



Annual Budget

Fiscal Year 2010

City of Chelsea, Massachusetts



**CITY OF CHELSEA, MASSACHUSETTS
FISCAL YEAR 2010
FINANCIAL PLAN & OPERATING BUDGET
CITY COUNCIL**

General and Enterprise Funds

July 1, 2009 to June 30, 2010

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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, beginning with FY'11. This 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.

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Section 8

GLOSSARY



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June 1, 2009

The Honorable City Council
City Hall
Chelsea, MA 02150

Dear Honorable Council:

The City's enclosed Fiscal Year 2010 Annual Budget is entitled "Managing." The multi-meaning title describes how the City is managing local fiscal and operational matters while avoiding, *so far*, any substantial impacts relating to the global financial crisis and, especially, the State's own continuing budget calamity.

I have placed an emphasis on "so far" because it is quite possible that this submission will not be the final budget under which the City will operate. Almost daily changes in State revenues lead to great uncertainty around the local aid cities and towns can expect to receive in FY'10. Unfortunately, in what may be the most challenging year many of us have seen in drafting budgets, it would appear that it will be weeks or months before we can know with any certainty what "fairly certain" numbers may look like on which we can base our budget. In a worse case scenario, based upon action taken in the Senate earlier this month, this budget may require to be cut by several million dollars. As of this writing, Senate and House conferees are meeting to resolve the difference in budgets each branch has adopted. Until that resolution is complete, it is impossible to predict with any accuracy what the final impact of the State budget will be on local budgets.

This budget needs to be pegged to some number, so this filing is based upon House budget numbers. The \$119,747,905 million FY'10 City Budget provides for spending on programs and services beginning on July 1st (excluding Water and Sewer Enterprises, which will be discussed below). The spending plan reflects constrained and reduced spending in many areas, and in total represents the smallest increase in a fiscal plan, 1.2% year over year, during my nine years as City Manager. Even with that constrained and reduced spending, given the cuts and other financial impacts being extended to us by the State, the FY'10 Budget does require a Free Cash appropriation of \$2,985,999. That requirement is consistent with both our Five Year Financial Forecast, issued this past winter, and Fiscal Crisis Plan, discussed this past fall.

Under this current spending plan, the use of Free Cash, combined with the constrained and reduced spending contained within individual department budgets, does allow us to maintain services at roughly the same level as this current year. While that may seem like good news, we should all be concerned about the continuing toll that same service level is having on our government. Numerous administrative issues are not receiving the attention they deserve as reduced headcounts, exacerbated with a present hiring freeze, limit our already stretched staff from attending to every need that exists. Deferred maintenance, caused by our

desire to limit pay-as-you-go spending and debt service on borrowed funds, is placing a further strain on our infrastructure. Added to these, reduced local aid and delayed economic development projects similarly threaten the stability of local government.

Waiting to Measure the Final Impacts of the State Budget Crisis

The aforementioned could become more acute if action on Beacon Hill results in a State budget that more closely resembles the Senate version adopted. Because there is a potential that could happen, it is responsible to describe a likely reaction it would force the City to take. First, and by way of marking the impact of the State budget crisis, if the City was level funded by the State at originally adopted FY'09 levels, the City's FY'10 Budget would generate approximately a \$300,000 surplus. As noted above, the House plan leaves the City with a nearly \$3,000,000 deficit. Under the Senate plan, that deficit balloons to \$5,000,000. The City's crisis planning exercise this past fall resulted in a general agreement that the City could absorb a \$2.5m to \$3.0m deficit. Thus, if anything less than the House plan is adopted as the State's final budget plan for FY'10, local action would be required to cut expenses or raise revenues.

On the expense side, the City has already communicated to Councillors and union officials a range of options. A \$5,000,000 deficit would require, at minimum, 15-20 positions to be reduced in non-school areas, including public safety. Additionally, furloughs or wage reductions might be necessary in order to spare another 15-20 position cuts. In the extreme, a possibility does exist that entire programs would need to be eliminated and/or facilities closed.

On the revenue side, the estimate for the House plan already includes an increase in the meals tax as a local option, although at a lower level than what would be anticipated in the Senate plan. Thus, increased local option taxes will not appear to be enough, alone, to address the budget deficit. It is possible that other revenue enhancements could make up some or all of the difference. However, in both this discussion and the previous discussion about expenses, guestimates are not the basis for which such critical questions should be answered.

The plan, therefore, is to revisit this budget during the summer and make a recommendation to Council on September 1st as to what additional actions, if any, are necessary to align this spending plan with that which the State budget decision will support. It is also important to note that the above discussion of revenues and expenses does not pertain to the City's School budget, which is also under financial pressure. Position eliminations are already planned there, and more may be on the way if the Senate budget should prevail. An additional analysis, therefore, of the School budget may be presented to Council on September 1st as well.

Despite the aforementioned, there is no need to panic. We cite and talk freely about those concerns because we recognize the same through our careful planning. We plan so that we may be able to make thoughtful adjustments well prior to a crisis falling upon us. We ultimately are avoiding, or some might argue that we are just postponing many of the negative outcomes that are plaguing others around the commonwealth and country. No matter which perspective you take, there are many who would rather be in our position compared to their own. To support that assertion, absent our priority of maintaining financial reserves, a \$5,000,000 budget deficit could require the layoff of 25% of our workforce. As difficult as these budget times are, therefore, we are fortunate to be better prepared to absorb at least some of the impact as are others.

As I continue my advocacy at the State House for meaningful municipal relief, and, if I may, salute our legislative delegation for its work in doing the same, I know that help could be on its way. Additional revenues through local option taxes, like the meals tax, and employee benefit reforms for health insurance and pensions are critical measures that are necessary in these times to continue to provide our budget with the ability to fund core municipal services. Until that help or other forms of assistance arrive, though, we are largely on our own to manage as best we can with a goal of surviving this crisis so that we might thrive if and when the economy rebounds.

A Closer Look at This Submission

This FY'10 Budget, 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 \$134,553,107 includes \$119,747,905 for the FY'10 General Fund Budget (the FY'10 Budget) and a combined \$14,805,202 for the Water and Sewer Enterprise Funds. This communication will specifically address the provisions of the FY'10 Budget. This budget is in balance, though local aid and other reductions in State transfers, even after factoring in City revenue increases and budget cuts, require the further use of the City's reserves to avoid deficits that could otherwise lead to significant service and job reductions or a Proposition 2 ½ override, or both. Importantly, this budget is managing to support the continuing overall growth of the community that has been notable over the last decade and a half.

For reference and previously noted, the FY'10 Budget is up 1.24%, or \$1,465,507, over last year's spending plan. The School budget is down 0.11%, while the non-School budget is up 2.7%.

Department heads continue to manage "minor-miracles" by offering continuing outstanding service on low or no growth budgets. Unfortunately, as has been well discussed and documented in the past, certain "budget busters," most notably health insurance and non-school state aid, continue to disrupt what would otherwise be a structural balanced budget.

On the spending side, health insurance is up 7%. Continuing past trends, health insurance for FY'10 is expected to increase to 13% of the overall budget, up from less than 5% in 2000. Retirement costs are up 2%, but could be reduced temporarily if the State provides options for municipalities to do so as a way of offsetting otherwise devastating impacts to present budgets. Debt Service continues to decline, dropping by just under 1% in FY'10.

As noted, the area of most trouble in for the FY'10 Budget relates to state aid and transfers. Not only does non-school local aid remain below FY'01 highs now into FY'10, cuts caused by the House adopted budget would result in non-school aid declining by 30% below the already reduced levels at the start of FY'09. In that House budget, school aid was level funded. However even that news contains a negative impact, as increasing school costs are not offset by level funding of revenues. Thus, the School Department has found it necessary to make more than \$3 million in cuts to keep its budget in balance. A change in the debt service reimbursement schedule for the State's contribution to the new school building loans is causing a shortfall of \$910,000 in revenues for FY'10.

Funding the City's modest budget growth is revenues derived from an aggressive economic development campaign. Thrifty spending habits imbedded in departments, measured 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, would be necessary for the City in FY'10 under the House plan. It is possible that some grant funded positions may be lost and the School Department is attriting positions, but the City projects no general layoffs and remains committed to higher staffing levels in the Police Department established in FY'09. Again, though, that will be revisited over the summer and a change in that position may be issued on September 1st.

The above potential lack of dire consequences despite the worst public budgeting times since the Great Depression is 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 \$14 million. Although the City has developed a plan to meet future budget challenges through FY'13, the State's continued budget hemorrhaging is likely to place even greater stress on the City's budget than had been anticipated beginning as early as FY'10, should a Senate-like version of the final State budget be adopted.

Numbers Aside...

Despite local, national and international fiscal stress, the City continues to enjoy a period of growth and stability. A significant factor in such is the fifteen years of focus on a single, pro-Chelsea agenda that has spanned two City Administrations. The collaborative agenda of the City Administrations and City Councils 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. Of your many contributions, the City Council's adoption of your own “Priorities, Policies and Visions” is advancing the work of a singularly focused 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, especially in what appears to be at least another year or two of budget turmoil caused by State budget inadequacies. Reduced state aid and transfers, combined with increases in 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'10 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 potentially make a difference in the future here and elsewhere. The ability to limit the impact of short-term issues, no matter how dire, while promoting long-term solutions, no matter how complex, reflects the success the City is managing to promote.

An Overview of the Issues Impacting the City's Finances

The State budget, like others in the country, is in a free-fall with no end in sight. That crisis is leading to local budgeting difficulties here and catastrophe elsewhere. Again, to put it in perspective, the City would be generating a \$300,000 surplus if State support was level-funded from FY'09, even with the FY'09 funding being below FY'01 non-school local aid levels. This decade, the City has already spent more than \$14 million to make up for the underfunding of non-school aid, not counting for inflation. Factoring in an annual inflation of 2.5%, that subsidy is more than \$26 million. Again, adjusted for inflation, the City would have anticipated as much as \$7 million more in non-school local aid than is proposed under the Senate budget. Those numbers are significant in that the City has not returned to pre-FY'03 employment levels and has deferred numerous capital projects, like the resurfacing of major roadways and the acquisition of fire apparatus. The impacts could get worse as the State continues to wrestle with even worsening budget projections.

The root causes of the State's difficulty, stagnate or declining revenues and higher employee overhead, most notably health care costs, 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 75-years has the City remaining concerned about the fiscal future.

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, with the exception of increases in the Police Department, and employee wages having been negotiated at inflation levels. 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 been unable to escape 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, and the State, to date, has not provided the reforms municipalities have sought to slow or reverse the budgetary impacts of this single account. For reference, health insurance accounted for 5.5% of the total City budget in FY'01. Absent any reforms, that percentage share will rise to 13% in FY'10.

Not all communities are so dramatically impacted as the City by retirement costs. Thus, not as much statewide focus had been placed on retirement cost issues as has been placed on health insurance. The City had been raising retirement costs as a municipal finance issue. Finally with a budget crisis upon everyone, pension reform has become a major priority for the State. To date, though, it is unclear what that relief could amount to and when.

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 barely adequate, and will require greater levels in the future. Another budget buster, State assessments, is up 9% under the Senate plan. 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, fluctuating energy costs have shown the ability to eat away at City revenues, and the demand 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. To manage acquisition and maintenance costs, the City is regularly saying "no" to many technology requests. Two requests that were recent approved, though, include tablets for Inspectional Services inspectors to make files available in the field and field observations more accessible to all departments that can benefit from the information gathered or generated, and license plate reader technology that will allow a specially equipped police car to automatically read and process thousands of license plates a day, airing a signal to the driver when a plate that is associated with an infraction or a crime is spotted.

As troubling as is some items on the expenditure side, it is the revenue side that is most concerning for the City. In addition to flat school aid and a 30% reduction in already reduced non-school aid, the economy has caused the delay of several promising projects from the City's economic development agenda. To influence both, the City is on the forefront of statewide public policy debate, and remains aggressive and innovative on the local level to help advance stalled projects. That said, the negative impacts of the lingering and worsening State budget crisis cannot be understated. 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, local revenues are continuing to grow and provide some relief to offset the lost State revenues. 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, despite a less than favorable economic expansion climate.

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. Most recently, the City convened a "Financial Crisis Meeting" to review and adjust to the realities of the day. The plan that

was developed resulted in more than a million dollars in spending cuts in the already adopted FY'09 budget, and laid out a strategy to navigate through the next four fiscal years. As the State budget has worsened, though, the City's fiscal crisis plan may be too optimistic. Following the final adoption of the State's FY'10 Budget, the City will need to review the full impact of the State's actions on local aid and other matters of importance to municipalities, and may need to again take actions to reduce an already adopted spending plan. Furthermore, it is no longer beyond the realm of possibility that the worsening condition of the State budget will result in the City, out of necessity, needing to implement the same type of draconian budget actions that numerous communities have needed to enacted in FY'09 and for FY'10.

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.

Just as the City was able to return the budget to structural balance in FY'09, mid-year local aid cuts imposed the State caused the City to take action. More than \$1.25 million was cut from the budget and capital improvement plan to offset nearly \$1 million in local aid reductions. With the State budget crisis looming even larger, the City began to take steps to prepare for even greater local aid cuts in FY'10, the most significant of which was a hiring freeze that applied to public safety positions as well.

FY'10 – Managing

The FY'10 Budget presents another in a line of constrained spending plans. It is a balanced budget supported by the decade's smallest growth in spending, at 1.24%. Half of the City's thirty departments have reduced appropriations from FY'09. Combined, General Government is down 2.29%, Public Works is down 1.05% and Education is down 0.06%. Other than a nominal, 0.06% increase in Human Services, only Public Safety is up, that being a 4.49% increase relating almost exclusively to two-years of salary increases being recorded for the first time in the Police budget. Debt Service (-0.55%) and Insurance (-7.73%) are down, while State Assessments (8.06%), Health Insurance (6.95%) and Retirement (1.88%) are up.

