham-Williams corridor and secure a place for the project on the Transportation Improvement Program (TIP);
- Pushed the reconstruction of Spruce Street between the rail tracks and Heard Street through substantial completion as part of the Everett Avenue Urban Renewal Area project;
- Applied for funding for on-going improvements to the Spruce Street corridor in conjunction with redevelopment of the Everett Avenue Urban Renewal District, and
- Monitored MassHighway reconstruction of Eastern Avenue through completion of the project.

Open Space

- Monitored the construction and completion of approximately 700 feet of boardwalk along the Island End River;
- Completed design and bidding for the construction of a new 4,800 square foot park at the northwesterly corner of Fifth and Chestnut Streets;
- Secured funding from the State to supplement privately raised funding and began design for the construction of an approximately one acre park in the new Parkway Commons development;
- Began the update of the Recreation and Open Space Plan;
- Permitted the redevelopment of the parcel at 99 Marginal Street, which will result in the development of a public event open space ranging from 38,000 square feet to over an acre, and a donation of \$500,000 for the renovation of Highland Park, and
- Worked with the developer of Parkside Commons to undertake modest improvements to Dever Park.

Public Improvements and Planning

- Provided coordination and permitting for the Department of Public Works' Highland Avenue drainage project;
- Coordinated training sessions for board/commission members and staff;
- Amended the Planned Development section of the Zoning Ordinance to streamline the review and to provide for consistency in dimensional controls;
- Provided funding and coordination for the Crescent Avenue reconstruction project;
- Performed roadway and grant management for the Gerrish Avenue TOD (Transit Oriented Development) District improvements;
- Completed a major planning study for the Gerrish Avenue/Bellingham Street neighborhood and received Planning Board endorsement;
- Participated in the Chelsea Neighborhood Developers planning effort in the Shurtleff-Bellingham neighborhood;
- Provided input and review to the Metropolitan Area Planning Council (MAPC) on the development of the regional and local hazard mitigation plan, and
- Provided input and review to MAPC on the regional plan for the lower Mystic River corridor.

Economic Development

- Applied for and received a \$4.4 million MORE grant and a \$1 million CDAG grant to provide infrastructure improvements on Carter Street;

- Continued the Department's work in the Everett Avenue Urban Renewal Area with the start of the permitting process for a 250 unit residential development in the Chelsea Residential Overlook Project sub-district, and
- Located a major regional contractor in the Light Industrial 2 District on Crescent Avenue.

Administration

- Created and filled the new planner/land use administrator position, without increasing staff or the Department budget;
- Instituted an improved grant draw-down process;
- Completed three audits (Massachusetts Small Cities Program, lead removal program, and City) with no findings;
- Began new State records retention system;
- Closed out FY'2004 MSCP Grant, and
- Upgraded Department equipment.

FY'09 Goals

Housing

- Undertake a Distressed Housing Initiative to assist in the development and funding of specific troubled properties for code enforcement actions, receivership actions, and sale to local non-profits, prioritizing projects into rental, homeownership or demolition exit strategies, utilizing Massachusetts Small Cities Program, North Suburban Collaborative (NSC) and the City's Affordable Housing Trust Fund to support the effort;
- Work with the designated developers to bring to construction 250 residential units in the Everett Avenue Urban Renewal Area;
- Submit an Economic Development Fund Application for Chelsea Jewish Nursing Home for area infrastructure improvements;
- Assist in the completion of the renovation and occupation of the 21 unit, Caritas Single Room Occupancy on Eastern Avenue;
- Facilitate the construction and rent up of 113 Spencer Avenue for 48 units of rental housing;
- Assist the Housing Trust Fund board in making decisions around projects to fund for affordable housing;
- Structure and provide a short term equity loan from NSC Home funds in order to assist in constructing the loft units scheduled for Atlas Lofts on Library Street and Gerrish Avenue;
- Structure a shared appreciation loan for the Boxworks market rate units in an effort to add financial incentives to get middle income buyers to purchase in the neighborhoods;

- Utilize the same structure for the Keen studios, if necessary;
- Continue to pursue the Brassworks and Standard Box factory sites for redevelopment in the future as part of the Gerrish Avenue revitalization effort, and
- Coordinate with the Department of Public Works on the completion of the infrastructure work on Library Street, Gerrish Avenue and Marlboro Street.

Transportation

- Continue with critical path actions that support the design and construction of improvements to the Beacham-Williams Corridor;
- Continue to research and advance acquisition of the dormant CSX railway by the State to ensure that the corridor is available for the Urban Ring transportation initiative and for park land;
- Continue to monitor and promote the development of the Urban Ring by providing input in the planning process and by participating in the environmental review as a member of the Citizen Advisory Committee;
- Coordinate road and pedestrian improvements with the Department of Public Works and the School Department in conjunction with the Safe Routes to School Program to improve crosswalks and crosswalk visibility;
- Collaborate with the Department of Public Works to create a standardized curb cut policy;
- Secure State funding for the construction of improvements to Spruce Street between the rail tracks and Everett Avenue, and
- Continue to coordinate development and construction activities with neighboring communities, including, but not limited to, the on-going reconstruction of the Chelsea Street Bridge and the East Boston Haul Road; and
- Examine issues and make a policy decision regarding the potential relocation of Chelsea Station.

Open Space

- Complete the update of the Recreation and Open Space Plan to ensure that the City remains eligible for state and federal open space funds;
- Submit an application for grant funding for the construction of passive recreation open space on the Island End River;
- Continue to explore open space options in the Gerrish Avenue neighborhood in accordance with the neighborhood plan;
- Continue to explore options to use existing public open space more efficiently;
- Continue to manage and direct public space improvements secured as part of developer related commitments connected with new development at Forbes Industrial Park; Parkway Plaza, Admirals

Hill/Island End River, and 99 Marginal Street projects, and pursue additional open space opportunities connected with proposed new developments; and

- Update Chelsea's urban forestry plan.

Public Improvements and Planning

- Continue the on-going comprehensive review of the zoning ordinance and prepare updates and clarifications to address evolving needs;
- Continue on-going training for board members and staff;
- Prepare a scope and outline for the preparation of a waterfront plan;
- Evaluate the results of the pilot code enforcement program and extend the program to other neighborhoods in the city, and
- Continue to explore options for additional funding from the Seaport Bond Council and other sources to advance the recommendations of the planning study of the upper Chelsea Creek/Mill Creek.

Economic Development

- Work with the developer to arrive at a consensus for the redevelopment of the Mystic Mall;
- Coordinate the Everett Avenue Urban Renewal District plans for the redevelopment of Chelsea Gateway, Emerald Block and Chelsea Station;
- Build on the working relationship with the downtown business groups to expand the redevelopment of the downtown and to attract new businesses, and
- Investigate the potential of establishing a job development plan that would be tied to new development being undertaken in the city.

Administration

- Maintain the City's competitive ranking in the Commonwealth Capital Application, and
- Improve the time sheet recording process.

Office of Planning & Development Program Budget #175

Expense Line Item	2005 Actual	2006 Actual	2007 Budget	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	-	-	-	45,487	46,846	1,359
Operations and Maintenance	23,588	24,250	24,000	24,000	24,000	-
Capital	-	-	-	-	-	-
Department Total	23,588	24,250	24,000	69,487	70,846	1,359

Office of Planning & Development Personnel Listing #175

Title	2005	2006	2007	2008	2009	Variance
Planner / Project Manager	0.00	0.00	0.00	1.00	1.00	0.00
Total Department	0.00	0.00	0.00	1.00	1.00	0.00

Office of Planning & Development Programs Grant Funded

Program Activity	2009 Budget
Infrastructure Improvements - Crescent Avenue	260,000
Parks - Fifth Street Park & Chelsea Commons Park	715,860
Citizenship Training Program	30,000
Planning - Strategic Plan	20,000
Housing Reinvestment / Distressed Properties	216,000
Grant Funded Total	1,241,860

Office of Planning & Development Personnel Listing Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Executive Director	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Director	0.00	0.00	0.00	0.00	1.00	1.00
Planning Director	1.00	1.00	1.00	1.00	0.00	(1.00)
Finance Director	1.00	1.00	1.00	1.00	1.00	0.00
Housing Director	1.00	1.00	1.00	1.00	0.00	(1.00)
Construction Manager	1.00	1.00	1.00	1.00	1.00	0.00
Project Manager	1.00	1.00	1.00	1.00	1.00	0.00
Housing Rehab. Specialist	1.00	1.00	1.00	1.00	0.00	(1.00)
Housing Development Project Manag	1.00	1.00	1.00	0.00	0.00	0.00
Financial Analyst	1.00	1.00	1.00	1.00	0.00	(1.00)
Special Projects Coordinator	0.00	0.00	0.00	1.00	0.00	(1.00)
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Distressed Properties Administrator	0.00	0.00	0.00	0.00	0.50	0.50
Intern	0.00	0.00	0.00	0.00	0.40	0.40
Total Department	10.00	10.00	10.00	10.00	6.90	(3.10)

Education

The assessment for the Education Departments is set in large part by the Education Reform Act of 1993 and subsequent laws related to Education Reform.

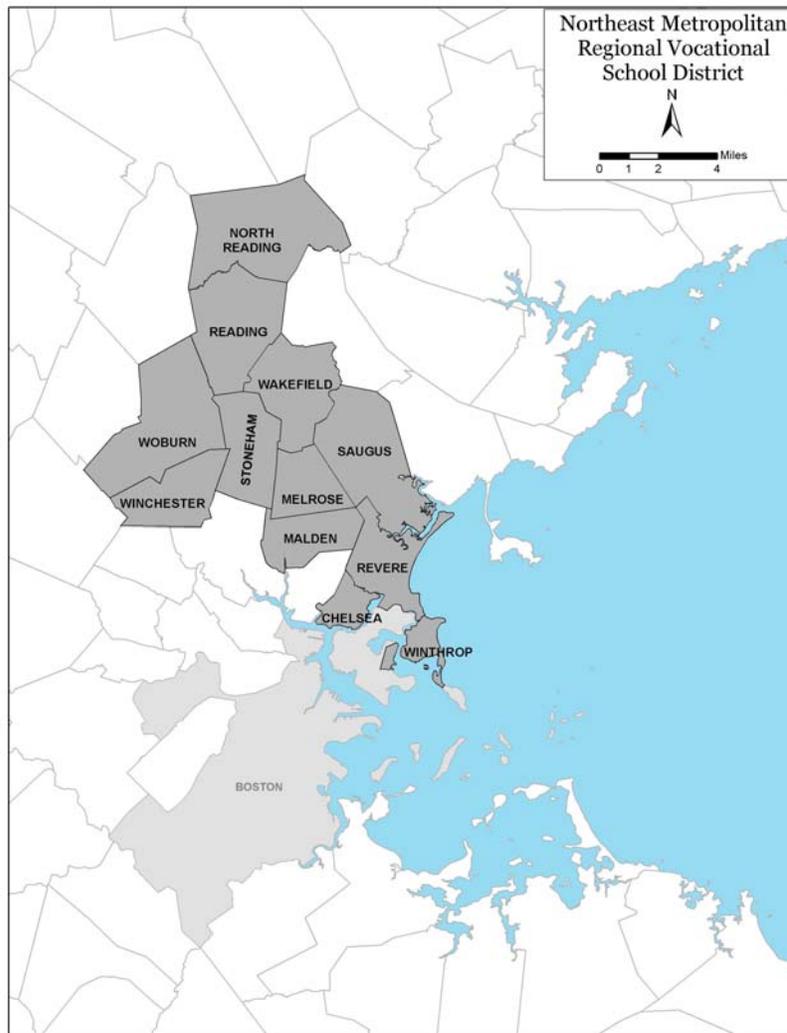
Last year, in order to better identify the whole funding effort made by the City to the School Department, we changed the departments to which the City Council appropriated resources to the School Department. This year again, items such as health insurance and school nurses are appropriated directly to the school department rather than throughout the general city budget. The effect of this will again be seen in budget items like Department #910 Health Insurance.