On the revenue side, Lottery Aid and Additional Assistance are combined into a new, Unrestricted General Government Aid, and are down 20%, or \$1,757,410 (under the House plan, and nearly double that under the Senate plan). Real estate taxes are up \$1,628,361, including 2.5% above existing collections plus estimated new growth of \$850,000. The City's 1,200-unit goal continues to have a positive impact on revenue growth however building permits are expected to decline by \$490,000 as a result of delayed projects. 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'10 – Addressing a “Shortfall” of Sorts

As noted, the FY'10 Budget as compiled using House projects places the City into a deficit of \$2,985,999. That, despite half of the City's departments undergoing reductions. The City anticipates utilizing Free Cash to address the shortfall, although the adoption of local option taxes on meals, hotels and telecom equipment could reduce the overall shortfall significantly.

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 deficit that the City has again thrust upon it. Of the most significant issues are:

- Revenues lost to non-school local aid cuts equal a cumulative \$14 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 this deep recession have negatively impacted revenue growth.

The City, primarily hampered on the revenue side by ever decreasing 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 62 of Massachusetts' 351 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. The City's Financial Crisis Plan, if accurate and implemented effectively, would leave the City with a smaller, but still respectable reserve balance in FY'13, even after withdrawing nearly \$3 million to cover the FY'10 deficit. 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 those reserves to fund the shortfall projected in FY'10. In doing so, the City will continue to seek local and statewide options to address current and future budget issues.

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’10 – 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’10, like seemingly every previous year, 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, but only if the State budget crisis gets resolved and the State’s contributions to municipalities returns to some normalcy.

Regarding local revenue raising, the Financial Fundamental needs to be humanized in respect to municipal 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 2%-61% less expensive than our neighbors.

As new revenue growth takes place, constraint needs to be practiced again in FY’10. The City will continue 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. 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 further advance State discussion about reducing the burden of retirement costs on those municipalities feeling a pinch, and will continue to 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 complete at Chelsea Commons, the former Parkway Plaza as is the new Market Basket at the Mystic Mall. The latter is 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 even with the delays brought about by current market conditions. Other critical projects, including Webster Block and Forbes Park present perhaps surmountable current challenges and certainly tremendous long term benefits.

The FY'10 Budget provides for important public safety advances, including maintaining the increased size of the Police Department by 10%. That manpower will continue to 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'10 through the Shannon Community Safety Initiative prevention activities targeted to address at-risk youth issues. The State DCR (Department of Conservation and Recreation) Pool on Carter Street is planning to remain open late on several nights to accommodate families during after work hours. More summer jobs funding is included in this budget. Support continues for the new afterschool program, Chelsea REACH. 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 continued work being done to create a new residential neighborhood on Gerrish Avenue, known as the Box District. This budget provides for the debt service supporting infrastructure needs in the area to support 121 new units of housing at former industrial properties in the district. 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’10. District community meetings to be held by you and I will take place this summer to further engage the community on issues ranging from waterfront development to trash initiatives and 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. So, too, will a new website help, especially its newest feature which supports bilingual access.

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

FY’09-‘10 – Staying the Course supports Managing

The validity of the last statement is supported by the accomplishments the City has produced in the past, including those enjoyed on the FY’09 municipal agenda: “Staying the Course.” 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’09, those most noteworthy of all the many successes included:

- The City Council engaging in a discussion about its “Priorities, Policies and Visions” and developing an action agenda for addressing those items that should be prioritized by the City Administration, especially around trash management, policing activities and community planning;
- Upgrading in the City’s current bond rating to “A+” from Standard & Poor’s;
- Implementation of several strategies for developing non-state aid, non-existing taxpayer revenue enhancements that placed the FY’09 budget in structural balance and allowed the City to further offer and expand upon existing municipal services and programs;
- Advancing statewide discussion about regionalism which led to additional State funding for regionalism projects, including a project, now in the development phase, to create a central E911 operation in the Metro Mayors Coalition;
- Securing Economic Development Board and State approval of the proposed Cambria Suites hotel in the Chelsea Gateway area of the EAURD, and successfully coordinating tax relief for the project through the City Council and the State in advance of the anticipated sale of the parcels involved in the development in the fall of 2009;
- Assisting in the completion of the Market Basket in the Mystic Mall and advancing the work with the property owner on further developing a Phase II plan for the remainder of the property;
- Developing and implementing a plan that combined State, Federal and City funding to hire 9 new police officers and to support other prevention and enforcement activities;
- Securing labor approval of the new “Impact Shift” for the Police Department and supporting the Police Department’s efforts to establish a canine division;

- Beginning work on the adoption of a formal “Greener Chelsea Initiative,” including the hiring of a consultant to further support the development of the initiative and corresponding applications for State and Federal grants;
- Expanding the City’s open space with new projects on Fifth Street, in Chelsea Commons and along the Island End River, and the potential for additional community “flex” space for recreation and programming activities on the Chelsea waterfront and the installation of a second, artificial turf field, that one at Highland Park;
- Securing the opening of the new DCR Pool;
- Establishing a Youth Commission and Tree Board;
- Establish regular review meetings of department work by City Council subcommittees, and
- Increasing resident awareness and use of Channel 15, the City website and R911 messaging.

Managing to Secure Progress – FY’10 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. Increasing the City’s credit rating to an “A+,” 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 products. 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 fourth 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 managing to maintain it, 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.

Despite the budget difficulties, FY’10 could provide another year of progress. Maintaining a workable budget, furthering a successful economic development agenda, supporting remarkable youth development programs, adding to a new neighborhood on Gerrish Avenue, expanding policing initiatives and the evolving the community’s vision of itself are among many achievements that can be expected in the year ahead. Those successes will build off more than thirteen 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 more 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. While time must be spent on managing crises, energy, resources and vision is still available to promote a terrific community that is now becoming accustomed to realizing its potential, and leading the way for others to do the same.

I remain concerned about our fiscal future, but am buoyed by our cooperative process, joint vision, mutual commitment and, especially, the record of success we have developed as stewards of City government. The title of the FY'10 Budget, "Managing," reflects our ability to get by in these tough times and how we make it possible. For your contribution to that, I remain appreciative. To the people of Chelsea, I continue to say that their City is working for them, and that they can and should take comfort in knowing that we are finding ways to continue to offer them the levels of service they need, deserve and expect. All that, despite horrific budget times and the pressures of outside influences which are, arguable, the exclusive cause of the fiscal stress we are facing today.

Throughout the summer I will be providing you with more concrete information on the City's changing budget picture. I look forward to working with you to ensure that the final product continues to meet the needs of our community.

Respectfully,

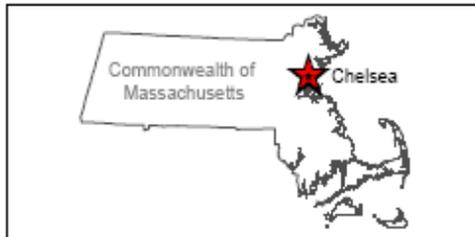
A handwritten signature in cursive script that reads "Jay Ash".

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:	5,670 (6/30/2009)
Population per Sq. Mile:	14,973.5 (2008)
Median Family Income:	\$32,130 (1999)
Registered Voters:	10,837 (2009)
Public Roads Miles:	48.92
EQV:	\$2,856,347,100(2008)

Tax Data (Certified by Massachusetts Department of Revenue for FY 2009)

Classification	Levy percentage	Valuation	Tax rate per \$1,000
Residential	49.7494%	\$1,731,546,107	\$10.80
Open Space	0.0000%	\$0	\$0.00
Commercial	33.9070%	\$470,635,343	\$23.96
Industrial	10.5912%	\$147,006,700	\$23.96
Personal Property	5.7524%	\$79,844,500	\$23.96

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	208
Signature Breads – Food	208
Massachusetts General Hospital Medical Center	246
Metropolitan Credit Union Financial Services	151
Kayem Foods Manufacturer/Distributor - Food	389
Kettle Cuisine - Food	130
Stop & Shop Grocery Sales	120

Source: Chelsea Department of Planning and Development 2008

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.

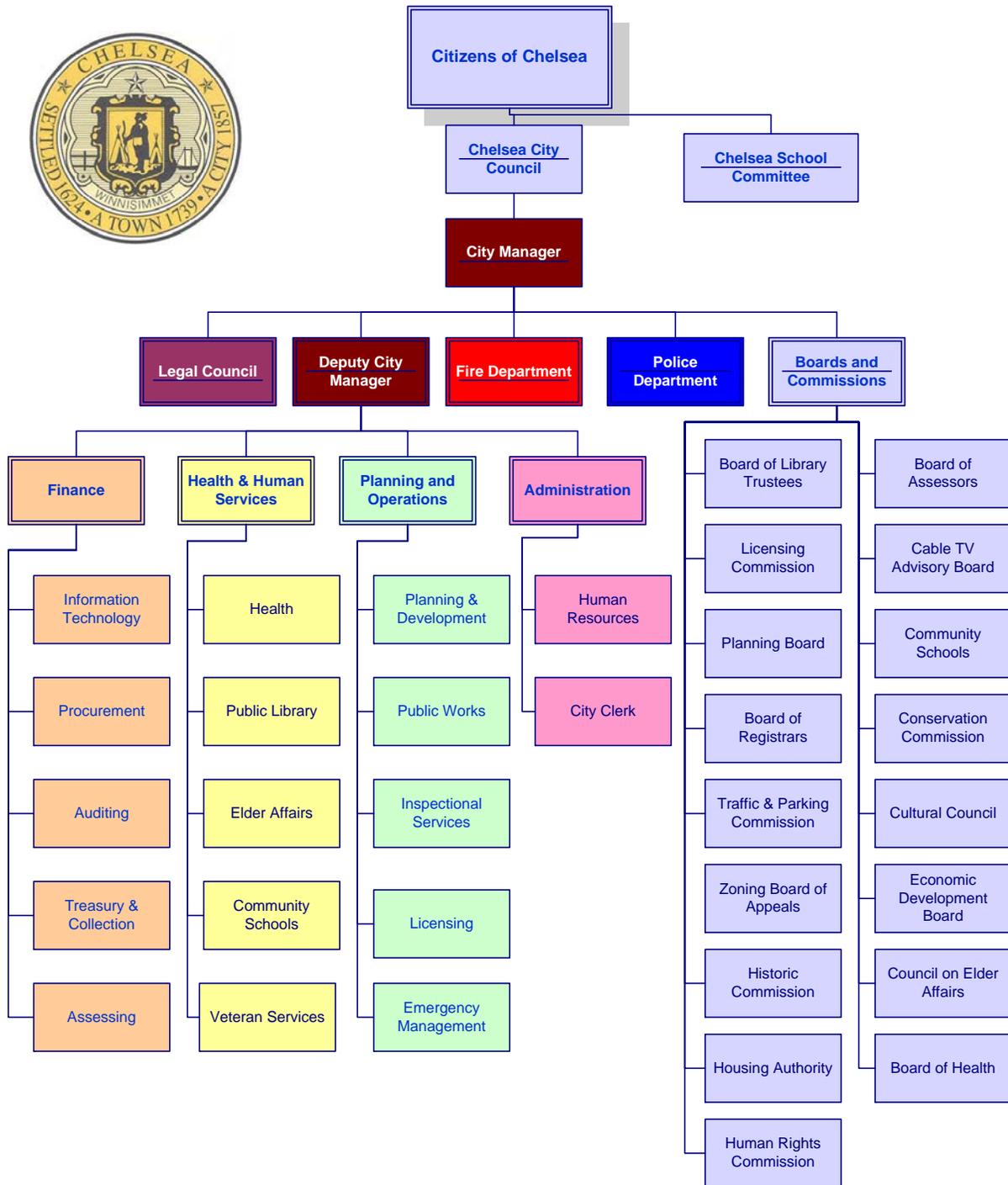
Under the Code, as amended, City departments are aligned under the Executive, Administration, Finance, Health and Human Services and Planning and Operations Divisions. The Executive Department, under the jurisdiction of the City Manager, includes the Law, Police and Fire Departments. The Deputy City 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	Brian Hatleberg, 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, 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
District Two	Mike McKonnen
District Three	Matthew R. Frank, Vice-President
District Four	Paula S. Barton
District Five	Brian B. Hatleberg, President
District Six	Marilyn Vega-Torres
District Seven	Deborah Washington
District Eight	Ron D. Morgese

- **Sub-Committee on Conferences**
Councillor Hatleberg (Chair), and all members of the Chelsea City Council
- **Sub-Committee on Finance and Accounts**
Councillor Troisi (Chair), Councillor Robinson, Councillor Hatleberg
- **Sub-Committee on Public Safety**
Councillor McKonnen (Chair), Councillor Bongiovanni, Councillor Vega-Torres, Councillor Hatleberg, Councillor Morgese
- **Sub-Committee on Public Works**
Councillor Vega-Torres (Chair), Councillor Morgese, Councillor Barton, Councillor Washington, Councillor McKonnen
- **Sub-Committee on Rules and Ordinances**
Councillor Barton (Chair), Councillor Frank, Councillor Troisi, Councillor Vega-Torres, Councillor Hatleberg

- **Sub-Committee on Community Development and Housing**
Councillor Avellaneda (Chair), Councillor Frank, Councillor Robinson.
- **Sub-Committee on Public Health, Education, Training and Human Resources**
Councillor Bongiovanni (Chair), Councillor Avellaneda, Councillor Washington
- **Sub-Committee on Inter-Governmental Affairs**
Councillor Morgese (Chair), Councillor Frank, Councillor Washington, Councillor Bongiovanni, Councillor Troisi
- **Sub-Committee on Labor Relations and Collective Bargaining**
Councillor Robinson (Chair), Councillor Avellaneda, Councillor Frank
- **Sub-Committee on Inspectional Services**
Councillor Washington (Chair), Councillor Barton, Councillor Vega-Torres, Councillor McKonnen, Councillor Hatleberg.