School Department Program Budget

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
School Appropriation	45,492,316	47,663,396	55,524,212	60,369,365	62,664,885	2,295,520
Total Department	45,492,316	47,663,396	55,524,212	60,369,365	62,664,885	2,295,520

Northeast Regional Vocational High School Assessment

The Northeast Regional Vocational School is located in Wakefield Massachusetts. The School district is comprised of 12 neighboring communities. Chelsea sends 205 of the 1206 students attending this year. The "required contribution" that the Department of Education has calculated for Chelsea this fiscal year is \$500,735.00. In addition to the minimum contribution, the School Committee has assessed Chelsea \$47,825 for transportation and equipment and \$271,850 for other educational expenses for a total assessment of \$820,410. By underfunding this account, the City is voting to reject the Northeast budget. By law, if 5 member communities do so, the Northeast School Committee must reconsider and vote a new budget.



Northeast Regional Voc. High School Assessment Program Budget #301

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Regional Assessment (5662)	1,562,958	1,269,085	825,626	684,019	745,410	61,391
Total Department	1,562,958	1,269,085	825,626	684,019	745,410	61,391

Police

Mission Statement

Members of the Chelsea Police Department are **Committed**, take **Pride** and are **Dedicated** to the needs of the community in the delivery of quality police services in an effective, responsive and professional manner. Officers recognize and accept the responsibility to maintain order while affording dignity and respect to each and every individual that it served. CPD's objective is to improve the quality of life through community and interagency partnerships to thereby promote a safe and secure community for all.

Significant Changes

The Chelsea Police Department has undergone some significant changes over the past six months in its movement towards a full service community policing organizational strategy. This past November, a new Chief was sworn to replace the retiring Chief. The new Chief is attempting to balance the need to maintain an immediate and effective police response to individual crime incidents and emergencies as they arise, while simultaneously exploring the goal of enacting new proactive initiatives aimed at solving problems before they occur or escalate. To that end, the new Chief has been thoroughly committed to expanding the community policing approach in the community. The Chief has established a Community Services Division to become actively involved in outreach with key community stakeholders, such as residents, business leaders, community-based organizations, faith-based organizations and political leaders. A newly created bilingual Community Outreach Patrol Officer has been assigned to this Division to optimize the goal of enhancing the participation of the City's diverse community. Community Action Teams (CATs) have been recently formed, comprised of local stakeholders from four (4) distinct citywide police sectors, who meet on a monthly basis to identify, prioritize, discuss and work in partnership with the police towards viable long lasting solutions for local recurring problems involving crime and neighborhood decay. The Police Department has also been subjected to a recent reorganization to maximize both officer and operational effectiveness and efficiency as well as to streamline current operations. It is anticipated that between 7 to 10 new positions will be funded through this budget and as a result of various state and federal grants that may become available to the City.

Department at a Glance

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Total</u>
Calls for Service:	41,293	40,244	38,374	119,911
Arrests:	1,929	1,971	1,926	5,826
Protective Custody (PC):	470	507	491	1,468
Crime Related Incidents:	3,549	3,591	3,590	10,730
Non-Crime Related Incidents:	1,674	1,674	1,562	4,910
Motor Vehicle Accidents:	990	721	613	2,324
Traffic Citations:	5,012	5,337	6,152	16,501
Field Interviews:	38	158	78	274

Source: Chelsea Police Department's Records Management (IMC) Database.

FY'08 Accomplishments

- Increased traffic enforcement in response to City official and community resident concerns raised during a variety of forums, especially relating to truck traffic;
- Reorganized the Criminal Investigation Division (CID) by moving functional command and control of the Gang Unit from Special Operations to the CID to provide more continuity and efficient investigative services;
- Consolidated all previously existing hotlines and introduced the Chelsea Police Department Crime Stoppers TIP line, 617-466-4880, for 24 hour anonymous information and crime reporting capability;
- Assigned two CID personnel to FBI HIDTA Gang Task and DEA Task Force, and utilized federal, state and local partnerships in conducting successful covert operations targeting local illegal firearms and narcotic activities;
- Implemented the “*Stop Bragging about Tagging*” initiative to combat the recent surge of graffiti vandalism which involved a three step process of prevention, enforcement and removal, including the investigation of several cases which resulted in the creation of a comprehensive data-base of known offenders leading to over twenty five (25) prosecutions;
- Implemented a statewide web-based Sex Offender Registry to better track and process offenders working or living in the city;
- Secured re-certification from the Massachusetts Police Accreditation Commission, which did so after examining various aspects of the CPD’s policies & procedures, rules & regulations, operations and facilities;
- Developed a comprehensive police website, Chelseapolice.com, aimed at improving the transparency of CPD as well as optimizing customer service and satisfaction, with an emphasis on community access and interaction;
- Established four Community Action Teams, one per police sector, whose purpose is to set the priorities and the agenda for CPD;
- Promoted two Latino officers to sergeant, the first Latino officers to be promoted to a supervisory rank, and
- Formed a City-based IMC Records Management User Group to address issues affecting the City's public safety agencies.

FY'09 Goals

- Establish, maintain and enhance community partnerships whereby the community shall set the agenda and the priorities for the police department; including:
 - Emphasizing the Community Action Team's monthly sector meetings, to create a cooperative atmosphere with the community and the Police Department;
 - Creating and supporting neighborhood groups where residents can come together and share their problems and experiences with each other;
 - Continuing to expand our outreach to the various community groups throughout the city;
 - Fostering a relationship with the youth of the city through their participation in the summer parks program by utilizing the new Community Outreach Officer;
 - Improving the School Resource Officer program through increased education and training of the involved Officers;
 - Increasing the number of classes for the GREAT program for both the middle school and fifth graders (a new national program), and
 - Working with residents to run the *National Night Out* program in August;

- Maximize operational efficiency and deliver excellence in customer service, thereby increasing the community's satisfaction with CPD, by:
 - Utilizing the current Records Management IMC system to streamline the scheduling of Officers and cases for court;
 - Instituting intensive case management techniques to through the assigned court prosecutor to reduce the cost of court overtime;
 - Establishing a private Point-2-Point radio communications between City of Chelsea and Criminal System History Board;
 - Implementing a records management data-sharing between surrounding area police departments and emergency management centers;
 - Introducing standardized crime analysis practices within department;
 - Identifying cost-saving strategies in Mobile Data communications currently being used by CPD and CFD;
 - Initiating a Public Safety Training Group comprised of Police, Fire, EMS and E-911 representatives to formulate an effective Entry Level Basic and Annual In-Service Police-Fire Training Model for E-911 Police Dispatchers;
 - Incorporating database management functions to CPD Website to better obtain data and respond to citizen needs, and
 - Working with IMC to enhance software to increase functionality to City Clerks Office for matters like dog licenses and parking permits;

- Reduce and control criminal activity, including crimes of gang violence, open air drug dealing, robberies, residential and commercial breaks and quality of life offenses, such as prostitution, drinking in public and graffiti or tagging vandalism, by:
 - Purchasing software and implementing the Citizen Observer Alert Notification and TIPS Program to provide instantaneous proactive communication with the community;
 - Developing better regional approaches to criminal investigation related issues by assigning one officer from Criminal Investigations Division (CID) to the Boston BRIC (Boston Regional Intelligence Center);
 - Utilizing members of CID and Federal and State law enforcement agencies to covertly address known locations of gang members/drug dealers and to establish an effective information-

- gathering network through the use of informants, police officers, other agencies and public contacts so as to deter and detect gang activity;
- Continuing the partnership with the Massachusetts State Police Gang Unit to permanently assign troopers to the task force;
 - Providing case profiling and prioritization by a designated assistant district attorney with the goal to fast track all violent crimes in the city;
 - Conducting “zero tolerance” operations;
 - Partnering with probation officers and conducting home visits and monitoring court ordered restrictions;
 - Developing a plan and seeking grant funding or supplemental appropriations to undertake a Phase 2 expansion of the “ChelseaView” surveillance system by adding up to nine additional Homeland Security Cameras and potentially more local public safety cameras to augment the current operation;
 - Supplementing the current Chelsea View system with three portable, stand alone monitoring stations for targeted covert investigations;
 - Reviewing the potential of reinstating the “Storefront Mini-Station” for the Route-12, Bellingham Square Area, where officers can interact with citizens in the business district and complete required reports with less “down time” out of the Sector;
 - Establishing at Team-12, two-officer bike patrol for the Bellingham Square Area;
 - Establishing a K-9 Drug Detection/Tracking Team to work a seven (7) hour overlapping shift;
 - Disseminating weekly regional crime bulletins;
 - Reviewing, through the collective bargaining process, a revised patrol schedule to allow for overlapping and optimal coverage from 9:00pm to 2:00am, and
 - Developing a partnership with MGH to advance the “Eliminate Prostitution in Chelsea” (“EPIC”) Initiative;
- Increase citizen safety and perception of safety by implementing innovative and proactive problem solving endeavors with the community, by;
 - Expanding Neighborhood Watch Programs;
 - Exploring the opportunity of establishing venues for the four Community Action Teams to be physically located in each particular district;
 - Establishing a Planning Committee comprised of Police and Community Stakeholders to draft Five Year Strategic Plan for submission to the City Manager;
 - Increasing the total size of sworn police officers to as many as 96 through local appropriation and securing of state and federal grants;
 - Providing neighborhood watch and crime prevention information on the police website;
 - Re-Instituting the National Night Out Event and helping initiate other community and business events as requested;
 - Increasing public service announcements on City-operated cable television Channel 15 by creating timely and informative PowerPoint slides relating to public safety issues of concern;
 - Utilizing the Reverse 911 System to inform the citizens of our community of important information affecting their safety;
 - Re-instituting a Safety Officer Program in Chelsea Public Elementary Schools to undertake “*Stranger Danger*” or a similar program, and
 - Continuing the partnership with the Chelsea Public School System for the next five years for funding of the three school resource officers;
 - Complete the State Accreditation process and maintain the status once it is successfully attained, by:
 - Reviewing and updating policy and procedures to reflect legal issues and changes as needed;

- Promoting a working environment that encourages effective management, teamwork, empowerment, communication and professional development;
 - Encourage input from all branches of law enforcement for up-to-date policies and procedures;
 - Developing personnel capable of providing the public with professional law enforcement;
 - Ensuring integrity and adherence to professional standards of CPD;
 - Committing resources to long-range planning to address the future needs of the department, including services, staffing, facilities, equipment and technology;
 - Providing a norm for CPD to judge its performance and a means for independent evaluation;
 - Providing a process to be proactive in correcting deficiencies;
 - Requiring CPD to commit to policies and procedures in writing;
 - Promoting accountability among CPD personnel;
 - Ensuring consistent application of policies, and
 - Minimizing CPD's exposure to liability and reducing liability insurance cost, and
- Reduce the number of motor vehicle accidents, which cause property damage as well as physical injuries and death, by identifying and concentrating selective enforcement strategies at locations where a disproportionate number of accidents occur, by:
 - Increasing the use of on-board computers by the traffic officers for officer safety, accountability and capturing of vital data;
 - Employing the current Records Management IMC system for a more efficient tracking of fleet maintenance;
 - Reducing incidences of motor vehicle accidents through the use of computerized mapping and analysis;
 - Obtaining additional training for the traffic officers in commercial vehicle laws and regulations;
 - Reducing commercial vehicle traffic in residential and restricted areas through increased enforcement, better signage and working with the businesses;
 - Reducing speeding in the school zones through the purchase of speed traffic control signs, warning lights, standard school zone signs and enforcement;
 - Securing grants for enforcement efforts and equipment targeting aggressive drivers, drunk drivers and speeders who cause accidents;
 - Distributing at various community events child booster seats, vehicle anti-theft devices and child safety helmets;
 - Targeting improperly registered vehicles from other cities and states that "garage" their vehicles in Chelsea illegally for fraudulent insurance premium reductions;
 - Engaging in selective enforcement initiatives in areas that account for a high volume of accidents, and
 - Engaging in collaborative enforcement efforts with neighboring law enforcement partners and the State Police to address the recent trend of "drag racing" being committed by many young drivers.