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

From 1989 to 2008, the School Committee entered into a partnership agreement with Boston University that provided for the management of the local school system by BU. Following this period, the School Committee has been 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:

Affordable Housing Trust Fund (7)	Historic Commission (7)
Board of Assessors (3)	Housing Authority Board of Commissioners (5)
Cable Television Advisory Committee (5)	Board of Library Trustees (7)
Community Schools Advisory Board (9)	Licensing Commission (5)
Conservation Commission (5)	Planning Board (9)
Cultural Council (7)	Board of Registrars (5)
Economic Development Board (5)	Traffic and parking Commission (7)
Council on Elder Affairs (17)	Tree Board (5)
Board of Health (5)	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	12/1/08	12/31/08
City Manager issues Citywide objectives and constraints	2/1/09	2/1/09
Operating divisions coordinate Citywide goals with departmental goals	2/1/09	2/29/09
Distribute budget notebook and materials	3/1/09	3/1/09
Departments compile budget information	3/2/09	3/16/09
Departmental budget review with division head	3/17/09	3/31/09
Submit departmental budget to Budget Director	4/1/09	4/1/09
Departmental presentations to City Manager	4/11/09	4/15/09
Submission of City Manager budget to Council	5/1/09	5/1/09
Council Department hearings	5/12/09	5/13/09
Public Hearing	6/1/09	6/1/09
Council vote on City Budget	6/1/09	6/1/09

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'10 was initiated in December 2008, 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'10 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 2009, 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'10 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'10 becomes effective for the period of July 1, 2009 – June 31, 2010.

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’10 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' 10 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' 10 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'10 Budget is equal to tremendous balancing pressures, especially caused by the State's budget crisis, which, in turn, is a response to the cataclysmic conditions in the worldwide economy. Despite those pressures, this FY'10 Budget is balanced and provides the City with the opportunity to seek advances in each of the programming areas contained within the Fundamentals. The combination of managing short-term "issues" 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'10 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 and significantly reduced non-school local aid levels while waiting for the economy to work its way out of recession, all while avoiding or limiting 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'10. It should be noted that half of the City's 30 departments and divisions have lower budgets in FY'10 than in FY'09. During FY'10, the City will continue existing efforts and adopt several new initiatives to seek further enhancements in the City's financial position, including:

Implementing a hiring freeze on all positions, creating a review process by which a position needs to be justified and then authorized prior to it being advertised and filled;

Completing collective bargaining negotiations with each of the eight municipal workers bargaining units to secure agreements that are both fair and fiscal 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;
Prioritizing the Economic Development goal of increasing the local housing stock by 1,200 units or more by the end of FY' 10, and
Revisiting the entire budget following the completion of the State budget process to determine additional measures that may be required to ensure the long-term stability of the budget.

Regarding Economic Development, 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. Addressing locally generating revenues is critical as non-school State aid is proposed to be anywhere from 20%-35% of historical highs, and school aid will perhaps see its first reduction in decades. When inflation is factored in, as well as the realization that almost \$14 million in local reserves have been tapped to fill the budget gaps left by reduced levels of non-school local aid over the past 8 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;
Supporting pre-planning efforts 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, and
Devising support for projects at the Webster Block and in Forbes Park.

Other priority initiatives in the City's Fundamentals include:

Developing a workable regionalism plan for E911 services and advocate for the adoption of the plan locally, with member communities within the collaborative and to State leaders;
Implementing a fire apparatus acquisition plan to begin the process of replacing the Fire Department's aging apparatus;
Advocating for and securing State and private funding support for the rehabilitation of Highland Park, including the installation of an artificial turf at the park to support soccer play by extending the hours and period of park operations and providing a safe and playable surface there;
Releasing a "Greener Chelsea" Initiative and use it as the basis for several grant applications for State and Federal funding support;
Completing work on a trash initiative to promote cleaner local streets;
Undertaking a community visioning initiative to identify community priorities for further programmatic and service development and implementation;
Ramping up the community process to support Census 2010, with a particular emphasis on encouraging residents to participate in the survey, and
Unveiling a new City website and promote additional networking and community information sharing among the residents.

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 balance budget that promotes continuing advancement for a great community can be found. Equally as important, a non-financial plan that shares the ways in which City government will seek to enhance the community and its residents should be evident. While the former is critical, the latter is the ultimate goal.

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'10 and potentially for several additional fiscal years thereafter. Reserves, therefore, have been used and will be further drawn against in FY'10, 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, 2009 <i>preliminary</i>	\$9,921,324
Projected FY'10 Revenues and other Financing Sources	116,781,856
Projected FY'10 Expenditures and other Financing Uses	<u>119,747,905</u>
Projected Fund balance as of June 30, 2010	\$6,955,275

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'10 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, 2009 <i>preliminary</i>	\$939,266
Projected FY'10 revenues and other Financing Sources	37,570
Projected FY'10 expenditures and other Financing Uses	<u>0</u>
Projected Fund balance as of June 30, 2010	\$976,836

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, 2009 <i>preliminary</i>	\$4,047,270
Projected FY'10 revenues and other Financing Sources	161,891
Projected FY'10 expenditures and other Financing Uses	<u>0</u>
Projected Fund balance as of June 30, 2010	\$4,209,161

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, 2008*

Equalized Valuation for 2008	\$2,856,347,100
Debt Limit	\$142,817,355

Outstanding Debt outside Limit 6/30/08	\$44,802,671
Outstanding Debt inside Limit 6/30/08	<u>\$11,643,584</u>
Total Outstanding Debt 6/30/08	\$56,446,255
Debt Limit	\$142,817,355
Debt Subject to Debt Limit	\$ <u>11,643,584</u>
Borrowing Capacity approximate	\$131,173,771

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.

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.

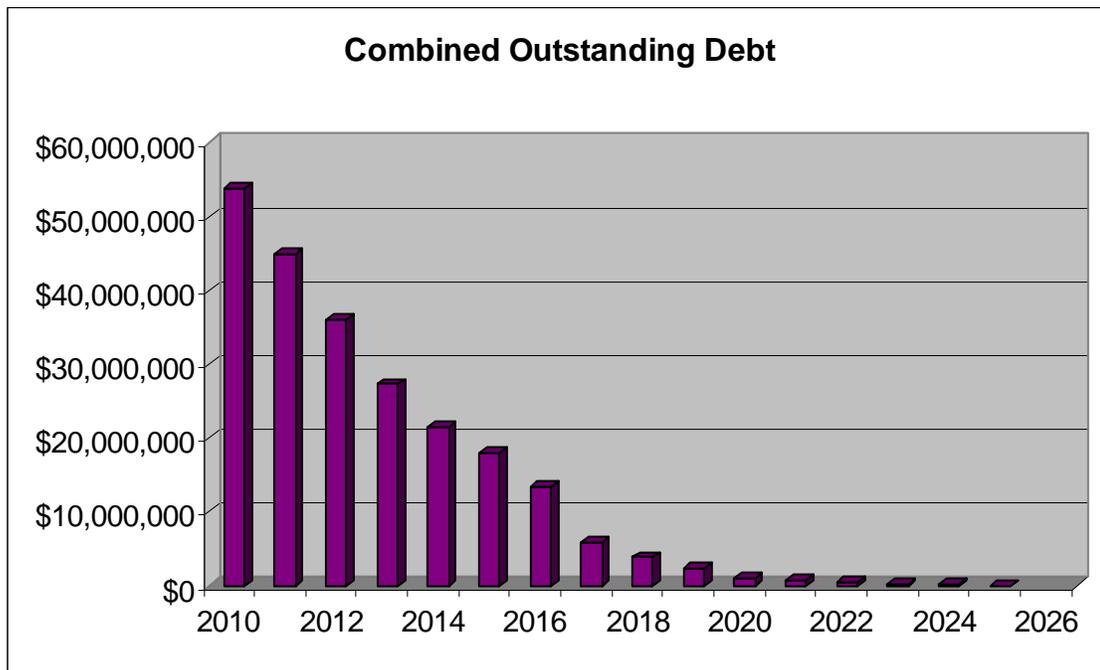
Revenue Bonds - Cities and towns may (though the City has none) issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's water pollution abatement revolving- loan program. In addition, cities and towns having electric departments may issue revenue bonds, 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 2008*

Debt Schedules

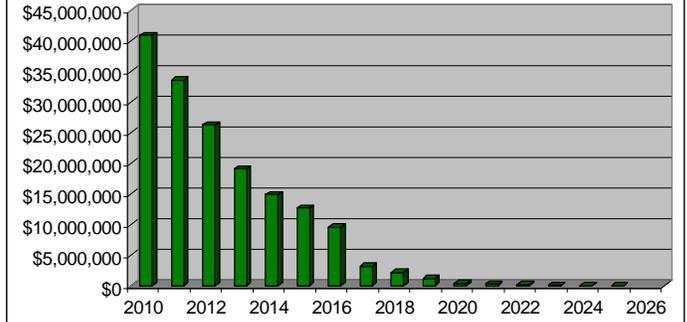
Combined Debt Schedule				
Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2010	53,938,980.36	8,971,338.14	2,611,223.88	11,582,562.02
2011	44,967,642.22	8,953,847.14	2,152,361.27	11,106,208.41
2012	36,013,795.08	8,694,265.36	1,711,526.26	10,405,791.62
2013	27,319,529.72	5,779,265.35	1,271,948.75	7,051,214.10
2014	21,540,264.37	3,589,275.35	1,011,948.75	4,601,224.10
2015	17,950,989.02	4,564,983.41	849,917.53	5,414,900.94
2016	13,386,005.61	7,569,983.41	636,216.27	8,206,199.68
2017	5,816,022.20	1,960,007.40	267,492.49	2,227,499.89
2018	3,856,014.80	1,505,007.40	182,727.51	1,687,734.91
2019	2,351,007.40	1,286,007.40	111,419.97	1,397,427.37
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)	-	-	-
2026				



General Fund Debt Schedule

Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2010	40,893,917.52	7,316,368.84	2,158,881.91	9,475,250.75
2011	33,577,548.68	7,307,236.84	1,754,030.81	9,061,267.65
2012	26,270,311.84	7,137,452.09	1,366,296.44	8,503,748.53
2013	19,132,859.75	4,228,164.21	982,334.92	5,210,499.13
2014	14,904,695.54	2,159,119.34	775,403.30	2,934,522.64
2015	12,745,576.20	3,177,431.46	664,986.67	3,842,418.13
2016	9,568,144.74	6,384,831.46	502,157.39	6,886,988.85
2017	3,183,313.28	1,015,155.70	173,431.27	1,188,586.97
2018	2,168,157.58	922,643.58	118,696.85	1,041,340.43
2019	1,245,514.00	825,514.00	66,710.70	892,224.70
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)	-	-	-
2026				

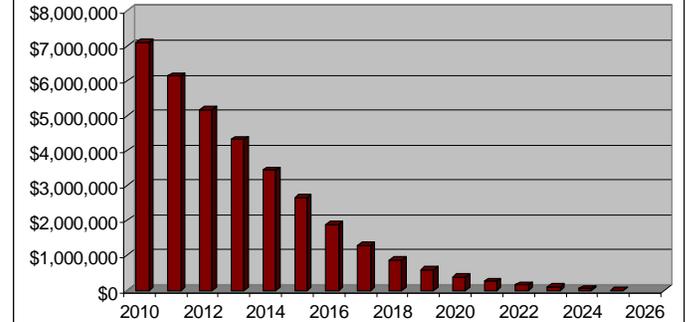
General Fund Outstanding Debt



Sewer Fund Debt Schedule

Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2010	7,091,474.56	957,938.00	268,290.84	1,226,228.84
2011	6,133,536.56	957,579.00	235,551.63	1,193,130.63
2012	5,175,957.56	865,393.33	203,684.04	1,069,077.37
2013	4,310,564.23	867,588.39	170,162.35	1,037,750.74
2014	3,442,975.84	795,265.45	137,840.32	933,105.77
2015	2,647,710.39	774,074.52	105,481.04	879,555.56
2016	1,873,635.87	596,073.52	74,256.30	670,329.82
2017	1,277,562.35	421,109.64	52,653.71	473,763.35
2018	856,452.71	274,230.71	36,778.63	311,009.34
2019	582,222.00	213,802.00	25,684.59	239,486.59
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	-	-	-
2026				

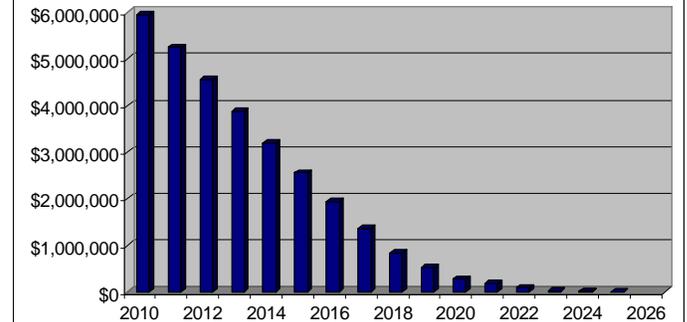
Sewer Enterprise Fund Outstanding Debt



Water Fund Debt Schedule

Year	Total Debt At Start of Year	Principal Payments	Interest Payments	Appropriation Required
2010	5,953,588.28	697,031.30	184,051.13	881,082.43
2011	5,256,556.98	689,031.30	162,778.83	851,810.13
2012	4,567,525.68	691,419.94	141,545.78	832,965.72
2013	3,876,105.74	683,512.75	119,451.48	802,964.23
2014	3,192,592.99	634,890.56	98,705.13	733,595.69
2015	2,557,702.43	613,477.43	79,449.82	692,927.25
2016	1,944,225.00	589,078.43	59,802.58	648,881.01
2017	1,355,146.57	523,742.06	41,407.51	565,149.57
2018	831,404.51	308,133.11	27,252.03	335,385.14
2019	523,271.40	246,691.40	19,024.68	265,716.08
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)	-	-	-
2026				

Water Enterprise Fund Outstanding Debt



Summary Schedule of Outstanding Debt by Issue

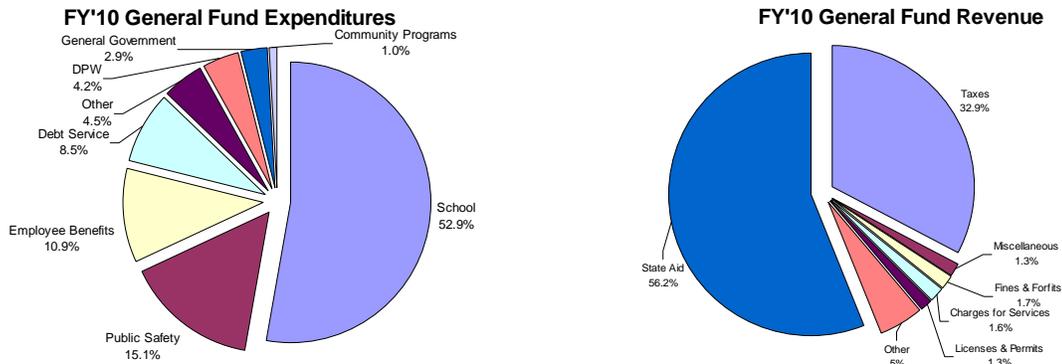
General Fund				Outstanding Balance on July 1, 2009
Tracking #	Date of Issue	Amount		
CDL02	10/15/1997	2,617,900.00	Various Purposes	-
CDL06	1/1/1998	26,710,000.00	General Fund - Refunding	-
CDL05	3/1/1998	42,090,000.00	General Fund - Refunding	28,555,000.00
CDL09	1/15/1999	9,816,600.00	Various Purposes	4,275,000.00
CDL01	6/1/2001	1,454,000.00	Various Purposes	289,614.00
CDL18	4/1/2004	1,600,000.00	Various Purposes	1,200,000.00
CDL20	4/1/2005	1,007,663.62	Various Purposes	786,551.52
CDL22	5/1/2005	641,000.00	Various Purposes	378,600.00
CDL23	12/15/2005	691,000.00	Various Purposes	370,300.00
CDL26	12/15/2006	653,000.00	Various Purposes	468,800.00
CDL 27	12/15/2007	743,000.00	Various Purposes	629,700.00
CDL 31	12/15/2008	3,940,352.00	Various Purposes	3,940,352.00
Total				40,893,917.52

Water Fund				
CDL09	1/15/999	705,267.00	Various Purposes	374,937.00
CDL01	6/1/2001	643,627.00	Various Purposes	402,611.00
CDL07	4/15/2002	1,002,250.00	Various Purposes	620,036.00
CDL18	4/1/2004	310,000.00	Various Purposes	225,000.00
CDL20	4/1/2005	1,266,944.85	Various Purposes	988,938.53
CDL22	5/1/2005	254,000.00	Various Purposes	148,400.00
CDL23	12/15/2005	471,000.00	Various Purposes	329,700.00
CDL26	12/15/2006	1,477,000.00	Various Purposes	1,181,600.00
CDL19	5/27/2004	192,919.50	MWRA Water Bond	96,459.75
CDL25	5/15/2006	99,760.00	MWRA Water Bond	69,832.00
CDL 27	12/15/2007	34,000.00	Various Purposes	27,000.00
CDL29	5/22/2008	190,000.00	MWRA Water Bond	171,000.00
CDL30	11/20/2008	1,160,074.00	MWRA Water Bond	1,160,074.00
CDL 31	12/15/2008	158,000.00	Various Purposes	158,000.00
Total				5,953,588.28

Sewer Fund				
CDL09	1/15/1999	910,133.00	Various Purposes	500,063.00
CDL01	6/1/2001	1,209,373.00	Various Purposes	657,775.00
CDL07	4/15/2002	322,750.00	Various Purposes	144,964.00
CDL18	4/1/2004	930,000.00	Various Purposes	690,000.00
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	189,163.60
CDL20	4/1/2005	710,391.53	Various Purposes	554,509.96
CDL22	5/1/2005	1,682,000.00	Various Purposes	1,008,000.00
CDL23	12/15/2005	1,708,000.00	Various Purposes	1,195,000.00
CDL26	12/15/2006	1,020,000.00	Various Purposes	819,600.00
CDL27	12/15/2007	675,000.00	Summary	603,300.00
CDL28	5/15/2008	224,950.00	MWRA Sewer Bond	179,960.00
CDL 31	12/15/2008	549,139.00	Various Purposes	549,139.00
Total				7,091,474.56

Summary of the FY'10 City Budget

The FY'10 Budget for all City services and facilities totals \$134.6 million. The total includes \$119.8 million in the General Fund Budget to support traditional municipal services such as police, fire, schools, parks, and libraries, and \$14.8 million to support the operating costs of the Water and Sewer Enterprise System. All FY'09 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 \$119,747,905, which is the City appropriation of \$134,553,107 less the Water and Sewer Enterprise Funds appropriation of \$14,805,202.

General Fund Budget - The General Fund Budget in FY'10 totals \$119.8 million, which is a 1.2% increase over FY'09.

Capital Budget and Debt Service - The FY'10 budget includes \$10.2 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 \$550,000 to budget primarily for an average 3.0% in FY'09 and FY'10 non-school salary increases as negotiations on those increases continue from 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 or the finalized Fire Department agreement as of July 1, 2009, but does include finalized Police Department agreement as of July 1, 2009.

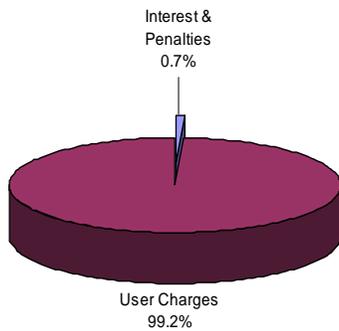
Both the Stabilization and CIP Reserve funds have reached their desired balances, as defined in the financial reserve policies. Therefore, there is no current requirement for further appropriation to these accounts.

Enterprise Funds

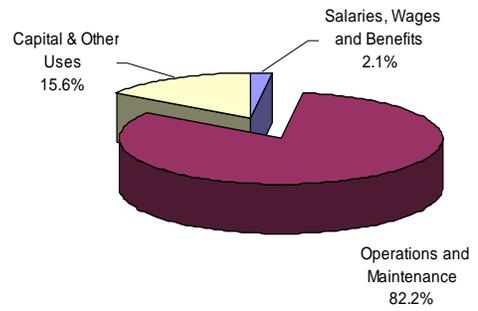
The Water and Sewer Enterprise Funds are used to account for the operations and maintenance of the City's water and sewer systems. Separate accounting exists to identify and support water-related and sewer-related needs. Both funds are financed by charges for services and miscellaneous revenue. The total appropriation for FY'10 is \$ 14,805,202.

Water Enterprise Fund

Water Enterprise FY'10 Revenue

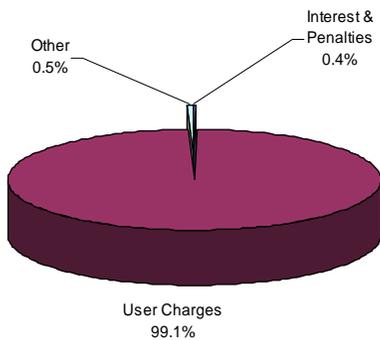


Water Enterprise FY'10 Expenses

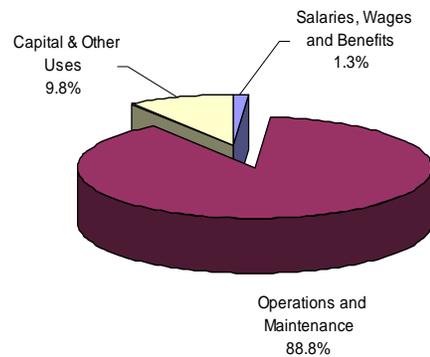


Sewer Enterprise Fund

Sewer Enterprise FY'10 Revenue



Sewer Enterprise FY'10 Expenses

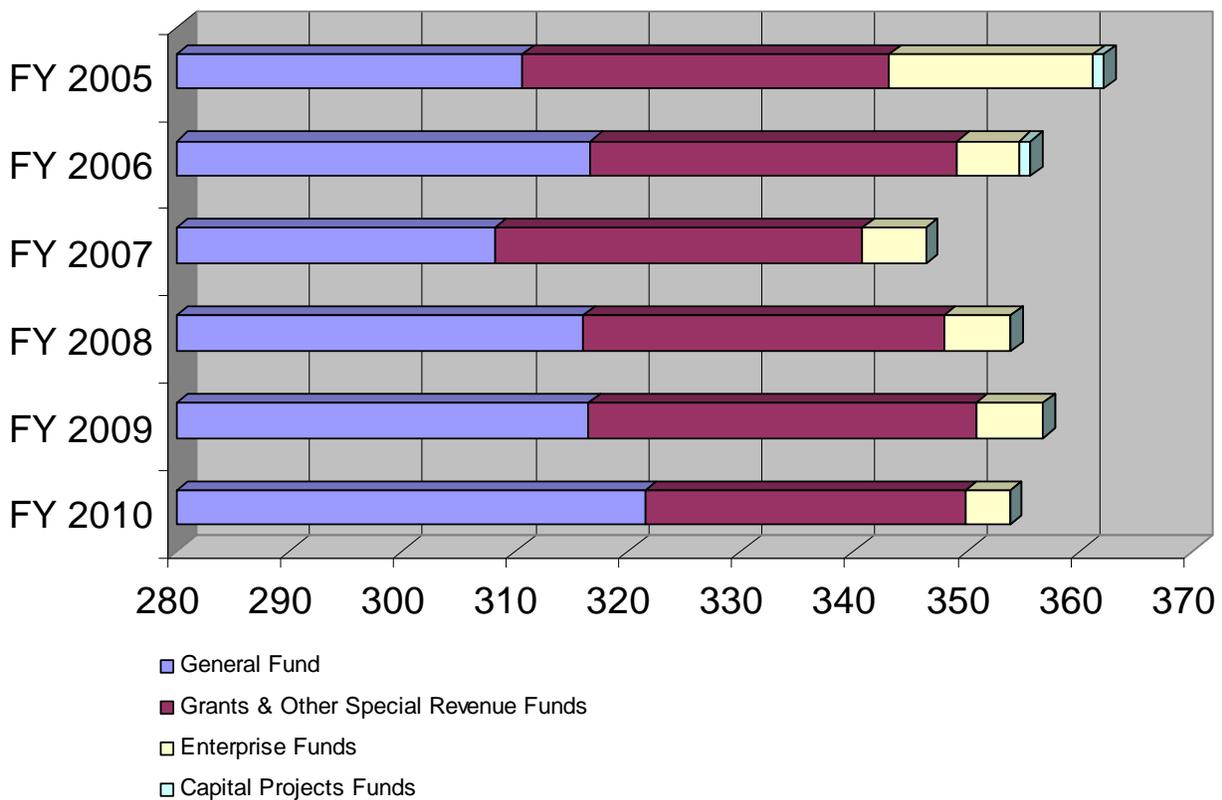


City Personnel Analysis

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'10 and the previous years. 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'10.

Full Time Equivalent Position Count



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

General Fund

Dept#	Department Name	Fiscal Year 2005 FTEs	Fiscal Year 2006 FTEs	Fiscal Year 2007 FTEs	Fiscal Year 2008 FTEs	Fiscal Year 2009 FTEs	Fiscal Year 2010 FTEs	Variance
110	Legislative	12.50	12.50	12.50	12.50	12.50	12.50	-
123	City Manager	3.00	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	2.50	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	3.00	4.00	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	1.00	-
210	Police	92.50	92.50	92.50	93.50	94.50	101.50	7.00
220	Fire	90.00	93.00	93.00	93.00	93.00	93.00	-
230	Emergency Management	14.00	14.00	14.00	16.00	16.00	16.00	-
240	Inspectional Services	11.00	11.00	11.50	11.50	11.50	11.00	(0.50)
293	Parking	1.00	1.00	1.00	1.00	1.00	1.00	-
421	DPW Administration	4.00	3.50	3.83	3.83	3.83	3.83	-
422	DPW Streets and Sidewalks	14.50	14.50	15.50	15.20	15.20	15.20	-
430	Solid Waste Disposal	-	0.50	-	-	-	-	-
470	Structures and Grounds	7.00	6.00	6.00	6.50	6.50	6.50	-
510	Health and Human Services	2.50	2.50	2.50	2.50	2.50	2.50	-
511	Health Officer	8.50	8.50	1.00	1.50	1.50	1.00	(0.50)
541	Elder Affairs	4.50	4.00	4.50	4.50	4.00	4.00	-
543	Veteran Services	1.00	1.00	1.00	1.00	1.00	1.00	-
610	Library	7.14	7.14	7.40	7.51	7.51	7.51	-
630	Recreation and Cultural Affairs	0.50	4.00	1.00	4.00	4.00	3.00	(1.00)
	Total	310.64	316.64	308.23	316.04	316.54	321.54	5.00

Note: The City is funding 7 Police Department positions in FY'10, 7.5 of which were funded in FY'09 by grants (with one-half civilian positions not funded in FY'10). Grant funded positions are listed in several departments budgets, including 1.5 patrol positions in the Police Department.