Police Department Program Budget #210

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	6,236,526	6,328,921	6,604,890	6,856,347	7,087,865	231,518
Operations and Maintenance	378,657	446,578	484,583	541,917	582,346	40,429
Capital	120,000	133,429	106,109	112,000	94,500	(17,500)
Department Total	6,735,183	6,908,928	7,195,582	7,510,264	7,764,711	254,447

Police Department Personnel Listing #210

Title	2005	2006	2007	2008	2009	Variance
Police Chief	1.00	1.00	1.00	1.00	1.00	0.00
Captains	4.00	4.00	4.00	4.00	4.00	0.00
Lieutenants	7.00	7.00	7.00	7.00	7.00	0.00
Sergeants	13.00	13.00	13.00	13.00	14.00	1.00
Police Officers	61.00	61.00	61.00	62.00	62.00	0.00
Business & Grants Manager	1.00	1.00	1.00	1.00	1.00	0.00
Office Manager	1.00	1.00	1.00	1.00	1.00	0.00
Head Administrative Assistant	2.00	2.00	2.00	2.00	1.00	(1.00)
Administrative Assistant	0.00	0.00	0.00	0.00	1.00	1.00
Head Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Matron	0.50	0.50	0.50	0.50	0.50	0.00
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	92.50	92.50	92.50	93.50	94.50	1.00

Police Department Programs Grant Funded

Program Activity	2009 Budget
Domestic Violence Services	18,678
Traffic Enforcement	15,000
Public Safety Coordination (various grants)	871,150
Municipal Policing	320,000
Youth Violence & Drug Prevention & Training (various grants)	325,310
Community Policing	381,000
Grant Funded Total	1,931,138

Police Department Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Police Officers	0.00	0.00	0.00	0.00	9.00	9.00
Total Department	0.00	0.00	0.00	0.00	9.00	9.00

Fire

Mission Statement

The Fire Department seeks to provide optimum protection to life and property for the citizens of Chelsea and others, as called upon, against the ravages of fires, medical emergencies, hazardous incidents and other dangerous conditions. The traditional goals of the Department are: to prevent fires from starting, to prevent loss of life and property when fires start, to confine fire to the place where it started, and to extinguish fires. The Fire Department is comprised of the following four divisions: Fire Suppression (including mutual aid to adjacent communities), Emergency Medical Response, Fire Prevention and Hazardous Material Control.

Significant Changes

Notable significant changes occurred with grant funding, agreement of a new contract with Local 937, energy expenses, fire prevention and recruitment. Department staff aggressively pursued grant opportunities from federal, state and local sources. In FY'09, the Department received a FEMA Assistance to Firefighters Grant for \$212,000. The award provides three thermal imaging cameras and one new set of bunker gear for each firefighter. The Executive Office of Public Safety Grant funded \$56,000 for four thermal imaging cameras enabling the department to issue at least one camera to each ladder and engine company critical to search and rescue. A Massachusetts Fire Equipment Grant of \$11,000 funded four lightweight heavy stream blitz-guns. These units enhance the ability of firefighters to rapidly apply large quantities of water on structure fires, exposure buildings threatened by adjacent building fires, large capacity tank fires, and over the road fuel tank fires. Fire Prevention received \$5,700 from the Department of Fire Services SAFE Grant to support fire safety education for students' grades one through four. Public education included safety days held at the Mass General Clinic, Home Depot and Chelsea Latino Education Group. Department staff participated in regional communications planning and preparedness with nine surrounding cities and towns. These efforts resulted in the development of a Regional Tactical Interoperability Communications Plan including fire departments, police departments and EMS resources. Funding through the Federal UASI Program provided new UHF mobile radios for all apparatus. The City and Local 937 I.A.F.F. signed a contract retroactive to 2005. Payroll increases in this budget reflect the accumulated increase over a three year period. The cost of energy and fuel continue to rise and have an impact on the budget with regard to building utilities and fleet operations. The Fire Prevention Division was re-organized with software acquired in the 2004 Fire Act Grant. Inspections, permits, violations and citizen complaints are logged into a tracking system. All tasks are assigned specific case numbers in a permanent log from inception through resolution. The Training Division conducted a recruitment program to encourage Chelsea residents to become firefighters. Fee waivers were offered to qualified applicants for exam and physical agility testing. A workshop explaining the exam process and hiring requirements was held in April. Five firefighters were hired in October 2007 and six in April 2008. Filling vacancies and anticipated retirements is critical to managing the department overtime budget. In FY'08, the overtime budget was not exceeded.

Department at a Glance

Fire Department Emergency Responses

- Responded to 7,540 emergency Incidents in 2007.
- Responded to 198 structure fires and 113 other fires with \$2,035,380 property loss.
- Responded to 5,072 rescues including medical emergencies, industrial accidents, vehicle accidents, heavy duty extrications, carbon monoxide and water rescues.

- Responded to 119 hazardous materials incidents 772 fire alarm investigations, 1,189 other emergencies including mutual aid and 77 false alarms.

Fire Suppression Engine & Ladder Companies

- Conducted 68 quarterly in-service inspections for schools, nursing homes and day care centers.

Training & Hazmat Divisions completed 176 firefighting, hazmat and E.M.S. training drills.

Fire Prevention

- Plan Review - 41 construction plans for fire code and fire protection compliance. Quarterly fire exit drills were conducted for all public schools, private schools and day care centers.
- All health care occupancies, rooming houses, establishments with liquor licenses, garage and repair shops, gas stations, flammable storage locations and flammable fuel testing labs were inspected.

Type of Inspection	Number Completed
Certificate of Compliance	274
Code Enforcement	520
Fire Certificate Inspections	12
Fire Reports	26
Quarterly Inspections	38
Smoke Detector Inspections	70
Sprinkler Inspections	61
<u>Oil Burner Inspections</u>	<u>31</u>
Total Inspections	1,032
Total Fees	\$25,750

Type of Permit	Number of permits
Carbon Monoxide Tech.	1
Dwelling Rehab Waiver	2
General Permits	35
Hot Work Welding	25
Oil Burner	22
Sprinkler Permit	33
Smoke Detector Permit	6
Fire Alarm System	31
Flammable Storage Permit	7
<u>Tank Removal Permit</u>	<u>21</u>
Total Permits Issued	183
Total Fees	\$ 6,995

Code Violation Tickets

Fire Code Violation; Warning	45
<u>Fire Code Violation; Fine</u>	<u>15</u>
Total	60
Total Fees	\$ 2,300

Fire Detail Administrative fees \$33,319

FY'08 Accomplishments

- Completed the Phase I FCC radio frequency and replacement of VHF mobile radio equipment to UHF for regional interoperable communications between the fire service, law enforcement and emergency medical services, and secured approval for the Phase II procurement of UHF radio infrastructure, including base stations, for installation in FY'09;
- Issued bid documents for Phase I replacement of the present, aging municipal cable fire alarm system with a new, radio controlled wireless system compliant with N.F.P.A. and F.C.C requirements, which should improve the effectiveness of the system and significantly reduce maintenance expenses, and scheduled the installation of the system for FY'09;
- Enhanced the fire alarm computer aided dispatch system with occupancy specific information regarding special hazards, location of fire protection systems, nearest fire hydrants and cross streets to assist fire apparatus responding to emergencies;
- Completed the Phase I implementation of the Department's information management system for administration of records, including budget maintenance, vendor management and personnel, and programmed Phase II of the implementation for FY'09;
- Completed the Phase I implementation to store all Standard Operating Procedures and the documenting of permits issued, inspections, occupancy information and revenue collections related to fire watches, with Phase II of the implementation scheduled to take place in FY'09;
- Undertook extensive training programs relating to hazard recognition and mitigation of clandestine labs, carbon monoxide, solid, liquid and gaseous chemicals, and awareness programming, including mitigation and ventilation of cyanide, a common by-product of combustion in fires due to new materials now used in the manufacture of household products and materials;
- Completed training for CPR and automatic external defibrillation recertification; D.O.T. Emergency Medical Technician refresher course, R.I.T. (Rescue of Trapped Firefighters), fireground operations in lightweight construction, new vehicle technology hybrid Vehicles, trench rescue, vehicle fire investigations and Infectious Disease awareness;
- Implemented a systematic program to inspect and all hazards in storage, use and manufacture at specific commercial and industrial occupancies, which will continue as on-going projects in future fiscal years;
- Secured training by the EPA and Harvard Medical School a Center for Continuing Professional Education for the Hazmat Officer through a three day course in the use and maintenance of the CAMEO suite of software programs, which create models for use in decision making during hazmat emergencies, provides for Tier II reports and allows access to GIS information;
- Collaborated with the State Fire Marshall's office, conducted testing and issued recommendations to fuel testing labs to improve fire protection;
- Coordinated 100% compliance with M.G.L 148 Section 26G ½, which mandates nightclubs, dance halls, discotheques, and bars with an occupancy over 99 persons to install automatic sprinkler systems by November 14th 2007, and

- Purchased and placed into service on Tower 1 a new complete (Jaws of Life) Hurst Tool with cutters, spreaders and generator.

FY'09 Goals

- Complete Phase II replacement of the present VHF radio infrastructure and communications equipment with UHF radio equipment necessary for regional interoperable communications between the fire service, law enforcement and emergency medical services;
- Implement project replacement of the aging municipal cable fire alarm system with a radio controlled wireless system compliant with N.F.P.A. and F.C.C requirements to improve system effectiveness and significantly reduce maintenance expenses;
- Review and recommend, if appropriate and justifiable, the establishment of a municipal fee for monitoring master box connections through 911 and for review of construction documents ensuring fire code and fire protection compliance;
- Complete Phase II implementation of the Department's information management system for administration of records including budget, vendor management and personnel;
- Complete Phase II implementation storage on IMC for all Standard Operating Procedures and the documenting of permits issued, inspections, occupancy information and revenue collections related to fire watches;
- Use jointly the CAMEO and IMC programs, department-wide, to aid in decision making during a major incident;
- Secure additional, up-to-date hazardous materials education programs for all firefighters, including refresher training on personal protective equipment, metering and decontamination;
- Reallocate the VHF mobile and portable radios by internally reprogramming approximately 60 radios with the latest version of XTS 3000 programming software recently acquired by CFD, which will save the expense of having an outside vendor perform the reprogramming;
- Coordinate compliance with the new Carbon Monoxide requirements under 527 CMR Section 30 which affects transient residential and institutional occupancies;
- Revise and develop an annual inspection format for auto repair shops and garages, fuel testing laboratories, and rooming houses throughout the city;
- Develop a fire prevention web page providing the community with access to local and state codes, fire prevention tips and answers to frequently asked questions;
- Participate in a regional structural collapse and C.B.R.N team with nine surrounding fire departments supported with a \$2.9m grant for training and equipment, and
- Review and make space recommendations regarding the location of a classroom for the delivery of firefighter training programs.

Fire Department Program Budget #220

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	6,197,956	6,186,314	6,226,679	6,287,235	6,884,694	597,459
Operations and Maintenance	298,335	339,057	400,692	407,400	422,700	15,300
Capital	17,999	-	-	6,595	25,789	19,194
Department Total	6,514,290	6,525,372	6,627,371	6,701,230	7,333,183	631,953

Fire Department Personnel Listing #220

Title	2005	2006	2007	2008	2009	Variance
Fire Chief	1.00	1.00	1.00	1.00	1.00	0.00
Deputy Chiefs	6.00	6.00	6.00	6.00	6.00	0.00
Captains	12.00	12.00	12.00	12.00	12.00	0.00
Lieutenants	12.00	12.00	12.00	12.00	12.00	0.00
Firefighters	57.00	60.00	60.00	60.00	60.00	0.00
Mechanic	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	90.00	93.00	93.00	93.00	93.00	0.00

Inspectional Services

Mission Statement

The Inspectional Services Department (ISD) enforces laws and building codes, promulgates and enforces reasonable rules and regulations relating to building construction, zoning enforcement, health and sanitation and weights and measures for the purpose of protecting public health and safety. ISD is also responsible for making inspections; issuing permits, licenses and certificates, and provides for appeals and variances as mandated by the State sanitary code, the State environmental code and various other State codes and City ordinances.

Significant Changes

The Inspectional Services Department has begun the process of becoming a “paperless” department through the purchased of four laptop/tablet computers which the inspectors will utilize while conducting daily inspections. Point Software has completed a conversion of the Inspection Report Form into an Electronic Data Base, thus enabling all inspections, conducted in the field, to be sent directly to the City’s main frame in “real time,” which will result in immediate use by other departments, including Fire Prevention, DPW and Planning and Development, if necessary.

Department at a Glance

- Issued 913 Building/Occupancy Permits
- Issued 446 Electrical Permits
- Issued 242 Plumbing Permits
- Issued 159 Gas Permits
- Issued 978 Certificates of Habitability Permits
- Issued 124 Certification of Inspection Permits
- Issued 367 Dumpster Permits
- Issued 63 Orders for Court Appearances
- Issued 2,037 21(D) Violation Tickets
- Total Fines Issued \$119,405
- Total Fines Collected to date \$60,000
- Total Building Permit Construction Value \$76,117,071
- Total Building Permit Fee Revenue \$1,419,203

FY'08 Accomplishments

- Issued a record number of permits and collected more revenue than any other previous year, with revenue generated from the construction of several major developments, as well as home renovations and general repairs, exceeding \$1.4m on \$76m of construction work being performed;
- Undertook a program to become a “paperless” department with the acquisition of four tablet computers to enable inspectors to access required information, create an inspection report and electronically send it to the City “main frame” in “real time;” where the reports can be electronically stored and accessed immediately by other departments;

- Issued a record number of 21D violations for “quality of life” infractions like graffiti, trash out early and trash not properly contained;

FY'09 Goals

- Create a database to track all illegal rooming houses and overcrowded apartments;
- Undertake coordinated and targeted neighborhood enforcement reviews by building and code enforcement inspectors to focus on building conditions, vacancies, trash/litter, illegal basement apartments and failing retaining walls;
- Create a database to enable ISD to track conditions imposed by the Zoning Board of Appeals regarding issues like landscaping and signage;
- Conduct and/or participate in public meetings with neighborhood groups and their respective City Councilors regarding recurring neighborhood issues, like graffiti or the improper storage of trash, and
- Participate in a coordinated City effort to address an anticipated rise in abandoned and unoccupied structures resulting from the ongoing foreclosure crisis.

Inspectional Services Program Budget #240

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	495,739	519,692	550,406	577,473	593,810	16,337
Operations and Maintenance	17,502	19,059	19,541	30,317	36,717	6,400
Capital	-	12,034	-	8,500	-	(8,500)
Department Total	513,240	550,784	569,947	616,290	630,527	14,237

Inspectional Services Personnel Listing #240

Title	2005	2006	2007	2008	2009	Variance
Director of ISD	1.00	1.00	1.00	1.00	1.00	0.00
Office Manager	1.00	1.00	1.00	1.00	1.00	0.00
Weights & Measures/Food	1.00	1.00	1.00	1.00	1.00	0.00
Zoning Officer	0.50	0.50	0.50	0.50	0.50	0.00
Building Inspectors	3.00	3.00	3.00	3.00	3.00	0.00
Plumbing Inspector	0.50	0.50	0.50	0.50	0.50	0.00
Wiring Inspector	1.00	1.00	1.00	1.00	1.00	0.00
Code Enforcement	2.00	2.00	2.00	2.00	2.00	0.00
Quality of Life Enforcement Officer	0.00	0.00	0.50	0.50	0.50	0.00
Senior Clerk/Typist	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	11.00	11.00	11.50	11.50	11.50	0.00

Emergency Management

Mission Statement

The Emergency Management Department is responsible for coordinating city, state, federal and private resources during emergencies and disasters, by effective planning and coordinated use of all personnel and equipment. The Department coordinates effective relocation plans that mitigate against, prepare for, respond to and recover from emergencies, both natural and manmade. Emergency Management staff at the Chelsea Emergency Communications Center where all 9-1-1 and other emergency and non emergency calls are answered, promptly answer all calls for information or service. In addition, they monitor fire box alarms, maintain around-the-clock radio communications with police, fire, their respective inter-agency radios and contract ambulance units to help manage any possible public safety event or incident.

Significant Changes

The Department expanded its staffing capability with the addition of a deputy director to supervise the day to day operations of dispatch and to coordinate the training of dispatchers. Three new bi-lingual, Chelsea residents have been hired as 9-1-1 call takers/dispatchers, filling vacant positions. New equipment acquired included the installation of 800 MHz radio in dispatch to enhance communication capabilities.

Department at a Glance

FY'08 Accomplishments

- Trained and secured State certification for new dispatchers;
- Completed the grant funded, state-of-the-art Emergency Operating Center (EOC), and
- Facilitated CAMEO (Computer Aided Dispatch for Emergency operations) training, through a grant, for the Fire Department hazmat officer, Information Technology coordinator and Emergency Management director.

FY'09 Goals

- Use the CAMEO and IMC programs department-wide to aid in decision making during a major incident;
- Visit Tier II facilities with the CFD hazmat officer to check for compliance and enter site-file and mapped information in CAMEO;
- Complete a traffic management and evacuation plan;
- Complete the City's Electronic Comprehensive Emergency Management Plan;
- Hold one "Table Top Exercise" for City departments;
- Review the potential and send, if possible, every dispatcher to a minimum of two APCO (Association of Public-Safety Communication Officials) certified courses, and
- Plan and implement, if feasible, the installation of digital CCT camera in the command post for live on-scene transmissions.

Emergency Management Program Budget #230

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	712,031	724,183	830,628	862,829	822,418	(40,411)
Operations and Maintenance	11,259	12,896	19,709	17,953	19,523	1,570
Capital	19,144	-	-	-	-	-
Department Total	742,434	737,079	850,337	880,782	841,941	(38,841)

Emergency Management Personnel Listing #230

Title	2005	2006	2007	2008	2009	Variance
Director of Emergency Management	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Director Emergency Mgmt	0.00	0.00	0.00	0.00	1.00	1.00
Shift Supervisor / PT Dispatcher	0.00	0.00	0.00	2.00	0.00	(2.00)
Dispatcher	12.00	12.00	12.00	12.00	13.00	1.00
Dispatcher Part Time	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	14.00	14.00	14.00	16.00	16.00	0.00

Public Works

Mission Statement

The Department of Public Works provides professional quality maintenance, repair and construction services while maintaining 44 miles of streets, 88 miles of sidewalks, 10 parks and playgrounds, public squares and the Garden Cemetery. The DPW is also responsible for the ongoing maintenance of 11 municipal buildings, 61 miles of water mains, 40.5 miles of sewer mains, the Carter Street drain pumping station, nearly 90 vehicles and pieces of equipment and the municipal fire alarm system. Additionally, the DPW oversees the City's trash collection and disposal services, including curbside recycling, and is responsible for rapid response to all snow, ice and other inclement weather emergencies and conditions. Furthermore, the DPW enforces water, sewer and snow ordinances; grants petitions of location for utilities, and maintains engineering records and City maps. Lastly, the DPW plays a significant role in the daily operation of other City departments in responding to requests for service. In particular, DPW works extensively with the Departments of Inspectional Services and Planning and Development. DPW includes the following divisions: Streets & Sidewalks, Solid Waste/Recycling, Structures & Grounds and Water & Sewer.

Significant Changes

The Department's Business Manger was promoted to Purchasing Agent leaving a void in a vital administrative position, which was filled several months later. The water meter replacement program got under way in November. The initial installation rate was lower than anticipated, however the numbers have increased with the second round of notices. To date approximately 50% of the meters have been replaced, and the change out is expected to be completed by the end of FY'08. With the addition of the City's part-time "quality of life" officer in ISD, DPW has been aggressive in removing graffiti from public property, and in assisting private property owners with their removals. This winter, the City experienced 50" of snow, which is approximately 8" above normal. There were over 25 snow related occurrences which required action from DPW forces. Structures & Grounds completed the interior renovations to the main building of City Hall, with the exception of the Council Chambers, which is slated for work in FY'09. In FY'09, DPW is planning to work with its solid waste/recycling contractor in a combined attempt to enhance the City's recycling program to improve residential participation. This effort could result in increased recycling tonnage and a cost savings from the diversion of solid waste tipping fees. A major trash initiative is expected to be unveiled in FY'09, which could include additional street sweeping hours, more responsibility for property owners to maintain sidewalks and a change in the way in which residents are permitted to place trash out for collection.

Department at a Glance

- Replaced 22 lead services with new copper service
- Cleaned 42,059 linear ft. of sanitary storm sewer lines
- Cleaned 450 catch basins
- Replaced 1,800 linear ft. of sidewalk
- Inspected 1,054 fire hydrants
- Exercised 200 water gate valves
- Replaced 2,200 water meters
- Issued 148 Street opening permits
- Planted 41 street trees

FY'08 Accomplishments

Administration

- Implemented a registration policy for contractors who perform excavation work within city streets and sidewalks;
- Developed a graffiti removal program using the ProBlast CRS to assist private property owners, and to aggressively remove graffiti from city-owned property;
- Acquired scanner and printer/plotter to begin on-line storage of DPW plan files, and provide electronic copies of documents upon request, and
- Rebid fleet management, preventative maintenance and repair of City vehicles and equipment resulting in the selection of a new vendor.

Streets & Sidewalks

- Continued the street tree planting program completing the fall planting project and planning for a spring planting project, and
- Developed an in-house sidewalk replacement program where existing employees are trained to repair/replace damaged sidewalk panels with new concrete.

Solid Waste/Recycling

- Awarded a new, 3 year contract for solid waste and recycling collection effective July 1, 2007, and
- Increased the curbside yard waste collection program from 6 weeks to 11 weeks per year.

Structures & Grounds

- Completed installation of emergency stand-by generator in City Hall for City's Information Technology Center, thereby insuring no interruption of data or voice communication for all municipal buildings;
- Implemented several green initiatives, including:
 - Incorporated regulations and guidelines into all cleaning contracts for municipal buildings, requiring only certified green products are used in all facilities;
 - Replaced paper hand towels with automatic dryers in public restrooms to limit waste and to promote better hygiene;
 - Swapped desk-side waste baskets in City Hall offices with recycling bins and provided a central waste receptacle in each office, resulting in a decrease in the amount of plastic waste being generated, increasing the quantity of materials being recycled and producing cost savings in both operating expenses and disposal costs;
 - Completed lighting conversions in the City Council Chambers and the Public Library reference rooms with high efficiency lighting which will use approximately 75 percent less energy and last ten times longer, creating savings in energy, maintenance and cooling costs, the latter of which is due to the significant decrease in heat generated by the prior lamps;

- Replaced and upgraded lighting in Public Library auditorium to create a classroom environment;
- Expanded Mercury Recovery Program, with fluorescent lamps now being collected into one storage building located at the City Yard, from where the lamps are picked up by an authorized vendor through the State initiative for proper recycling.
- Renovated administrative offices in City Hall, including furnishing and fixtures in City Manager's Office.