Position List - School Department

	Instructional Staff	Specialists	Pupil Support Personnel	Administration	Operations Personnel	Total
Chelsea High School	111.00	19.00	13.50	11.00	8.00	162.50
Eugene Wright School	34.00	13.16	4.50	4.00	5.67	61.33
Joseph A. Browne School	34.00	13.16	5.50	4.00	-	56.66
Clark Avenue School	34.00	14.68	5.00	6.00	3.00	62.68
Edgar Hooks School	28.33	11.25	2.75	3.50	-	45.83
William A. Berkowitz School	30.33	11.25	2.75	3.50	1.67	49.50
Frank M. Sokolowski School	30.50	11.25	2.75	3.50	-	48.00
George E. Kelly School	29.84	11.25	2.75	3.50	-	47.34
Shurtleff School - John Silber Learning Center	90.00	15.00	6.00	7.48	1.50	119.98
Tudor Hill School	-	-	-	-	-	-
Sytemwide	10.00	3.00	13.00	39.47	68.78	134.25
FY 10 District Total	432.00	123.00	58.50	85.95	88.62	788.07
FY09 District Total	438.00	128.00	58.50	92.47	88.45	805.42
Variance	(6.00)	(5.00)	-	(6.52)	0.17	(17.35)

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	2006	2007	2008	2009	2010	Variance
Field Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Director	0.25	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	0.33	0.33	0.33	0.33	0.00
Yard Supervisor	0.00	0.00	0.15	0.15	0.15	0.00
Meter Reader	1.50	1.50	1.50	1.50	0.50	(1.00)
Total Department	2.50	2.83	2.98	2.98	1.98	(1.00)

Water Enterprise Personnel Listing #6010

Title	2006	2007	2008	2009	2010	Variance
Field Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Director	0.25	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	0.33	0.33	0.33	0.33	0.00
Yard Supervisor	0.00	0.00	0.15	0.15	0.15	0.00
Meter Reader	1.50	1.50	1.50	1.50	0.50	(1.00)
Total Department	2.50	2.83	2.98	2.98	1.98	(1.00)

Sewer Enterprise

Sewer Enterprise #6000

Revenue Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Interest & Penalties	38,217	31,549	49,026	37,000	37,000	-
User Charges	5,775,712	5,945,331	6,210,321	8,112,659	8,994,937	882,278
Sewer Liens	369,413	345,924	511,490	0	0	-
Other	31,533	41,358	364,330	48,000	48,000	-
Total Revenue	6,214,875	6,364,162	7,135,167	8,197,659	9,079,937	882,278

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	91,421	142,679	145,808	157,745	121,425	(36,320)
Operations and Maintenance	5,845,890	6,268,562	6,690,520	7,146,914	8,065,512	918,598
Capital & Other Uses	743,437	907,879	729,377	893,000	893,000	-
Department Total	6,680,748	7,319,120	7,565,704	8,197,659	9,079,937	882,278

Water Enterprise

Water Enterprise #6010

Revenue Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Interest & Penalties	40,067	35,787	43,133	38,000	41,000	3,000
User Charges	4,270,646	4,356,964	4,371,521	5,320,412	5,677,865	357,453
Water Liens	288,810	275,373	375,389	0	0	-
Other	48,646	17,888	20,192	6,400	6,400	-
Total Revenue	4,648,169	4,686,012	4,810,235	5,364,812	5,725,265	360,453

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	136,323	140,378	147,063	157,745	121,425	(36,320)
Operations and Maintenance	3,873,019	3,876,937	4,036,865	4,312,067	4,708,840	396,773
Capital & Other Uses	704,077	816,775	903,657	895,000	895,000	-
Department Total	4,713,419	4,834,090	5,087,585	5,364,812	5,725,265	360,453

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. In general, the City uses a revenue method where the water and sewer budget is billed as if it will be collected in full.

This is the practice used in real estate property taxes where the estimate of receipt for real estate tax equals what is being billed. The assumption is that the amount that will not be collected in the current year is offset by the amount collected for prior years. A similar assumption is made with respect to water and sewer usage, modified this year to a more conservative revenue approach on account of recent deficit balances. This revised way of setting revenue estimates also helps to better link the amount of water consumed, 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'10. The estimates are conservative and so may result in lower than projected rate increases.

Consumption Estimates		
	<u>Sewer</u>	<u>Water</u>
	<i>based on FY 2009 monthly actuals</i>	
Tier 1 0 - 1,000 cu. Ft.	42,404,650	42,606,746
Tier 2 1,001 - 1,501 cu. Ft.	11,917,294	11,972,990
Tier 3 1,501 - above cu. Ft.	61,259,081	72,312,478
Total Billable Consumption	115,581,025	126,892,214

Application of Rates			
Tier 1 0 - 1,000 cu. Ft.	100.0%	\$3.95	\$1,682,966.47
Tier 2 1,001 - 1,500 cu. Ft.	100.0%	\$4.80	\$574,703.52
Tier 3 1,501 - above cu. Ft.	100.0%	\$5.75	\$4,157,967.49
Total Water			\$6,415,637.47
Tier 1 0 - 1,000 cu. Ft.	100.0%	\$7.37	\$3,125,222.71
Tier 2 1,001 - 1,500 cu. Ft.	100.0%	\$8.03	\$956,958.71
Tier 3 1,501 - above cu. Ft.	100.0%	\$9.23	\$5,654,213.18
Total Sewer			\$9,736,394.59
Tier 1 0 - 1,000 cu. Ft.		\$11.32	\$4,808,189.17
Tier 2 1,001 - 1,500 cu. Ft.		\$12.83	\$1,531,662.23
Tier 3 1,501 - above cu. Ft.		\$14.98	\$9,812,180.66
Total Combined			\$16,152,032.06

Annual Combined Water and Sewer Costs for User based on Annual Consumption of 120 HCF	
Water Use	\$474.00
Sewer Use	\$884.40
Combined	\$1,358.40

General Fund Revenue Summary Table

Revenue Summary	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Taxes	32,364,813	33,019,807	35,440,767	36,476,771	39,416,170	2,939,399
Charges for Services	1,791,790	1,869,243	1,801,995	1,870,194	1,942,129	71,935
Licenses & Permits	1,141,437	1,767,426	1,638,830	1,917,210	1,560,710	(356,500)
Fines & Forfeits	1,578,151	1,534,903	1,792,603	2,035,600	2,093,600	58,000
Intergovernmental	61,082,742	64,471,667	68,868,237	70,705,128	67,293,847	(3,411,281)
Miscellaneous	2,161,213	1,984,786	2,071,836	1,501,000	1,500,000	(1,000)
Other Financing Sources	2,039,770	2,250,966	2,249,155	3,776,495	5,941,449	2,164,954
Total	102,159,916	106,898,798	113,863,423	118,282,398	119,747,905	1,465,507

General Fund Revenue Detail Tables

	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
TAXES						
Personal Property	1,100,785	1,120,412	1,436,967	1,638,679	1,999,717	361,038
Real Estate Taxes	26,582,991	27,839,769	29,148,819	31,135,106	32,763,467	1,628,361
Motor Vehicle Excise	2,973,033	2,390,737	2,353,574	2,000,000	2,250,000	250,000
Interest /Penalties on Taxes	123,113	119,836	140,879	50,000	100,000	50,000
Interest /Penalties on Tax Titles	170,610	109,113	290,789	60,000	110,000	50,000
Interest /Penalties Excise & Charges	74,828	63,935	73,523	50,000	50,000	0
Payment in Lieu of Taxes	1,195,899	1,185,030	1,792,342	1,292,986	1,892,986	600,000
Hotel/Motel Tax Ch 145	143,554	190,975	203,874	250,000	250,000	0
TOTAL TAXES	32,364,813	33,019,807	35,440,767	36,476,771	39,416,170	2,939,399

Revenue Detail	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
CHARGES FOR SERVICES						
Fees Cable Franchise	-	3,806	3,735	3,800	3,800	0
Fees Lien Certificates	47,100	40,850	29,775	78,200	78,200	0
MV Registry Clears	206,813	235,482	208,912	225,000	225,000	0
Deputy Collector	-	3,178	3,880	0	0	0
Constables	-	2,011	2,948	0	0	0
Fees Copies of Certificates	48,329	47,786	44,371	30,000	30,000	0
Passports	10,917	13,770	10,805	11,000	11,000	0
Miscellaneous Fees	-	1,856	1,362	-	-	-
Fees Zoning Board	19,626	20,568	11,008	10,000	10,000	0
Site Plan Review	-	0	0	12,500	12,500	0
Application Fee	-	0	0	0	0	0
Design Review	-	0	0	1,000	1,000	0
Fees Police Details	42,055	49,988	64,793	35,000	35,000	0
Fees Copies of Reports - Police	4,849	6,998	6,292	5,000	5,000	0
Fees Fire Details	30,445	31,903	25,367	10,000	10,000	0
Fees Copies of Reports - Fire	74	125	115	100	100	0
Inspection Razing/Boardups	-	-	1,410	-	-	-
Vehicle Lease Surcharge	2,438	3,407	3,552	1,500	1,500	0
Interest & Penalties	-	0	10,766	0	0	0
Fire Alarm Connection	-	0	0	0	0	0
Trash Removal Charges	1,369,093	1,397,599	1,366,978	1,438,694	1,510,629	71,935
Fee Sale of Bags	136	104	38	100	100	0
Fee Compost Bins	32	68	83	100	100	0
Sale of Appliicance Stickers	-	0	0	-	-	-
Information Requests Copies	784	4,124	1,045	0	0	0
Fee Rubbish Decals	9,100	5,620	3,760	8,200	8,200	0
Library Fees	-	-	1,000	-	-	-
TOTAL CHARGES FOR SERVICES	1,791,790	1,869,243	1,801,995	1,870,194	1,942,129	71,935

Revenue Detail	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
LICENSES AND PERMITS						
Licenses Various Clerk	17,571	15,439	16,033	12,000	12,000	0
Licenses Alcoholic Beverages	132,175	142,975	148,650	130,000	130,000	0
Licenses Common Victualers	9,400	8,876	9,775	8,000	8,000	0
Licenses Amusements	16,644	15,351	15,931	16,000	16,000	0
Licenses Const	16,013	0	262	15,000	15,000	0
Licenses Tobacco	3,800	1,775	7,225	3,000	3,000	0
Licenses Parks	29,675	13,109	27,380	11,000	11,000	0
Licenses Various	5,850	2,355	3,215	5,000	5,000	0
Licenses Petroleum Storage	76,800	76,870	76,540	60,000	60,000	0
Licenses Business Certificates	2,930	3,185	2,995	3,000	3,000	0
Licenses Rooming Houses	1,025	1,375	1,175	1,100	1,100	0
Licenses Automobiles	43,650	43,725	43,825	4,760	4,760	0
Licenses Hackney	8,946	5,297	8,535	3,500	3,500	0
Permits Firearms	8,900	3,275	1,663	4,800	4,800	0
Permits Smoke Inspections	19,540	25,345	21,350	11,000	11,000	0
Permits Oil Burner Inspection	575	1,050	950	700	700	0
Permits Tank Truck Inspect.	150	6,400	150	2,000	2,000	0
Permits Misc. Fire	6,751	5,773	8,141	2,000	2,000	0
Permit Alterations/Sign	255,757	354,672	432,366	290,000	290,000	0
Permit Cert. Of Occupancy	18,965	18,130	23,702	10,000	10,000	0
Permit New Buildings	128,068	677,740	429,340	1,056,500	700,000	(356,500)
Permit Electrical	65,738	57,141	91,343	50,000	50,000	0
Permit Cert. of Inspection	7,249	10,503	5,346	7,500	7,500	0
Permit Copies/Research Plans	215	519	111	200	200	0
Permit Gas/Plumbing	24,455	33,772	30,838	24,000	24,000	0
Permit Sidewalks/Streets	4,650	7,550	4,350	3,000	3,000	0
Permit Cert. of Fitness	62,590	46,090	58,545	40,000	40,000	0
Permit Dumpsters	53,425	53,150	56,570	50,000	50,000	0
Permit Pools/Baths/Tanning	400	415	650	200	200	0
Permit Sale of Food	39,325	39,628	39,535	35,000	35,000	0
Permit Caterers	900	800	600	700	700	0
Permit Bars & Clubs	1,800	1,500	1,800	1,300	1,300	0
Permit Temporary	3,650	50	0	1,500	1,500	0
Permit Tobacco	375	0	0	0	0	0
Permit Summer Camps	250	100	100	100	100	0
Permit Weights & Measures	30,225	29,533	26,104	20,000	20,000	0
Permit Parking	5,246	4,925	7,750	3,000	3,000	0
Permit Parking	10,350	10,625	10,440	7,000	7,000	0
Visitor Passes	3,595	3,660	3,660	2,000	2,000	0
Sidewalk Occupancy		275	1,700			
Permit Street Openings - DPW	21,031	30,058	16,800	20,000	20,000	0
Bus Shelter License		11,045	0			
Licenses Funeral Director	350	350	100	350	350	0
Health Permit Beauty & Tattoo	375	850	900	0	0	0
Permit Burial	2,060	2,170	2,385	2,000	2,000	0
TOTAL LICENSES & PERMITS	1,141,437	1,767,426	1,638,830	1,917,210	1,560,710	(356,500)

Revenue Detail	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
FINES						
Fines - Bad Checks	2,530	3,335	3,016	3,600	3,600	0
Fines - Non-Criminal 21D	81,980	54,720	55,765	52,000	52,000	0
Fines - CMVI	184,628	152,684	241,970	242,000	300,000	58,000
Fines - Towing	33,755	40,895	50,875	48,000	48,000	0
Court Fines	13,919	12,802	21,651	10,000	10,000	0
Library Fines	-	0	1,825	0	0	0
Fines - Parking Tickets	1,261,340	1,270,467	1,417,501	1,680,000	1,680,000	0
TOTAL FINES & FORFEITS	1,578,151	1,534,903	1,792,603	2,035,600	2,093,600	58,000