Water & Sewer

- Removed a portion of lead water services from the water distribution system and replaced with copper;
- Completed combined sewer separation in Library/Gerrish neighborhood;
- Achieved further compliance with the National Pollution Discharge Elimination System MS4 Storm Water Permit;
- Conducted a regular cleaning program of our sanitary and storm sewer lines, and catch basins to improve the function of the overall system.
- Responded to over 100 requests for service regarding sanitary/storm sewer collection system issues, and approximately 500 requests for service regarding water distribution systems issues;
- Reached 50% completion of the Meter Replacement Program;
- Continued review of water, sewer and drainage infrastructure supporting redevelopment throughout the city, and
- Completed infrastructure work on Library and Highland Streets, eliminating unlined cast iron water main and separating combined sewer into separate sanitary and storm sewer lines.

FY'09 Goals

Streets & Sidewalks

- Secure Urban Forestry Environmental Justice Pilot Grant (75% State funding requiring a 25% City match) for planting trees in the Library Street/Gerrish Avenue area of the city to support the redevelopment of the Box District;
- Replace sidewalk and roadway on Jefferson Avenue, from Washington Avenue to Prescott Avenue;
- Conduct sidewalk condition inventory and contract purchase access to on-line software service to maintain inventory, and
- Finalize the Box District infrastructure improvements to include the installation of new sidewalks and roadway on Gerrish Avenue and Library Street, from Broadway to Highland Avenue.

Solid Waste/Recycling

- Work with solid waste contractor to develop and implement a plan to increase recycling efforts throughout the city, while reducing solid waste disposal costs.

Structures & Grounds

- Initiate repairs to Senior Center, including water sealing the exterior masonry and replacing the existing heating system;
- Install a security and surveillance system in the Public Library to increase safety for visitors, employees and library property;
- Install solar photovoltaic panels on the Public Library in conjunction with the School Department as part of the Clean Energy Choice Grant Energy Efficiency Implementation Project;
- Complete architectural engineering and design for the restoration of the Engine 3 Fire Station;
- Renovate the Assessors' Office and the Council Chambers;
- Renovate and expand the locker facilities at the Chelsea Police Station;
- Expand the recycling program implemented in City Hall to all municipal buildings, and
- Replace all exit signs with low wattage LED exit signs.

Water & Sewer

- Complete the installation of new water meters, and the fixed radio frequency automatic meter reading system;
- Commence Crescent Avenue Infrastructure Project to include the installation of new 16" water main and the separation of combined sewer;
- Design and engineer improvements to Washington Avenue infrastructure;
- Make necessary repairs to Locke Street sewer to eliminate sanitary sewer overflows;
- Renew National Pollution Discharge Elimination System MS4 Storm Water Permit;
- Implement Storm Water Management Plan, and
- Design and construct infrastructure improvements to Jefferson Avenue to include new 8" water main, 12" drain and full depth roadway and sidewalks.

Public Works / Administration Division Program Budget #421

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	213,926	166,335	171,620	206,179	205,885	(294)
Operations and Maintenance	10,589	11,198	7,100	5,800	5,600	(200)
Capital	-	-	-	-	-	-
Department Total	224,515	177,533	178,720	211,979	211,485	(494)

Public Works / Administration Division Personnel Listing #421

Title	2005	2006	2007	2008	2009	Variance
Director	1.00	0.50	0.50	0.50	0.50	0.00
Business Manager	0.50	0.50	0.50	0.50	0.50	0.00
Head Administrative Asst	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Director	0.50	0.50	0.50	0.50	0.50	0.00
Capital Projects Manager	0.00	0.00	0.33	0.33	0.33	0.00
Head Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	4.00	3.50	3.83	3.83	3.83	0.00

Public Works/ Streets & Sidewalks Division Program Budget #422

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	570,307	563,580	564,669	644,128	652,960	8,832
Operations and Maintenance	823,184	821,309	1,048,998	1,106,550	1,143,750	37,200
Capital	-	-	32,000	44,000	-	(44,000)
Department Total	1,393,491	1,384,889	1,645,667	1,794,678	1,796,710	2,032

Public Works/ Streets & Sidewalks Division Personnel Listing #422

Title	2005	2006	2007	2008	2009	Variance
Foreman	1.00	1.00	1.00	1.00	1.00	0.00
Working Foreman	1.00	1.00	1.00	1.00	1.00	0.00
Mason	0.00	0.00	1.00	1.00	1.00	0.00
PWM Craftsmen	1.00	1.00	1.00	1.00	1.00	0.00
PWMM's	3.00	3.00	3.00	3.00	3.00	0.00
PWMMHMEO's	3.00	3.00	3.00	3.00	3.00	0.00
PWMSMEO's	2.00	2.00	2.00	2.00	2.00	0.00
Signal Maintenance	1.00	1.00	1.00	1.00	1.00	0.00
Watchman	1.00	1.00	1.00	1.00	1.00	0.00
Yard Supervisor	1.00	1.00	1.00	0.70	0.70	0.00
Field Operations Manager	0.50	0.50	0.50	0.50	0.50	0.00
Total Department	14.50	14.50	15.50	15.20	15.20	0.00

Public Works / Solid Waste Division Program Budget #430

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	-	-	-	-	-	-
Operations and Maintenance	1,795,425	1,680,397	1,907,836	1,874,500	1,930,735	56,235
Capital	-	-	-	-	-	-
Department Total	1,795,425	1,680,397	1,907,836	1,874,500	1,930,735	56,235

Public Works / Solid Waste Division Personnel Listing #430

Title	2005	2006	2007	2008	2009	Variance
Solid Waste Coordinator	0.00	0.50	0.00	0.00	0.00	0.00
Total Department	0.00	0.50	0.00	0.00	0.00	0.00

Public Works / Structures & Grounds Division Program Budget #470

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	237,229	238,307	228,859	277,137	282,040	4,903
Operations and Maintenance	701,113	667,331	820,317	742,530	767,890	25,360
Capital	-	-	-	-	-	-
Department Total	938,342	905,638	1,049,176	1,019,667	1,049,930	30,263

Public Works / Structures & Grounds Division Personnel Listing #470

Title	2005	2006	2007	2008	2009	Variance
Building Craftsmen	2.00	2.00	2.00	2.00	2.00	0.00
Building Custodian	2.00	1.50	1.50	1.50	1.50	0.00
Building Superintendent	1.00	1.00	1.00	1.00	1.00	0.00
PWM Craftsmen	1.00	1.00	1.00	1.00	1.00	0.00
Carpenter	0.00	0.00	0.00	0.00	0.00	0.00
Plumber	1.00	0.50	0.50	1.00	1.00	0.00
Total Department	7.00	6.00	6.00	6.50	6.50	0.00

Public Works / Snow Removal Division Program Budget #423

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	46,272	18,720	13,192	25,000	25,000	-
Operations and Maintenance	137,704	99,792	44,579	66,260	66,260	-
Capital	3,200	15,704	9,604	10,000	10,000	-
Department Total	187,176	134,216	67,375	101,260	101,260	-

Public Works / Snow Removal Division Personnel Listing #423

Title	2005	2006	2007	2008	2009	Variance
None	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	0.00	0.00	0.00	0.00	0.00	0.00
Total DPW	25.50	24.50	25.33	25.53	25.53	0.00

Health and Human Services

Mission Statement

The Department of Health and Human Services (HHS) and the divisions included therein ensure that local residents, independent of their background or condition, gain access to quality programs and services that encourage self-sufficiency, offer opportunities to develop their full potential, and celebrate the proud history of diversity, racial tolerance and cultural harmony in the city. HHS confronts potential threats to the overall health of the community and promotes the economic, physical and emotional well-being of the city. To achieve these ends, HHS collaborates with residents, other City departments and State and Federal agencies in developing appropriate programs, activities, and services.

The department of Health and Human Services includes the divisions:

Administration

Public Library

Community School and Recreation

Elder Affairs

Veteran Services

Health

Health and Human Services - Administration

Significant Changes

Successfully sustained Health and Human Services Department activities within fiscal year budget and maintained expected services to city residents. Facilitated the transition of Elders Affairs and Veteran Services directorships. Assured adequate staffing of all divisions and programs.

FY'08 Accomplishments

- Submitted a successful grant proposal to the Commonwealth Corporation for the support of an expanded Chelsea Summer Youth Work Program;
- Submitted a successful Safe Neighborhoods Initiative grant application to sustain Chelsea's young librarians year long program;
- Renewed Federal and State grants for the Chelsea Refugees and Immigrant Services to maintain job placement, pre-employment training, ESL instruction and post employment counseling programs for international refugees referred to the city by the US Department of State;
- Assisted in the development of the 2007/2008 CDBG Small Cities Grant proposal that successfully requested funds for a citizenship-training program and for the Chelsea Community Schools;
- Assisted in updating the state emergency vaccination plan;

- Participated in regional emergency planning, training, table-top exercises and simulations regarding radiological and biological emergencies;
- Implemented a West Nile Virus surveillance and control program and kept residents informed on disease prevention measures using cable television services;
- Provided administrative support to the School Based Nurses Program and the nurses work to contain the spreading of contagious diseases among school age children and provide first aid and basic services;
- Participated and provided support to the Chelsea Community Schools and promoted, encouraged and served as an advocate for better interaction among youth service providers in the city;
- Advised and supported the work of the Chelsea Cultural Council at state functions;
- Participated in Hyams Foundation planning and design sessions on new philanthropic investment in local youth and its resulting “REACH” program;
- Assisted veterans during new Veteran Services Agent recruitment process;
- Assisted with Senior Center leadership transition after previous director retired;
- Assisted local businesses in the transition to Tobacco Free workplaces and continued the enforcement of state and local regulations prohibiting tobacco sale to minors;
- Responded to more than six hundred local residents’ public health and personal crisis calls and complaints with information, advice and referrals, and
- Approved licensing of Funeral Homes, Body Arts Establishments, Summer Camps and other annual state code required Health Division Certifications, including death certificates and burial permits.

FY’09 Goals

- Encourage and participate in the evaluation of current HHS programs and activities;
- Increase visibility of Chelsea families and youth resources in the city;
- Strengthen local youth employment programming by seeking resources and participating in program planning and design;
- Contribute to the effort to reduce substance abuse in the city;
- Contribute to the maintenance and quality of all HHS programs and activities, and
- Support private service providers in their funding, giving emphasis to programs coordination.

Health & Human Services Administration Program Budget #510

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	138,274	134,933	138,914	142,613	144,018	1,405
Operations and Maintenance	6,916	7,020	6,825	4,962	4,962	-
Capital	-	-	-	-	-	-
Department Total	145,190	141,953	145,739	147,575	148,980	1,405

Health & Human Services Administration Personnel Listing #510

Title	2005	2006	2007	2008	2009	Variance
Dir Health & Human Services	1.00	1.00	1.00	1.00	1.00	0.00
Financial / Technical Analyst	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant	0.50	0.50	0.50	0.50	0.50	0.00
Total Department	2.50	2.50	2.50	2.50	2.50	0.00

Health and Human Services Programs Grant Funded

Program Activity	2009 Budget
Workforce Development / Refugee Services	326,058
Youth Employment *	239,518
Family Counseling	43,383
Grant Funded Total	608,959

* Grant funds 167 summer jobs and 7 year round part time youth jobs.

Health & Human Services Administration Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Emergency Case Manager	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	0.00	0.00	0.00	0.00	0.00	0.00

Health & Human Services Work Force Development Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Refugee Placement Specialist	3.00	3.00	3.00	2.00	2.00	0.00
ESL Services Manager	1.00	1.00	1.00	1.00	1.00	0.00
Jobs Advocate	1.00	1.00	1.00	1.00	1.00	0.00
MIS/Secretary	1.00	1.00	1.00	1.00	1.00	0.00
ESL Instructor	1.00	1.00	1.00	1.00	1.00	0.00
ESL Coordinator/Instructor	1.00	1.00	1.00	1.00	1.00	0.00
Employment Services Manager	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	9.00	9.00	9.00	8.00	8.00	0.00

Public Library Division

Mission Statement

The Chelsea Public Library provides access free of charge to the public to the print and other education media resources of the city. The Library provides for the free circulation of books and electronic information technology and for the maintenance of Chelsea memorabilia for the community and may receive and hold gifts, bequests, and devices for its use in accomplishment of its mission. The library makes available public meeting space. The Public Library interacts with all departments of the city, including the School Department. The Public Library participates in a regional library consortium to increase the availability of library services.

Significant Changes

New library staff were recruited to fill vacancies due to retirement and promotion. The SNI Young Librarians program continued and strengthened. Partnership with Bunker Hill Community College was maintained. Electronic media technology continues being upgraded.

Department at a Glance

- Manage 22 computers in building, 12 for public usage, 10 in staff locations;
- Significant increase in use of public computers: 8,095 for the first 8 month of FY08 as compared to 2,361 for the first 8 months of FY07.
- Significant increase in books circulation, for calendar year 2007 an increase of 5% (50,444 from 47,674).
- There has been an increase in the number of items purchased and added to the collection. For calendar year 2007 there was a 12% increase over 2006, 4,479 as compared to 4,206.

FY 08 Accomplishments

- Replaced outdated computers with six new computers, resulting in a total of twelve computers being now available for public usage;
- Celebrated a successful 2nd annual family literacy day in November, including issuing 28 new Library cards in a single day;
- Collaborated with the Lewis Latimer Society on the development of a program for April 12, 2008 to commemorate the 100th anniversary of the 1908 Great Chelsea Fire, and
- Encouraged a significant increase in circulation, computer usage and new items added to collection.

FY 09 Goals

- Upgrade 5 computers;
- Expand wireless capabilities to the nonfiction room to accommodate young adults;
- Purchase appropriate material for the creation of a career center for young adults in the nonfiction room, and
- Work with DPW on the installation of security cameras and exterior lighting.

HHS - Chelsea Public Library Program Budget #610

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	242,701	243,333	245,924	255,395	258,315	2,920
Operations and Maintenance	21,983	23,675	19,120	20,444	22,524	2,080
Capital	-	3,000	4,000	7,500	6,000	(1,500)
Department Total	264,684	270,008	269,044	283,339	286,839	3,500

HHS - Chelsea Public Library Personnel Listing #610

Title	2005	2006	2007	2008	2009	Variance
Library Director	1.00	1.00	1.00	1.00	1.00	0.00
Custodian	0.31	0.31	0.31	0.33	0.33	0.00
Children's Librarian	2.00	2.00	2.00	1.00	1.00	0.00
Library Assistants	3.00	3.00	3.31	4.00	4.00	0.00
Reference Librarian	0.52	0.52	0.52	0.52	0.52	0.00
Desk Attendant	0.31	0.31	0.26	0.51	0.51	0.00
Part Time Staff	0.00	0.00	0.00	0.15	0.15	0.00
Total Department	7.14	7.14	7.40	7.51	7.51	0.00

HHS - Chelsea Public Library Programs Grant Funded

Program Activity	2009 Budget
Arts and Library	80,624
Grant Funded Total	80,624

Elder Affairs Division

Mission Statement

The Elder Affairs Division identifies the needs of the city's over sixty years of age population and designs, implements, promotes and coordinates new and existing elderly services. The Division insures extensive outreach is made to linguistic minority communities within the city, as well as other difficult to reach elders, to provide them equal access to services and programs. The Division operates the Chelsea Seniors Center offering services and resources that enable participants to develop their strengths and function productively and independently in their homes and in the community.

Significant Changes

The Senior Center has a new director to replace the former director upon her retirement. All programs have been maintained as well as all partnerships and contracted obligations. The Division and its supporters, including the Elder Affairs Council and the Friends of the Council on Aging, continue building upon the Accreditation earned by the Senior Center in 2006.

Department at a Glance

- 70 seniors participate in exercise classes;
- 100 seniors participated in the flu shot, and
- 250 seniors participate every month in the "Brown Bag Program".

FY'08 Accomplishments

- Improved computer capability by receiving four additional computers for a total of nine computers for weekly computer classes for seniors;
- Increased membership at a rate of approximately seven new participants each month;
- Provided quality health education for seniors using outside resources both in English and Spanish;
- Increased Board membership and added a medical professional to the Board;
- Provided seniors with a free continental breakfast daily by collaborating with a local company, and
- Maintained the Senior Center's Accreditation.

FY'09 Goals

- Continue and expand current exercise programs;
- Work with local agencies on intergenerational programs;
- Increase members and volunteers participation;
- Continue providing the growing number of Latino seniors at the Center with an option of having more presentations/health education classes in Spanish;
- Install a computerized membership tracking system for all programs;

- Implement new policies and procedures;
- Provide new and current members with a membership booklet;
- Attract “Baby Boomer” generation with different programs, and
- Expand recreational and social activities for seniors.

HHS - Elder Affairs Division Program Budget #541

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	179,665	183,621	191,149	186,083	164,812	(21,271)
Operations and Maintenance	16,686	17,884	16,133	21,750	26,750	5,000
Capital	-	-	-	-	-	-
Department Total	196,351	201,505	207,282	207,833	191,562	(16,271)

HHS - Elder Affairs Division Personnel Listing #541

Title	2005	2006	2007	2008	2009	Variance
Director of Council on Aging	1.00	1.00	1.00	1.00	1.00	0.00
Elder Advocate	1.00	1.00	1.00	1.00	1.00	0.00
Fiscal Manager	0.00	0.00	0.00	0.00	0.00	0.00
Clerk/Publicist	0.50	0.50	0.50	0.50	0.50	0.00
Building Custodians	2.00	2.00	2.00	2.00	1.50	(0.50)
Total Department	4.50	4.50	4.50	4.50	4.00	(0.50)

HHS - Elder Affairs Division Programs Grant Funded

Program Activity	2009 Budget
Elder Services	39,910
Grant Funded Total	39,910

HHS - Elder Affairs Division Personnel Listing Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Outreach Worker	1.00	1.00	1.00	0.50	0.50	0.00
Total Department	1.00	1.00	1.00	0.50	0.50	0.00

Health Division

Mission Statement

The Public Health Division promotes and protects the health and wellness of the community and performs the core functions of public health assessment, assurance, and surveillance under the guidance of the Chelsea Board of Health. The Division works with HHS in addressing quality of life issues affecting the city.

Significant Changes

A new disease reporting system (MAVEN) is in use and staff received training on surveillance of reportable communicable diseases. Staff also received training and increased participation with HHS in activities related to Homeland Security and public health. More recently appointed Board of Health members received MHBA training.

Department at a Glance

- Provide a monthly average of 500 first aid cases, 300 illness cases, and 100 scheduled medications to students in the Chelsea Public School system.

FY'08 Accomplishments

- Installed and began use of new State computerized surveillance system for communicable diseases;
- Expanded Tuberculosis control activities including treatment compliance, record keeping and case follow-ups; 12 active tb cases, one of which is an MDR TB;
- Increased the number of annual flu vaccine clinics and distribution of vaccines among local health centers; administering 440 doses throughout the city;
- Amended the City's smoking policy to follow the wording in State law and continued the enforcement of tobacco laws and regulations;
- Developed monthly hepatitis A clinics at the Salvation Army for the poor and homeless;
- Provided first aid services to 1,532 students, illness consultation to 1,883 students and scheduled medication to 288 students in Chelsea schools, and
- Provided health education sessions to different populations in the city.

FY'09 Goals

- Improve health education and health promotion in the city;
- Participate in MDPH exercises on epidemics control;

- Computerize TB Surveillance in coordination with MDPH;
- Provide shingles education and vaccine to affected population;
- Receive Medicare reimbursement for administering flu vaccines, and
- Continue current level of services.

HHS - Health Division Program Budget #511

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	404,907	406,946	50,964	67,641	68,317	676
Operations and Maintenance	-	-	-	200	200	-
Capital	-	-	-	-	-	-
Department Total	404,907	406,946	50,964	67,841	68,517	676

HHS - Health Division Personnel Listing #511

Title	2005	2006	2007	2008	2009	Variance
Health Aid	1.00	1.00	0.00	0.00	0.00	0.00
Director of Nursing	1.00	1.00	0.00	0.00	0.00	0.00
School Nurses	4.50	4.50	0.00	0.00	0.00	0.00
Public Health Nurses	1.00	1.00	1.00	1.00	1.00	0.00
Director of Public Health	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Assistant	0.50	0.50	0.00	0.00	0.00	0.00
Board Secretary	0.50	0.50	0.00	0.50	0.50	0.00
Total Department	8.50	8.50	1.00	1.50	1.50	0.00

HHS - Health Division Programs Grant Funded

Program Activity	2009 Budget
Student Health	147,435
Grant Funded Total	147,435

HHS - Health Division Personnel Listing Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Health Aids	4.00	4.00	4.00	4.00	4.00	0.00
School Nurses	1.00	1.00	1.00	1.00	1.00	0.00
Vision Tester	0.00	0.00	0.00	0.00	0.00	0.00
Non Public Nurse	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	5.00	5.00	5.00	5.00	5.00	0.00

Veterans Services Division

Mission Statement

The Veteran Services Division provides assistance in obtaining benefits from federal, state, and local programs for veterans and their dependents, as well as aiding them financially for ordinary living expense and medical needs.

Significant Changes

Completed the transition to a new Veterans Agent, including training and certification.

Department at a Glance

- Average client caseload of 84 per/mo 110 cases per month, and
- Average client caseload of Soldiers Home veterans 12-15 per month.

FY 08 Accomplishments

- Began transition from manual paper management system to a digital documenting management system;
- Gained the ability for state reimbursement of food vouchers now reimbursed at a rate of 75%, to better assist local veterans through a difficult economic times;
- Completed State training and certification the Veterans' Services Officer;
- Completed transition into and maintained legacy client management system which includes quick mailing of necessary data to facilitate stimulus rebates to veterans in the city and Chelsea's Soldiers Home, and
- Worked and gained support and assistance from the Chelsea Senior Center, Chelsea Restoration and Chelsea Neighborhood Developers for Veteran Services activities.

FY 09 Goals

- Complete transition to document imaging system;
- Increase veterans support by the community;
- Improve communication between Veterans Services and asset groups, including reactivation of the local American Legion and improved veteran events and celebrations, and
- Develop a Veterans Outreach Program as requested by the State of all municipalities.

HHS - Veterans Services Program Budget #543

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	76,649	76,279	71,498	46,311	44,975	(1,336)
Operations and Maintenance	199,237	249,232	237,511	266,983	290,628	23,645
Capital	-	-	-	-	-	-
Department Total	275,885	325,511	309,009	313,294	335,603	22,309

HHS - Veterans Services Personnel Listing #543

Title	2005	2006	2007	2008	2009	Variance
Veterans Agent	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	1.00	1.00	1.00	1.00	1.00	0.00

Community Schools and Recreation Division

Mission Statement

The Community Schools and Recreation Division creates, coordinates and implements a comprehensive recreational program for all local residents to enhance leisure time opportunities and enjoyment. The Division is responsible for the establishment, coordination and/or implementation of community sports programs for all boys and girls, as well as adults. The supervision and coordination of the Community Schools program at the Williams Schools is the major current operational program.

Significant Changes

Collaboration with Boston University School of Communication and other institutions was significantly expanded. Professional sports coaches and players have provided special sports clinics. New programs have been designed as well as a strategy to obtain funding support from participants and the private sector.

Department at a Glance

- 175 classes for youth and adults each year including music lessons, sport clinics, and job preparation and health classes, and
- 1700 class registrants are processed each year, and
- 80 community organizations use our public school state of the art facilities.