Revenue Detail	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
INTERGOVERNMENTAL						
Other	74	0	2,311	0	0	0
Quigley Mace Park	-	0	0	0	0	0
Voke Park	259,492	0	0	0	0	0
Medicare Part D Fed Reimbursement	-	180,670	166,903	225,000	175,000	(50,000)
Medicaid School Care Delivery Reimb.	1,027,467	942,963	974,266	650,000	650,000	0
Veterans Abatements	-	0	0	17,598	0	(17,598)
Surviving Spouse Abatements	-	0	0	28,840	0	(28,840)
Abatements Veterans/Spouse/Blind	35,439	48,882	46,853	2,444	67,462	65,018
Elderly Abatements	20,620	20,628	20,610	20,610	0	(20,610)
State Owned Land	67,780	86,981	97,180	104,279	104,129	(150)
Charter School Reimbursement	207,863	539,493	873,722	1,037,221	826,974	(210,247)
Charter School Capital Reimbursement	56,373	0	0	0	0	0
School Construction	8,093,289	7,795,391	7,492,223	7,183,781	5,914,145	(1,269,636)
School Transportation	-	0	0	0	0	0
School - Chapter 70	42,000,971	44,127,092	48,517,115	50,797,335	50,797,335	0
School - State	-	162	333	0	0	0
Police Career Incentive	252,899	437,510	316,695	330,000	0	(330,000)
Veterans Benefits	133,850	182,136	133,324	86,318	294,510	208,192
Additional Assistance	3,396,864	3,396,864	3,396,864	3,396,864	0	(3,396,864)
Urban Redevelopment	-	0	0	0	0	0
Lottery	5,529,762	6,712,895	6,829,838	6,824,838	0	(6,824,838)
Unrestricted General Government Aid	-	0	0	0	8,464,292	8,464,292
TOTAL INTERGOVERNMENTAL	61,082,742	64,471,667	68,868,237	70,705,128	67,293,847	(3,411,281)

Revenue Detail	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
MISCELLANEOUS REVENUE						
Earnings on Investments	1,878,714	1,961,787	2,013,158	1,500,000	1,500,000	0
Reimbursement -Treasury	36,610	3,297		0	0	0
Sale of Assets -Treasury	-	0		0	0	0
Miscellaneous Revenue	8,996	7,071	19,518	0	0	0
Restitution	-	408		0	0	0
Reimbursements	37,035	5,483	13,780	0	0	0
GIS Map Sales	995	275	210	1,000	0	(1,000)
Sale of Assets - Police	3,972	300	1,141	0	0	0
Miscellaneous Revenue - Police	7,233	2,653		0	0	0
Miscellaneous Revenue - Fire		68				
Sale of Assets - DPW	2,409	0	161	0	0	0
Miscellaneous Revenue - DPW		2,665	6,795			
General Revenue	414	724		0	0	0
Misc. Revenue	2,512	55	17,073	0	0	0
Tailings	182,323	0	0	0	0	0
TOTAL MISCELLANEOUS	2,161,213	1,984,786	2,071,836	1,501,000	1,500,000	(1,000)

Revenue Detail	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
OTHER FINANCING SOURCES						
Bond Premium	12,185	29,288		0	0	0
School Building Assistance Adjustment	412,585	0		0	0	0
Accrued Interest on Bonds Issued	4,000	4,152	791			
Transfers from Special Revenue Funds	310,000	280,000	229,000	310,000	187,400	(122,600)
Transfer From Receipts Reserved		504,000	550,000	1,300,000	1,200,000	(100,000)
Transfer from Sewer Fund	1,301,000	707,675	725,367	793,000	793,000	0
Transfer from Water Fund		725,851	743,997	795,000	795,000	0
Snow & Ice Deficit to be raised	0	0	0	0	0	0
Use of Certified Free Cash	0	0	0	578,495	2,966,049	2,387,554
TOTAL OTHER FINANCING SOURCES	2,039,770	2,250,966	2,249,155	3,776,495	5,941,449	2,164,954
GENERAL FUNDS TOTAL	102,159,916	106,898,798	113,863,423	118,282,398	119,747,905	1,465,507

EXPENDITURE SUMMARY
SUMMARY OF EXPENDITURE CHANGES

	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance	% Variance
GENERAL GOVERNMENT							
Legislative	209,220	214,215	209,890	214,291	217,691	3,400	1.59%
Executive Office	228,338	277,233	275,703	349,301	326,063	(23,238)	-6.65%
Auditor's Office	219,688	214,665	218,103	224,695	226,324	1,629	0.72%
Treasurer/Collector	599,925	705,766	685,619	735,241	717,944	(17,297)	-2.35%
Central Billing and Research	170,650	156,977	162,635	187,330	182,842	(4,488)	-2.40%
Assessing	250,978	257,141	217,298	288,161	240,639	(47,522)	-16.49%
Procurement	92,695	103,641	103,461	105,071	118,480	13,409	12.76%
Law Department	195,204	207,597	184,541	217,250	200,146	(17,104)	-7.87%
Personnel Department	127,498	145,186	161,471	163,437	160,472	(2,965)	-1.81%
Municipal Information Systems	400,252	503,578	481,236	684,404	697,613	13,209	1.93%
City Clerk	247,967	273,304	297,168	287,133	281,347	(5,786)	-2.02%
Licensing	65,144	67,305	69,804	70,290	71,746	1,456	2.07%
Planning & Development	24,250	24,000	67,520	70,846	73,849	3,003	4.24%
Total General Government	2,831,808	3,150,608	3,134,449	3,597,450	3,515,156	(82,294)	-2.29%
PUBLIC SAFETY							
Police Department	6,908,928	7,195,582	7,125,325	7,764,711	8,398,832	634,121	8.17%
Fire Department	6,525,372	6,627,371	7,526,109	7,333,183	7,478,793	145,610	1.99%
Inspectional Services	550,784	569,947	579,761	630,527	618,088	(12,439)	-1.97%
Traffic & Parking	588,792	614,318	622,434	696,219	679,715	(16,504)	-2.37%
Emergency Management	737,079	850,337	806,413	841,941	865,974	24,033	2.85%
Total Public Safety	15,310,954	15,857,555	16,660,042	17,266,581	18,041,402	774,821	4.49%
EDUCATION							
Northeast Vocational School Department	1,269,085	825,626	683,157	700,000	735,495	35,495	5.07%
Total Education	48,932,481	56,349,838	59,486,388	63,364,885	63,328,780	(36,105)	-0.06%
PUBLIC WORKS							
Administration	177,533	178,720	193,440	211,485	212,836	1,351	0.64%
Street & Sidewalks	1,384,889	1,645,667	1,580,040	1,796,710	1,745,481	(51,229)	-2.85%
Solid Waste/Recycling	1,680,397	1,907,836	1,787,195	1,930,735	1,927,800	(2,935)	-0.15%
Structures & Grounds	905,638	1,049,176	1,005,173	1,049,930	1,049,395	(535)	-0.05%
Snow & Ice Removal	134,216	67,375	201,135	101,260	101,260	0	0.00%
Total Public Works	4,282,673	4,848,774	4,766,983	5,090,120	5,036,772	(53,348)	-1.05%

	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance	% Variance
HEALTH & HUMAN SERVICES							
Administration	141,953	145,739	146,380	148,980	152,028	3,048	2.05%
Health Division	406,946	50,964	52,041	68,517	53,713	(14,804)	-21.61%
Comm. Schools & Recreation	76,568	71,372	107,097	118,376	128,917	10,541	8.90%
Veterans Service	325,511	309,009	358,850	335,603	338,412	2,809	0.84%
Elder Affairs	201,505	207,282	174,623	191,562	195,771	4,209	2.20%
Public Library	270,008	269,044	281,280	286,839	281,783	(5,056)	-1.76%
Total HHS	1,422,490	1,053,410	1,120,271	1,149,877	1,150,624	747	0.06%
DEBT SERVICE	10,062,340	10,109,757	10,009,919	10,285,724	10,229,521	(56,203)	-0.55%
EMPLOYEE BENEFITS	10,672,888	6,160,937	6,209,238	7,151,929	7,648,638	496,709	6.95%
RETIREMENT ASSESSMENT	6,209,720	4,711,630	4,981,305	5,258,484	5,357,132	98,648	1.88%
INSURANCE & JUDGEMENTS	435,375	600,530	466,613	569,250	525,250	(44,000)	-7.73%
STATE ASSESMENTS	3,197,867	3,530,244	4,021,544	4,548,098	4,914,630	366,532	8.06%
Transfers to Spec. Revenue	0	0	0	0	0	0	0.00%
Transfers to Capital Projects	397,408	150,000	0	0	0	0	0.00%
General Fund Budget	103,756,005	106,523,283	110,856,752	118,282,398	119,747,905	1,465,507	1.24%

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

The City Council has initiated monthly "oversight" meetings with department heads and the City Manager to further enhance Council's role as both a reviewer of and contributor to the work agenda of the departments. The meetings are coordinated through the Council's existing subcommittee structure, with each subcommittee meeting at least twice a year with the respective department heads whose work those subcommittees are organized to oversee.

Department at a Glance

- The Council held 20 regular meetings, 2 special meetings and 22 subcommittee meetings in 2008.

FY'09 Accomplishments

- Adopted this balanced budget, and complied with all required financial matters listed in the Chelsea Charter;
- Held special Saturday sessions for professional training and development;
- Established the practice of subcommittees meeting regular with department heads to review and contribute to the work of those departments;
- Adopted new ordinances on police details, social host responsibility, foreclosure prevention and trenching.

FY'10 Goals

- As required by the Charter, the Council will begin its once a decade charter review process to determine if any changes should be made to the Charter;
- Through a RFP process, which is not required by State law but is desirable to ensure the integrity of the overall audit process, the Council will solicit and ultimately select an audit firm to conduct the City's annual audit for the next three fiscal years, and
- The Council will conduct a bi-annual review of its priorities for focus by the Administration early in 2010.

City Council Program Budget #110

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	145,141	150,719	145,032	149,183	152,583	3,400
Operations and Maintenance	64,079	63,496	64,858	65,108	65,108	-
Capital	-	-	-	-	-	-
Department Total	209,220	214,215	209,890	214,291	217,691	3,400

City Council Personnel Listing #110

Title	2006	2007	2008	2009	2010	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 implementation of senior staff evaluations changed and enhanced the dialogue between the City Manager and key officials within the Administration. The impact of the State budget crisis on the local budget has caused the City Manager to spend more time in Boston meeting on and advocating for more local and statewide budget solutions.

Department at a Glance

- The City Manager averages approximately 5 meetings, 20 incoming and 25 outgoing phone calls, and 75 incoming emails and 100 outgoing emails a day;
- On average, the City Manager attends two meetings a week in Boston;
- In addition to traditional communications, the City Manager provides the City Council with a summary of weekly activities in City government through a "Weekly Update;"
- Approximately 25% of the City Manager's time is spent on matters of finance and administration, 20% on economic and community development activities, 15% on Council related issues, 10% on public works issues, 10% on public safety issues, 10% on statewide policy matters and 10% on all other matters;
- Of his numerous affiliations, the City Manager is President of the Metropolitan Area Planning Council, the regional planning agency that oversees 101 communities in and around Greater Boston;
- The City Manager coordinates and presides over a bi-weekly senior staff meeting and monthly managers meeting, and
- The Deputy City Manager oversees daily City functioning, including the provision of services and almost all labor issues, and has regular and direct contact with department heads and local union representatives.

FY'09 Accomplishments

- Engaged the City Council in a discussion about its "Priorities, Policies and Visions" and developed with the Council an action agenda for addressing those items that should be prioritized by the City Administration, especially around trash management, policing activities and community planning;
- Secured an upgrade in the City's current bond rating to "A+" from Standard & Poor's;

- Implemented several strategies for developing non-state aid, non-existing taxpayer revenue enhancements that placed the FY'09 budget in structural balance and allowed the City to further offer and expand upon existing municipal services and programs;
- Advanced statewide discussion about regionalism which led to additional State funding for regionalism projects, including a project, now in the development phase, to create a central E911 operation in the Metro Mayors Coalition;
- Led statewide discussion on public policy issues, including finance, municipal health insurance and public safety;
- Completed negotiations with four municipal bargaining units on new labor agreements for the period of FY'09-FY'11 and advanced negotiations on the remaining four agreements;
- Implemented performance review process for senior managers;
- Established regular Capital Improvement Program steering committee meetings to further enhance the annual CIP process;
- Completed negotiations, acquired a parcel of land and then leased that parcel to a private entity to allow the City to generate a net financial benefit on the short-term and to own the property without any debt following the completion of the lease;
- Secured Economic Development Board and State approval of the proposed Cambria Suites hotel in the Chelsea Gateway area of the EAURD, and successfully coordinated tax relief for the project through the City Council and the State in advance of the anticipated sale of the parcels involved in the development in the fall of 2009;
- Assisted in the completion of the Market Basket in the Mystic Mall and advanced the work with the property owner on further developing a Phase II plan for the remainder of the property;
- Coordinated 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 multiple sites on Spencer Avenue;
- Advocated for a State program to assist delayed housing developments throughout the state, including local projects in the urban renewal district and Eastern Avenue;
- Advanced City activities, taken in partnership with several stakeholders, to address the variety of foreclosure issues impacting local neighborhoods;
- Supporting work of Harvard Graduate School of Design to undertake a waterfront "charrette" and conducted follow-up meetings to prioritize waterfront planning priorities;
- Developed and implemented a plan that combined State, Federal and City funding to hire 9 new police officers and to support other prevention and enforcement activities;
- Secured labor approval of the new "Impact Shift" for the Police Department and supported the Police Department's efforts to establish a canine division;
- Approved a mutual aid plan for public health resources and authorized the drafting of a mutual aid plan for certain public works functions;
- Led a planning effort to develop a major trash initiative to better keep Chelsea clean and engage more residents in doing the same;
- Led City Hall discussions on the adoption of a formal "Greener Chelsea Initiative," including the hiring of a consultant to further support the development of the initiative and corresponding applications for State and Federal grants;
- Devised a program to utilize City Hall as a gallery for locally produced art or works of interest to local residents;
- Coordinated action on several air quality initiatives, including the initiation of a second odor study and improvements to the Broadway Terminal odor abatement program;

- Supervised several open space enhancement and expansion projects, including at sites on Fifth Street, in Chelsea Commons and along the Island End River;
- Brokered an agreement which will lead to the creation of community “flex” space for recreation and programming activities on the Chelsea waterfront and the installation of a second, artificial turf field, that one at Highland Park;
- Secured the opening of the new DCR Pool;
- Established a Youth Commission and Tree Board;
- Worked with the City Council to establish regular review meetings of department work by City Council subcommittees, and
- Conducted a public education campaign to increase resident awareness and use of Channel 15, the City website and R911 messaging.