FY'08 Accomplishments

- Established new programs, including: tutoring for middle school students through the Homework Help program by recruiting 40 college tutors who provided academic support to local youth three days per week; redesigning the English as a Second Language curriculum for the 800 registrants taking part in the program; offering Martial Arts, in partnership with Cervizzi's Martial Arts Academy and partnering with the Jordan's Boys & Girls Club for a family swimming program.

FY'09 Goals

- Expand Homework Help by entering into a partnership with Phi Iota Alpha at Boston University, potentially increasing the number of college tutors to 90;
- Establish "Splash," a learn to swim program for children, and a swim proficiency class for youth and adults, in partnership with Jordan's Boys & Girls Club;
- Expand child care to program participants from 1 to 4 days per week, and
- Continue improving quality and scope of programs to attract increased community enrollment in all educational and recreational programs.

HHS - Community Schools & Recreation Div. Program Budget #630

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Salaries, Wages and Benefits	24,661	26,568	41,372	78,098	78,376	278
Operations and Maintenance	30,979	50,000	30,000	40,000	40,000	-
Capital	-	-	-	-	-	-
Department Total	55,640	76,568	71,372	118,098	118,376	278

HHS - Community Schools & Recreation Div. Personnel Listing #630

Title	2005	2006	2007	2008	2009	Variance
Director of Community Schools	0.50	0.50	0.50	0.50	0.50	0.00
Program Assistant	0.00	0.00	0.50	0.50	0.50	0.00
Karate Instructor	0.00	0.00	0.00	1.00	1.00	0.00
Piano Instructor	0.00	0.00	0.00	0.25	0.25	0.00
Dance Instructor	0.00	0.00	0.00	0.25	0.25	0.00
Computer Instructors	0.00	0.00	0.00	0.50	0.50	0.00
Art Instructor	0.00	0.00	0.00	0.25	0.25	0.00
Sports Instructor	0.00	0.00	0.00	0.25	0.25	0.00
Security Guards	0.00	0.00	0.00	0.50	0.50	0.00
Total Department	0.50	0.50	1.00	4.00	4.00	0.00

HHS - Community Schools & Recreation Division Programs Grant Funded

Program Activity	2009 Budget
Community Schools	100,000
Grant Funded Total	100,000

HHS - Community Schools & Recreation Div. Personnel Listing Grant Funded

Title	2005	2006	2007	2008	2009	Variance
Weed & Seed Manager	1.00	1.00	1.00	0.00	0.00	0.00
On-site Manager	1.00	1.00	1.00	0.40	0.40	0.00
Receptionist	0.50	0.50	0.50	0.00	0.00	0.00
Recreation Leader	0.50	0.50	0.50	0.00	0.00	0.00
Piano Teacher	0.50	0.50	0.50	0.50	0.00	(0.50)
ESL/Spanish Teacher	0.50	0.50	0.50	3.50	3.50	0.00
Karate Instructor	0.50	0.50	0.50	0.50	0.00	(0.50)
Computer Instructors	1.00	1.00	1.00	1.00	0.00	(1.00)
Art Instructor	0.50	0.50	0.50	0.50	0.00	(0.50)
Weekend Supervisor	0.50	0.50	0.50	0.50	0.00	(0.50)
Custodian	0.50	0.50	0.50	0.50	0.25	(0.25)
Assistant Coordinator	0.50	0.50	0.50	0.50	0.50	0.00
Assistant On-site Manager	0.00	0.00	0.00	0.00	0.00	0.00
Security Guard	0.00	0.00	0.00	0.50	0.25	0.00
Sports Coach	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	7.50	7.50	7.50	8.40	4.90	(3.50)

Total HHS Gen	24.14	24.14	17.40	21.01	20.51	(0.50)
Total HHS Grants	22.50	22.50	22.50	21.90	18.40	(3.50)

Debt Service

Bonded Debt

This expenditure covers the cost of the principal and interest payments of the City's General Fund bonded debt and short-term notes. The Water and Sewer Enterprise Funds debt service appears in their respective budgets.

Debt Service Program Budget #710 & #711

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Principal - Long Term (710-5760)	6,623,365	6,750,163	6,637,264	6,797,358	7,469,970	672,612
Interest - Long Term (711-5761)	3,614,160	3,270,916	2,968,493	2,662,562	2,324,281	(338,281)
Interest - Short Term (711-5763)	640,000	41,260	504,000	550,000	469,000	(81,000)
State Qualified Bond Interest	-	-	-	23,376	22,473	(903)
Total Direct Expenses	10,877,525	10,062,340	10,109,757	10,033,296	10,285,724	252,428

Health Benefits and Insurance

Pursuant to MGL Chapter 32B, as a benefit of employment, any active, permanent employee of the City who works in excess of twenty (20) hours per week is eligible for group health insurance coverage.

The City pays 90% of the monthly premium for Harvard Pilgrim HMO Plan and 75% of the monthly premium for the HMO/indemnity plan, with the employee paying the remaining premium through weekly payroll deductions. As a benefit of retirement, former City employees, and their surviving spouses, are also eligible for group health insurance coverage.

The City offers Medicare eligible retired employees the choice of three supplemental health insurance plans: two senior HMO's (Bay State [Managed Blue] for Seniors and Harvard First Seniority) and one senior indemnity plan (Medex). The City pays 90% of the premium for the HMO plans, and is self-insured in the indemnity plan.

Life Insurance

Also as a benefit of employment, all permanent active and retired employees of the City who work in excess of twenty (20) hours per week are eligible for basic group life and accidental death insurance.

For the basic policy of \$5,000 for active employees, the City contributes 50% of the monthly premium.

Employees enrolled in the basic life insurance policy also have the option of purchasing additional life insurance coverage, in increments of \$5,000, up to their annual salary. The total cost of the optional insurance is paid for by the employee.

Unemployment

The City is designated as a "reimbursable employer" under the Department of Employment and Training regulations. DET pays all claims directly to the employees and is reimbursed by the City of Chelsea on a quarterly basis.

Workers Compensation

The City is self-insured for Workers Compensation. The City has contracted with a third party administrative service to assure the legalities and process are met in all claims filed, and to assure timely and accurate payment. This service includes claims management specialist, medical billing and legal representation. The cost of Police and Fire medical bills associated with an injury are included. Pay for injured Police and Fire personnel are not included in this line item. DPW reimburses this line item for Workers' Compensation payroll obligations for their employees. School Department reimburses the City budget for all costs associated with their employees' claims. This budget item provides the pay and settlement cost requirements for all other City employees, as well as medical payments for all (Police, Fire, and DPW).

Along with payroll and settlements, and medical costs in all on-the-job injury events, this account pays for independent medical examinations, Division of Industrial Accident charges, legal costs, investigations and safety site evaluations. The City also purchases re-insurance for protection in event of catastrophic work event and resultant excessive liabilities.

Costs in this item are directly impacted by changes in salaries as worker compensation pay is based on the employee's pay. Cost of living increases are also provided under State law. Increases in the cost of medical care have a substantial impact on the City's costs.

Employee Benefits Program Budget #910

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Unemployment Compensation (5177)	29,012	1,590	36,486	52,000	52,000	-
Health Insurance (5171)	8,323,179	9,747,043	5,461,746	5,718,953	5,974,058	255,105
Payroll Taxes (51760)	527,879	583,799	252,098	301,920	304,940	3,020
Workers Compensation (5178)	313,000	302,143	391,188	370,000	335,000	(35,000)
Life Insurance (51750)	29,492	29,546	11,034	40,000	35,000	(5,000)
Accidental Death & Dismemberment	-	8,767	8,385	-	-	-
Salary Reserve (5980)	-	-	-	558,895	450,931	(107,964)
Total Direct Expenses	9,222,562	10,672,888	6,160,937	7,041,768	7,151,929	110,161

Retirement

The City Retirement System provides pension and annuity payments to 401 retirees, and collects pension contributions from 672 active employees as of January 1, 2003. The Public Employee Retirement Administration Commission (P.E.R.A.C.) performed an actuarial valuation as of January 1, 2003. The City adopted this actuarial schedule and began the process of fully funding the outstanding liability of the City's Retirement System by the Year 2028, as well as continuing to fund the current cost of benefits. The original schedule is reviewed and updated every three years.

Retirement Program Budget #911

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Retirement Fund (5180)	5,597,912	6,121,184	4,645,939	4,948,356	5,235,554	287,198
Non-Contributory Pensions (5179)	115,488	88,536	65,691	56,348	22,930	(33,418)
Total Direct Expenses	5,713,400	6,209,720	4,711,630	5,004,704	5,258,484	253,780

Undistributed Expenses - Cherry Sheet Assessments, Insurance and Judgements

CHERRY SHEET ASSESSMENTS

For the purpose of budgeting, estimates based on The Governor's Budget Proposal (H1).

RETIREMENT SYSTEM AUDIT

In compliance with Chapter 32 of the General Laws, the Public Employee Retirement Administration Commission conducts an examination of each municipal retirement system tri-annually. The City's Retirement System is monitored by PERAC on an annual basis.

MOTOR VEHICLE EXCISE

This assessment reimburses the State for a portion of the costs incurred by the Registry of Motor Vehicles in the preparation of annual Motor Vehicle Excise tax bills.

ELDERLY GOVERNMENTAL RETIREES

The Elderly Governmental Retirees plan is a contributory group health and life insurance plan established for City employees who retired prior to the adoption of the City's group policy. This allotment covers the administrative premium costs as determined by the State and is carried on the Cherry Sheet.

MOSQUITO CONTROL PROJECTS

Municipalities are assessed by the State for the costs of mosquito control services. There are eight mosquito control districts whose costs are apportioned to member municipalities on the Cherry Sheet. All mosquito control projects are to be assessed their proportional expenses for the administration of the State Reclamation Board.

AIR POLLUTION CONTROL

The Air Pollution Commission supervises six districts statewide. The Commission is empowered through the Office of the Governor and has a mandate to control air pollution through the enforcement of Air Pollution Control Acts and Safety Standards.

METROPOLITAN AREA PLANNING COUNCIL

The Metropolitan Area Planning Council (MAPC) serves 101 communities as a clearinghouse for the Federal A-95 review process. MAPC also provides a series of other services and may charge a separate assessment for those services.

PUBLIC TRANSPORTATION

The Massachusetts Bay Transportation Authority (MBTA) provides bus/minibus and commuter rail transportation across the city and to surrounding communities. The total annual MBTA assessment cannot increase by more than 2 ½ percent of the prior year's actual assessment unless new or expanded service has been documented.

SPECIAL EDUCATION ASSESSMENT

The State receives this reimbursement for providing special needs education to children enrolled in (1) state hospital schools or (2) private institutions, whose placements were made before 1975.

REGISTRY OF MOTOR VEHICLES-HOLD PROGRAM

Since 1995, the Parking Clerk has implemented a provision of Chapter 90 which enables the City to request the Registry of Motor Vehicles not to renew the license and registration of an operator/owner of a motor vehicle that has two or more outstanding parking tickets. This provision, enacted after the motorist has failed to pay the parking tickets and had an opportunity for a hearing, has resulted in a significant decrease in the number of delinquent payments.