FY'10 Goals

- Negotiate the budget crisis being inflicted on the City as a result of the State’s own budget crisis, especially prioritizing the avoidance of service reductions and concurrent layoffs of municipal employees;
- Complete collective bargaining negotiations with all municipal unions for compacts for FY’09-FY’10 and begin negotiations on the next round of agreements;
- Explore potential municipal health insurance reforms through statewide policy advocacy and local discussions with municipal and school unions;
- Position the City to be considered for another bond rating increase;
- Establish a graduate-level internship program within the City Manager’s office;
- Develop a workable regionalism plan for E911 services and advocate for the adoption of the plan locally, with member communities within the collaborative and to State leaders;
- Seek additional revenue raising initiatives that do not rely on increasing the tax burden upon current property tax payers, including the potential local revenue options currently being advocated for as part of the Legislature’s Municipal Relief Plan;
- Secure innovative financing to promote the development of residential projects in the urban renewal district, on Eastern Avenue and at Forbes Park;
- Coordinate the land use permitting, sale of land and project start for a new hotel in the urban renewal district;
- Initiated economic development action to begin the discussion of a third hotel being developed in the city;
- Advance pre-development efforts for the second phase of the Mystic Mall development and the build-out of the Emerald Block;
- Lead, through the Planning Board, a review of potential waterfront initiatives to support the continue redevelopment of the waterfront between the Meriden Street Bridge and Forbes Park;
- Identify and advance to pre-development a new, mid-sized housing development;
- Complete a concept plan for the build-out of the remaining portion of the urban renewal district along Vale Street;
- Implement a fire apparatus acquisition plan to begin the process of replacing the Fire Department’s aging apparatus;
- Support the Police Department’s canine unit and newcomer advocate by conducting a community awareness campaign about those latest department expansion efforts to better promote public safety and serve the general public;

- Secure State and Federal funding commitments for infrastructure projects through the American Recovery and Reinvestment Act;
- Complete the Chelsea Gateway Signage project;
- Advocate for and secure State and private funding support for the rehabilitation of Highland Park, including the installation of an artificial turf at the park to support soccer play by extending the hours and period of park operations and providing a safe and playable surface there;
- Provide the necessary support to secure new park openings at Admirals Hill and Chelsea Commons;
- Release a “Greener Chelsea” Initiative and use it as the basis for several grant applications for State and Federal funding support;
- Complete work on a trash initiative to promote cleaner local streets;
- Advance local efforts on the issue of hunger;
- Coordinate with the City Council working group the filing of a new parking enforcement plan for the city;
- Engage the Council in discussion about a new set of priorities for the City’s Administration’s work for 2010 and 2011;
- Undertake a community visioning initiative to identify community priorities for further programmatic and service development and implementation;
- Establish a City board to promote diversity and empowerment within the city;
- Work with State officials to secure additional pool hours at the DCR Pool for families to be able to attend the facility after work;
- Create a “Welcome to Chelsea” packet for new residents and new businesses and their employees;
- Ramp up the community process to support Census 2010, with a particular emphasis on encouraging residents to participate in the survey, and
- Unveil a new City website and promote additional networking and community information sharing among the residents.

Executive Office Program Budget #123

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	195,412	247,864	251,906	280,442	290,063	9,621
Operations and Maintenance	32,926	29,369	23,797	33,359	36,000	2,641
Capital	-	-	-	35,500	-	(35,500)
Department Total	228,338	277,233	275,703	349,301	326,063	(23,238)

Executive Office Personnel Listing #123

Title	2006	2007	2008	2009	2010	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
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, in addition to the annual budget and financial forecast, has assumed greater responsibility for completion of the annual Tax Recapitulation Sheet. The department has undergone extensive staff cross training in the area of weekly payroll preparation due to staffing voids, and in the process has enhanced department wide efficiency.

Department at a Glance

- Process weekly payroll warrant for all City and School administration 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 6 prepaid items per week;
- Maintain oversight and review of 560 Funds in General Ledger (general fund and 559 non general fund) consisting of over 875 general ledger accounts in general fund alone;
- Review all new vendor contracts (over 120 annually) and contract amendments or extensions (over 40 annually) to ensure proper funding for approval;
- Process annual W-2 tax reporting for over 1590 individuals, both current and former employees;
- Complete 5 annual reports to the MA Department of Revenue – Balance Sheet Checklist, Outstanding Receivables, Statement of Indebtedness, Schedule A, and Tax Recapitulation, and
- Coordinate completion of the annual financial audit with outside accounting firm, consisting of 3 reports – CAFR, Report on Federal Awards Programs, and Management Letter.

FY'09 Accomplishments

- Secured Massachusetts Department of Revenue certification of Free Cash of \$5,642,160 from the FY'08 balance sheet;
- Applied for (status pending) the GFOA Certificate for Outstanding Achievement in Financial Reporting for FY'08, after having received the GFOA Certificate for Outstanding Achievement in Financial Reporting for FY'07;
- Implemented the use of new MA Department of Revenue Gateway Reporting System software, and filed all required annual reports therein;
- Assumed additional responsibility for preparing the Tax Recapitulation Sheet with City Assessor;
- Completed an extensive analysis of City records and secured completion by an outside consultant of 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;

- Worked extensively with an outside consultant in completion of a Water and Sewer Fund Rate Study to better identify and analyze consumption revenues versus costs;
- Completed annual audit with no issues of significance, including added time with outside accounting firm to recognize revised reporting requirements of SAS 112m, and
- Initiated extensive cross training measures in the wake of staffing voids.

FY'10 Goals

- Implement a more measured monitoring and modification of approved City Budget, due to extensive State Local Aide reductions;
- Continue cross training initiatives to build upon experience with additional department staff;
- 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;
- 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;
- Coordinate quarterly revenue and expenditure review meetings with City Manager and other appropriate staff, and
- Continue 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).

City Auditor Program Budget #135

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	213,490	207,692	211,278	215,477	217,106	1,629
Operations and Maintenance	6,198	6,973	6,825	9,218	9,218	-
Capital	-	-	-	-	-	-
Department Total	219,688	214,665	218,103	224,695	226,324	1,629

City Auditor Personnel Listing #135

Title	2006	2007	2008	2009	2010	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
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

The Department was fully staffed for the entire fiscal year. Installation of Star water meter account viewing software on all computers has enhanced the customer service capability of all clerks. Internal publication of delinquent property tax lists to be referenced by all city hall departments has greatly assisted in collection efforts.

Department at a Glance

In Calendar 2008, the Department:

- Managed an average monthly cash balance of \$53,726,104;
- Issued 56,251 payroll checks;
- Issued 9,710 vendor checks;
- Managed an increase in tax title balances, up 35% to \$1,076,221;
- Mailed 60,000 water, sewer and trash bills;
- Received an average of 40 customer service inquiries per month, and
- Researched an average of 150 water accounts per month.

Treasury

FY'09 Accomplishments

- Conducted three bond issuances with favorable terms: the FY '09 Capital Improvement Program tax exempt borrowing of \$2,032,491 at an interest rate of 3.85%; the Marginal Street taxable acquisition of \$2,615,000 at a negotiated interest rate of 5.462%; and a \$9,440,000 taxable BAN for Urban Renewal activities at an interest rate of 3.10%;
- Managed rigorous cash management and investment oversight initiatives producing interest earnings of \$1.6 million, \$100,000 above the initial budget target, and
- Negotiated eight payment plans with properties in tax title, totaling \$334,489 in delinquencies.

FY'10 Goals

- Intensify management of tax title accounts, developing a list of potential foreclosure targets and evaluating the potential assignment of tax title accounts to lien servicers;
- Evaluate the current payroll processing system to determine if a need exists for a new vendor, and

- Increase, as appropriate, deposit accounts protected by third party collateralization agreements.

Collector

FY'09 Accomplishments

- Completed tax taking for FY '07, resulting in 65 accounts taken for \$138,543;
- Completed implementation of Century Bank's *e-lockbox FTP* for more timely account postings;
- Implemented new logs for customer service inquiries to keep track of water account issues, increasing the reliability of the process and reducing repeat inquiries, resulting in the average monthly level of water inquiries dropping by 20 per month, and
- Created and implemented new logs for missed stops for trash and recycling to better monitor waste hauler complaints.

FY'10 Goals

- Evaluate the impact of demand fee increases and make recommendations for future fee levels;
- Work with the Assessor's office to complete personal property adjustments/abatements for FY '03 through FY '07, removing uncollectable properties and proceeding with collection attempts on remaining accounts;
- Work with the deputy collectors (Kelly & Ryan) to finalize excise tax abatements for years prior to FY '00, so accounting years may be closed;
- Evaluate use of service bureaus to facilitate credit card transactions at City Hall payment windows, and
- Complete FY '08 tax taking process.

Central Support

FY'09 Accomplishments

- Returned obsolete toner to supplier for refund;
- Negotiated with New England Office Supply for on line price comparison to state contract specifications, in order to guarantee savings,
- Trained new treasurer's office staff for back up when needed.

FY'10 Goals

- Initiate customer satisfaction survey to suggest improvements to service, if any, and implement suggestions as appropriate.

Central Billing

FY'09 Accomplishments

- Converted the first 85% of accounts to new Star meters;
- Worked with Public Works, Assessors and IT to complete map/lot survey of all meter locations;
- Worked with Assessors office to automate allocation of water balances to condo real estate accounts for liening;
- Reduced by 60% the average number of accounts estimated per month, and
- Developed a system to monitor the repair of persistent problem meters.

FY'10 Goals

- Work with Public Works to review account status and consumption for all parks and public buildings;
- Complete system conversion to new Star meters and work with Public Works in evaluating large meter metrics, and
- Complete training of all staff members, thereby reducing turnaround of inquiry processing by 50%.

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

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	420,836	424,034	438,975	442,591	454,294	11,703
Operations and Maintenance	179,089	281,732	246,644	292,650	263,650	(29,000)
Capital	-	-	-	-	-	-
Department Total	599,925	705,766	685,619	735,241	717,944	(17,297)

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

Title	2006	2007	2008	2009	2010	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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	105,868	99,652	100,212	117,530	120,242	2,712
Operations and Maintenance	64,781	57,325	62,423	69,800	62,600	(7,200)
Capital	-	-	-	-	-	-
Department Total	170,650	156,977	162,635	187,330	182,842	(4,488)

Central Billing and Research Personnel Listing #159

Title	2006	2007	2008	2009	2010	Variance
Supervisor	1.00	1.00	1.00	1.00	1.00	0.00
Head Clerk	1.00	1.00	1.00	2.00	2.00	0.00
Senior Clerk	1.00	1.00	1.00	0.00	0.00	0.00
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

The Assessing Department has completed the integration of the entire financial operations section into the tax billing process, providing for more streamlined operations and review.

Department at a Glance

In Calendar 2008, the Department:

- Continued the cyclical property inspection program required by DOR;
- Conducted approximately 400 property inspections;
- Processed 300 building permits for valuation updates;
- Reviewed and concluded action on 183 abatement applications, and
- Sent more than 800 income and expense statements to taxpayers in preparation for FY'09 and FY'10 valuation reviews.

FY'09 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 \$2.655 billion to \$2.429 billion (-8.5%);
- 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'09 tax rates and completed the processing of tax billing procedures.

FY'10 Goals

- Continue the cyclical property inspection program for completion by the FY'13 tax year;
- Create and mail 800 income and expense questionnaires, and follow-ups for the FY'10 valuation program;
- Prepare and mail 750 personal property returns (Form of List) for the FY'10 personal property valuation program;
- Conduct the re-valuation of all residential properties for the FY'10 certification program;
- Manage and coordinate the valuation of commercial and large multi-family properties by the valuation consultant, and
- Test the integration of the entire financial operations section into the tax billing process to insure its accuracy and functioning.

Assessing Program Budget #141

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	171,728	191,507	184,360	188,761	191,965	3,204
Operations and Maintenance	79,251	65,634	32,938	99,400	48,674	(50,726)
Capital	-	-	-	-	-	-
Department Total	250,978	257,141	217,298	288,161	240,639	(47,522)

Assessing Personnel Listing #141

Title	2006	2007	2008	2009	2010	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, in compliance with all applicable provisions of state and federal laws governing purchasing, which allows for fair, impartial and uniform bidding, contract development and awarding procedures.

Significant Changes

The Procurement Department has implemented numerous changes in internal processes toward electronic business, through soliciting bids online, registering bidders in a database, and delivering specifications, addenda and contracts by email. Reliance on email and faxing from the computer instead of printing and mailing has decreased costs and increased accuracy and data integrity.

Department at a Glance

In Calendar 2008:

- 4,517 purchase orders were processed, up 13% from prior year
- 121 written contracts were completed, up 21% from prior year
- 7 Requests for Qualifications were issued;
- 14 Requests for Proposals were issued;
- 51 Invitations to Bid were issued;
- 47 Requests for Quotes were issued, and
- 1 bid protest was resolved in the City's favor.