State Assessments - Cherry Sheet Budget #820 & #821

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Ret. Employees Health Ins (5633)	10,190	4,739	-	-	-	-
Mosquito Control (5635)	7,403	7,961	8,699	8,973	9,542	569
Air Pollution Districts (5637)	6,332	6,840	6,903	6,954	7,140	186
Metropolitan Area Planning (5638)	9,210	9,290	9,337	9,416	9,611	195
RMV Non-Renewal Surc. (5640)	265,680	231,593	200,720	200,720	241,320	40,600
MBTA Chs.161A, 825 (5641)	1,855,800	1,993,826	1,932,646	1,964,095	1,982,651	18,556
Boston Met. Trans. District (5642)	235	309	309	319	319	-
Multi - Year Repayment (5645)	220,121	220,121	220,127	-	-	-
Special Education (5646)	22,311	20,266	31,255	33,246	47,272	14,026
State Qualified Bonds Interest (5647)	16,376	-	25,714	-	-	-
Charter School Assessment (5661)	688,589	697,922	1,084,534	2,350,098	2,233,166	(116,932)
School Choice (5663)	1,231	5,000	10,000	14,407	5,000	(9,407)
Essex County Sending Tuition	-	-	-	12,493	12,077	(416)
Total Direct Expenses	3,103,478	3,197,867	3,530,244	4,600,721	4,548,098	(52,623)

Insurance #945 and Legal Judgements #941

Expense Line Item	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget	Dollar Variance
Insurance	473,443	426,165	574,860	528,506	544,250	15,744
Judgements (571200)	20,498	9,210	25,670	25,000	25,000	-
Total Direct Expenses	493,941	435,375	600,530	553,506	569,250	15,744

Glossary of Terms

Abatement - A complete or partial cancellation of a tax levy imposed by a governmental unit. Administered by the local board of assessors.

Accounting System - A system of financial record keeping which record, classify and report information on the financial status and operation of an organization.

Activity - A specific line of work carried out by a department, division or cost center which constitute a program.

Adopted Budget - The resulting budget that has been approved by the City Council.

Allocation - The distribution of available monies, personnel, buildings, and equipment among various City departments, division or cost centers.

Annual Budget - An estimate of expenditures for specific purposes during the fiscal year (July 1-June 30) and the proposed means (estimated revenues) for financing those activities.

Appropriation - An authorization by the City Council to make obligations and payments from the treasury for a specific purpose.

Arbitrage - Investing funds borrowed at a lower interest cost in investments providing a higher rate of return.

Assessed Valuation - A valuation set upon real or personal property by the local board of assessors as a basis for levying taxes.

Audit - A study of the City's accounting system to ensure that financial records are accurate and in compliance with all legal requirements for handling of public funds, including State law and City charter.

Balanced Budget - A budget in which receipts are greater than (or equal to) expenditures. A requirement for all Massachusetts cities and towns.

Bond Anticipation Notes - Notes issued in anticipation of later issuance of bonds, usually payable from the proceeds of the sale of the bonds or renewal notes.

Budget (Operating) - A plan of financial operation embodying an estimate of proposed expenditures for a given time period and the proposed means of financing.

Budget Calendar - The schedule of key dates or milestones which a government follows in the preparation and adoption of the budget.

Budget Message - A general discussion of the submitted budget presented in writing by the City Manager as part of the budget document.

Capital Budget - A plan of proposed outlays for acquiring long-term assets and the means of financing those acquisitions during the current fiscal period.

Capital Program - A plan for capital expenditure to be incurred each year over a fixed period of years to meet capital needs arising from the long term work program. It sets forth each project and specifies the full resources estimated to be available to finance the projected expenditures.

Charges for Service (Also called User Charges or Fees) - The charges levied on the users of particular goods or services provided by local government requiring individuals to pay for the private benefits they receive. Such charges reduce the reliance on property tax funding.

Cherry Sheet - A form showing all State and County charges, reimbursements and Local Aid to the City as certified by the State Director of the Bureau of Accounts of the Department of Revenue. Years ago this document was printed on cherry colored paper, hence the name.

CIP - The acronym for Capital Improvement Plan.

Cost Center - The lowest hierarchical level of allocating monies. Often referred to as a program, project or operation.

Debt Limits - The general debt limit of a city consists of normal debt limit, which is 2 ½ % of the valuation of taxable property, and a double debt limit which is 5 % of that valuation. Cities and towns may authorize debt up to the normal limit without State approval. It should be noted that there are certain categories of debt which are exempt from these limits.

Debt Service - Payment of interest and repayment of principal to holders of a government's debt instruments.

Deficit or Budget Deficit - The excess of budget expenditures over receipts. The City Charter requires a balanced budget.

Department - A principal, functional and administrative entity created by statute and the City Manager to carry out specified public services.

DPW - The acronym for Department of Public Works.

Encumbrance - Obligations in the form of purchase orders and contracts which are chargeable to an appropriation are reserved. They cease to be encumbrances when paid or when an actual liability is set up.

Enterprise Fund - A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the full costs of providing the goods or services be financed primarily through charges and fees, thus removing the expenses from the tax rate.

Expendable Trusts - A trust fund or that portion of a trust fund that is not restricted from expending. Typically a trust fund benefactor segregates a certain portion to be un-expendable so as to preserve the principal in perpetuity.

Expenditures - The amount of money, cash or checks, actually paid or obligated for payment from the treasury.

Financing Plan - The estimate of revenues and their sources that will pay for the service programs outlined in the annual budget.

Fiscal Year - The twelve month financial period used by all Massachusetts municipalities that begins July 1, and ends June 30 of the following calendar year. The year is represented by the date on which it ends. Example: July 1, 2004 to June 30, 2005 would be FY'05.

Free Cash - A city, town or district's free cash represents the amount of a community's funds that are unrestricted and available for appropriation. These available funds, once certified, may be used to support supplemental appropriations during the year or at the Annual Town Meeting to fund next years budget. Available funds are certified by the Director of Accounts as of July 1 each year. Chapter 59, Section 23 of the Massachusetts General Laws requires that the Director of Accounts certify the ". . . amounts of available funds on hand on . . . July the first . . ." These available funds are best known as "free cash" and may only be used after certification by the Bureau of Accounts.

Full and Fair Market Valuation - The requirement, by State law, that all real and personal property be assessed at 100% of market value for taxation purposes. A provision of "Proposition 2 ½" sets the City's tax levy limit at 2½ % of the full market (assessed) value of all taxable property.

Fund - A set of interrelated accounts, which record assets and liabilities related to a specific purpose. Also a sum of money available for specified purposes.

FY - An acronym for Fiscal Year.

General Fund - The major municipality owned fund which is created with City receipts and which is charged with expenditures payable from such revenues.

Grant - A contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal government. Grants are usually made for specific purposes.

Grant Anticipation Notes - Issuance of short term debt to assist in cash flow needs caused by the delayed receipt of a grant.

HHS - The acronym for City of Chelsea's Health and Human Services department.

Interfund Transactions - Payments from one administrative budget fund to another or from one trust fund to another, which result in the recording of a receipt and an expenditure.

Infrastructure - The fixed assets of the City created as physical improvements for the economic and cultural benefit of the city. These would include streets and sidewalks, bridges, water & sewer pipes.

Intrafund Transactions - Financial transactions between activities within the same fund. An example would be a budget transfer.

ISD - Acronym for Inspectional Services Department. This department includes building and other construction inspectional services as well as housing inspection services.

License and Permit Fees - The charges related to regulatory activities and privileges granted by government in connection with regulations.

Line-item Budget - A format of budgeting which organizes costs by type of expenditure such as supplies, equipment, maintenance or salaries.

MWRA - An acronym for Massachusetts Water Resource Authority - the governmental authority that supplies Chelsea with drinking water and sewerage treatment and disposal.

Non-Tax Revenue - All revenue coming from non-tax sources including licenses and permits, intergovernmental revenue, charges for service, fines and forfeits and various other miscellaneous revenue.

Operating Budget - See "Budget"

Overlay - The amount raised by the assessors in excess of appropriation and other charges for the purpose of creating a fund to cover abatements and exemptions.

Pay-As-You-Go - a phrase used to describe the strategy of paying for items through a budget item in the annual budget (usually smaller capital expenditures) that might otherwise be financed by the issuance of bonds. The advantage (when appropriate) is that a community would avoid the interest and issuance costs of borrowing.

Performance Indicator - Variables measuring the degree of goal and objective fulfillment achieved by programs.

Performance Standard - A statement of the conditions that will exist when a job is well done.

Planning - The management function of preparing a set of decisions for action in the future.

Policy - A definite course of action adopted after a review of information and directed at the realization of goals.

Priority - A value that ranks goals and objectives in order of importance relative to one another.

Procedure - A method used in carrying out a policy or plan of action.

Program - Collections of work related activities initiated to accomplish a desired end.

Program Budget - A budget format which organizes expenditures and revenues around the type of activity or service provided and specifies the extent or scope of service to be provided, stated whenever possible in precise units of measure.

Proposition 2 ½ - A State law which became effective on December 4, 1980. The two main components of the tax law relating to property taxes are: 1) the tax levy cannot exceed 2 ½ % of the full and fair cash value, and 2) for cities and towns at or below the above limit, the tax levy cannot exceed the maximum tax levy allowed for the prior by more than 2 ½ % (except in cases of property added to the tax rolls and for

valuation increases of at least 50% other than as part of a general revaluation).

Purchase Order - A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated estimated price. Outstanding purchase orders are called encumbrances.

Rating Agencies - This term usually refers to Moody's Investors Service and Standard and Poor's Corporation. These entities are the two major agencies that issue credit ratings on municipal bonds.

Recap - An abbreviation for Tax Recapitulation. This multi-page form is completed and submitted to the Massachusetts Department of Revenue as part of the tax rate setting approval process. All revenue estimates are detailed in this form. The primary reason for this form and the DOR's approval process is to determine if a community is taxing within the limits of proposition 2 1/2.

Registered Bonds - Bonds registered on the books of the issuer as to ownership; the transfer of ownership must also be recorded on the books of the issuer. Federal tax laws mandate that all municipal bonds be registered if their tax-exempt status is to be retained.

Reserves - An account used to indicate that portion of fund equity which is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Reserve for Contingencies - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Revenue - Additions to the City's financial assets (such as taxes and grants) which do not in themselves increase the City's liabilities or cancel out a previous expenditure. Revenue may also be created by canceling liabilities, provided there is no corresponding decrease in assets or increase in other liabilities.

Revenue Anticipation Notes - Short-term borrowings necessary due to delayed receipt of revenue.

Revolving Fund - A fund established to finance a continuing cycle of operations in which receipts are available for expenditure without further action by the City Council.

Service Level - The extent or scope of the City's service to be provided in a given budget year. Whenever possible, service levels should be stated in precise units of measure.

Special Revenue - A group of funds allowed under Massachusetts General Laws and used to account for resources legally restricted to expenditure for specified purposes. Accounting and financial reporting are identical to the general fund.

Submitted Budget - The proposed budget that has been approved by the City Manager and forwarded to the City Council for approval. The Council must act upon the submitted budget within prescribed guidelines and limitations according to State law and the City Charter.

Supplemental Appropriations - Appropriations made by the City Council after an initial appropriation to cover expenditures beyond original estimates.

SDWA - The acronym for the Safe Drinking Water Act that requires an assessment the City's water utility enterprise pays each year.

Tax Anticipation Notes - Notes issued in anticipation of taxes which are retired usually from taxes collected.

Tax Rate - The amount of tax stated in terms of a unit of the tax base. Prior to a 1978 amendment to the Massachusetts Constitution, a single tax rate applied to all of the taxable real and personal property in a City or town. The 1978 amendment allowed for the creation of three classes of taxable property:

1) residential real property, 2) open space land, and 3) all other (commercial, industrial, and personal property). Within limits, cities and towns are given the option of determining the share of the levy to be borne by the different classes of property. The share borne by residential real property must be at least 65% of the full rate. The share of commercial, industrial, and personal property must not exceed 150% of the full rate. Property may not be classified until the State Department of Revenue has certified that all property has been assessed at its full value. A recent law has allowed on a temporary basis to increase the share of commercial, industrial, and personal property up to 200% of the full rate.

Unit Cost - The cost required to produce a specific product or unit of service. For example, the cost of providing 100 cubic feet of water or the cost to sweep one mile of street.

Valuation (100%) - Requirement that the assessed valuation must be the same as the market value for all properties.

Warrant - An order drawn by a municipal officer directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current or some future date.