FY'09 Accomplishments

- Filed the quarterly report with SOMWBA detailing all purchasing contracts that included State funding;
- Worked with Law and the School Department to streamline the City's procurement process for purchases under \$25,000;
- Eliminated the umbrella maintenance policy on copy/print/fax equipment in favor of a more cost-effective per-repair policy;
- Continued to reduce paper consumption by requiring electronic specification files from design and engineering firms and offering electronic bid packages, which also decreases turnaround time and has been very well received by the vendor community;
- Worked with the MA Inspector General's Office on new guidelines for municipalities purchasing from statewide contracts;
- Redefined the tracking process to increase accuracy in documentation of fixed assets from the Financial System through inclusion in the Fixed Asset Database; and created a collaborative cross-checking procedure between Auditing and Purchasing for added precision, and
- Used the State's COMM-PASS website for 80% of all bids and requests for proposals in an effort to attract and develop a broader group of responsible bidders and to promote competition.

FY'10 Goals

- 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;
- Build and maintain an effective and responsive vendor pool and promote the success of local vendors in opportunities to secure City business;
- Create and implement a process for on-line bidder registration for current solicitations via the City website;
- Create a user-friendly on-line vendor registration process for notification on future bid opportunities to encourage more participation from the local vendor community;
- Explore ways to enhance sharing of information with user departments and the vendor community on all aspects of the procurement process;
- Expand the contract database to allow attaching scanned contract documents to database records to allow users to retrieve imaged documents from the desktop, reducing the cost of reproducing documents and time spent retrieving them from files;
- Establish requirements in construction contract bids to require that recyclables such as corrugated cardboard, steel, aluminum, and carpet be recovered from the projects and recycled;
- Continue working with OIG to make statewide contract use safer and easier, and
- Require a mailing fee for all bid packages, encouraging electronic delivery as an alternative.

Procurement Program Budget #138

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	89,848	100,644	100,597	101,006	105,905	4,899
Operations and Maintenance	833	971	2,864	4,065	12,575	8,510
Capital	2,013	2,026	-	-	-	-
Department Total	92,695	103,641	103,461	105,071	118,480	13,409

Procurement Personnel Listing #138

Title	2006	2007	2008	2009	2010	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 and the School Department by providing accurate and timely legal advice to all elected and appointed officials, multiple-member bodies and agencies of the City and the School Department, 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 and the School Department by concentrating on preventative action, including early program intervention and the constant review and examination of the legal claims filed against the City and the School Department. In addition, the Law Department provides representation for the City and the School Department in legislative, judicial and administrative proceedings involving the City, the School Department, its boards, commissions, officers and agencies.

Significant Changes

A new Assistant City Solicitor was hired and has begun work in the Department. With the transition of the School Department from the BU/Chelsea Partnership to full local control, the Department became full-time School Counsel.

Department-at-a-Glance

• New litigation matters:	21
City	16
School	5
• Claims filed:	51
• Chapter 148 hearings and matters:	4
• Subpoenas responded	10
City	6
School	4
• Ordinances Completed	7
• Public Records Request:	74
City	19
School	55

FY'09 Accomplishments

- Finalized research and drafting, which led to Council adoption of ordinances on social host responsibility, wind turbines, police details and park naming;
- Transitioned into the full-time, in-house School Counsel;
- Secured two Notary Public designations for Department staff;
- Drafted and finalized lease for the Police Substation and Marginal Street lot;
- Revised and reissued the Administrative Code and Board and Commissions Handbook;
- Initiated successful collection system for public safety detail payments;
- Negotiated the Extended Learning Time Agreement for Elementary Schools, and
- Conducted presentations to the City Council and Board and Commissions on ethics.

FY'10 Goals

- Continued coordination and cooperation of departments' collection procedures to ensure the integrity and effectiveness of the process;
- Draft and recommend to the City Manager and City Council for adoption a Marijuana Use Ordinance;
- Finalize legal review of Collective Bargaining Agreements with City's unions;
- Draft and adopt a Home Rule Petition regarding Illegal Rooming Houses;
- Prepare to assist the Council in its review of the City Charter, and
- Review and revise Procurement procedures.

Law Department Program Budget #151

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	153,040	151,909	148,490	160,300	144,796	(15,504)
Operations and Maintenance	42,163	55,688	36,051	56,950	55,350	(1,600)
Capital	-	-	-	-	-	-
Department Total	195,204	207,597	184,541	217,250	200,146	(17,104)

Law Department Personnel Listing #151

Title	2006	2007	2008	2009	2010	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

A new Federal mandate in the obligations of the Family and Medical Leave Act has required oversight by the Department for proper administration of the Act. So, too, the new Federal allowances in a subsidy for those electing COBRA rights in continuation of health insurance coverage has required Department implementation.

Department at a Glance

- Maintain centralized attendance records for 345 employees;
- Record and verify the accuracy of payroll/personnel changes for approximately 100 employees annually;
- Record, assess reporting accuracy, pay employee and assure medical care for approximately 120 work related injuries annually;
- Conduct new hire procedures for approximately 9 public safety recruits per year;
- Conduct job searches for approximately 8 non-public safety personnel per year;
- Accomplish approximately 275 health insurance changes or enrollments annually;
- Provide written notice of annual health insurance changes to approximately 1,800 eligible employees and retirees;
- Conclude 4 or more contracts with vendors each year for items like health and life insurance and those related to workers' compensation administration;
- Process life insurance payment of an average 20 death claims per year;
- Provide decisions in approximately 8 labor issues annually;
- Review and advise on approximately 30 requests for leave under the Family and Medical Leave Act annually;
- Provide advice daily on policy, discipline and labor contract interpretation, and
- Respond to approximately 12 salary surveys annually.

FY'09 Accomplishments

- Standardized method to achieve Federal Medicare D subsidy;
- Revised six labor contracts to update with changes from Memorandum of Agreements established for the period ending FY'08;
- Evaluated contracts and reported areas of possible negotiation for the FY '09 contract negotiations;
- Concluded contract for third party to provide advisories, medical direction, payments and legal actions in regard to Workers Compensation and Police and Fire "Injured on Duty" events, and
- Completed work with the City Auditor required for the GASB 45 audit of the City's long term health insurance obligations.

FY'10 Goals

- Standardize methods to meet employee obligations of the State's mandated health insurance laws;
- Provide personnel policies through a shared on-line system;
- Seek method to assure accurate attendance record keeping in the Munis system;
- Effectively participate in web-based Mass. Municipal Personnel Association salary survey system, and
- Update labor contracts, incorporating results of FY'09-'10 bargaining, to allow complete current documents on City computer system.

Personnel Program Budget #152

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	114,795	118,255	121,404	125,628	128,713	3,085
Operations and Maintenance	12,704	26,931	40,067	37,809	31,759	(6,050)
Capital	-	-	-	-	-	-
Department Total	127,498	145,186	161,471	163,437	160,472	(2,965)

Personnel Personnel Listing #152

Title	2006	2007	2008	2009	2010	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

FY'09 continues to integrate technology purchasing and planning with responsibility for all City Departments including Public Safety. The Department continues to improve the Reverse 911 system to be fully integrated with the VoIP phone system using weekly updates of the resident & business phone list. As part of the R911 effort, the Department has assumed a role in supporting the system's use. The replacement of critical servers is ensuring the system's availability and resilience against hardware/software failure, keeping critical systems in excellent condition.

Department at a Glance

In Calendar 2008, the Department:

- Blocked over 5 million pieces of email Spam, up 300% from the previous year;
- Blocked 2,500 email viruses;
- Processed over 6 million inbound emails, up 200% from the previous year;
- Increased User accounts to over 500;
- Replaced 50 outdated computer surge protectors in City Hall, and
- Updated numerous maps for city departments and uploaded to the city website.

FY'09 Accomplishments

- Improved operation and performance of Internet-based GIS system;
- Updated MassGIS Orthographic photos and GIS building footprints;
- Upgraded Websense Internet Filter to 7.0, inbound email spam filter to 5.1 and 6.3.3 backup software;
- Setup Shadow copy for twice daily backup of user data for instant self-recovery of files;
- Setup/configured city hall emergency notifications;
- Installed RitePen handwriting recognition software for ISD tablet PCs;
- Setup remote assistance for user community for improved IT help;
- Conducted the strategic replacement of IT systems and core equipment;
- Continue upgrade/replacement of numerous workstations and peripherals consistent with strategic inventory goals;
- Upgrading www.chelseama.gov website;
- Upgraded GIS website to PeopleGIS website, <http://www.mapsonline.net/chelseama/>;
- Added the City Hall Camera and broadcast live video on CH15;
- Conducted a tree canopy study project with University of Vermont – Tree Canopy study;

- Migrated critical systems to new virtual servers for faster service and greater reliability, the first phase of which included upgrading the four most important systems: email, webmail, File Server and Public Safety's IMC application;
- Upgraded the city's email system to Microsoft Exchange 2007, which now includes many new features including an improved webmail system granting secure remote access to user's "my documents" folder via the web, and
- Expanded data storage to adequate capacity for departments' scanned documents.

FY'10 Goals

- Strategic replacement of IT systems and core equipment;
- Continue upgrade/replacement of numerous workstations and peripherals consistent with strategic inventory goals;
- Complete Chelsea Net wireless feasibility study;
- Complete Datacenter replication site for continuous system operations;
- Continue Server virtualizations and improve system performance;
- Replace current robotic tape backup to a faster device;
- Complete Fiber optic network to include Engine 1, and
- Complete the migration of critical systems to new virtual servers for faster service and greater reliability by undertaking the second and final phase of the initiative with the increase in uptime for those systems to 99.999%, including continued reliability even if core equipment fails.

Municipal Information Systems Program Budget #155

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	142,924	181,255	187,000	213,146	223,016	9,870
Operations and Maintenance	217,328	254,323	260,671	345,758	339,597	(6,161)
Capital	40,000	68,000	33,565	125,500	135,000	9,500
Department Total	400,252	503,578	481,236	684,404	697,613	13,209

Municipal Information Systems Personnel Listing #155

Title	2006	2007	2008	2009	2010	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	1.00	1.00	1.00	1.00	0.00
Total Department	3.00	4.00	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 Department has suspended the issuing of small birth certificate cards. The action was taken because many states no longer accept anything but the long form birth certificate as proof of birth.

Department at a Glance

In Calendar 2008, the Department saw:

- Birth, death, and marriage certificates issued decreased by 7% to 4,212;
- Marriage intentions issued decreased by 1% to 345;
- Dog licenses issued increased by 7% to 480;
- Passports issued decreased by 1% to 397;
- Parking tickets issued decreased by 4% to 49,000;
- Resident parking permits issued increased by 7% to 1,065, and
- Visitor parking passes decreased by 10% to 726.

FY'09 Accomplishments

- Conducted successful State Primary and Presidential Elections, including utilizing an increased number of poll workers for the Presidential Election and still managing to reduce the amount spent on elections through polling place consolidations;
- Increased voter participation through increased voter registration and postcard mailing to every voter informing them of their voting location and the dates of elections; and
- Successfully transitioned and trained the new manager of the parking enforcement program and introduced a new Hybrid vehicle to the fleet of parking enforcement vehicles.

FY'10 Goals

- Work with the City's vendor for parking enforcement (Municipal Management Associates) and the Treasurer's office to install a payment kiosk in City Hall to allow parking tickets and excise tax to be paid by a credit card;
- Work with the City's vendor for parking enforcement to instruct and train all Parking Enforcement Officers in the use of new hand held ticket writing equipment which will allow ticket writer to take a picture of a violation and transmit the image via the Internet to the hearing officer for use at an appeal hearing;

- Work with the City’s vendor for parking enforcement to install a Resident Parking Permit Data Base, complete with all plates issued a sticker for the program, into new hand held equipment which will prevent Parking Enforcement Officers from issuing a violation for that offense if the plate is in the data base;
- Work with IT Department to review the City Clerk/Parking web page to make more information available and also have pdf forms available for residents and visitors use for parking appeals and requests for Clerk related documents, and
- Work with other City departments and boards to consider and implement a new Residential Parking program.

City Clerk Program Budget #161

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	215,595	228,569	248,551	251,183	245,397	(5,786)
Operations and Maintenance	32,373	44,735	48,617	35,950	35,950	-
Capital	-	-	-	-	-	-
Department Total	247,967	273,304	297,168	287,133	281,347	(5,786)

City Clerk Personnel Listing #161

Title	2006	2007	2008	2009	2010	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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	39,692	40,646	43,216	43,799	48,145	4,346
Operations and Maintenance	549,100	573,672	560,218	631,570	631,570	-
Capital	-	-	19,000	20,850	-	(20,850)
Department Total	588,792	614,318	622,434	696,219	679,715	(16,504)

Traffic & Parking Personnel Listing #293

Title	2006	2007	2008	2009	2010	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

Licensing Department has been redesigned and renovated in order to provide more professional and efficient customer service delivery.

Department at a Glance

In Calendar 2008, the Department issued the following licenses/permits/certifications (the amount generated for that those issuances is in parenthesis):

- Alcoholic Beverages - 79 (\$156,875)
- Amusement/Entertainment - 58 (\$17,393)
- Common Victualer - 104 (\$10,275)
- Rooming Houses - 9 (\$1,125)
- Class I, II, III - 11 (\$1,100)
- Garage/Repair - 18 (\$4,525)
- Parking Lot/Garage - 2 (\$34,825)
- Petroleum Storage - 21 (\$76,540)
- Tobacco - 64 (\$5,350)
- Business Certificates/Withdrawals - 154 (\$3,630)
- Hackney - 203 (\$9,480)
- Old Gold - 5 (\$250)
- Pawnbrokers - 4 (\$800)
- Constables - 15 (\$7,000)
- Parks - 29 (\$28,520)
- Misc (retail, yard sales, auctioneer, etc.) - 47 (\$3,375)

FY'09 Accomplishments

- In conjunction with Chelsea Police Department and Law Department, revoked taxicab licenses of licensee conducting illegal activities to insure public safety, and
- Collaborated with the Traffic Division of the Police Department regarding the efficient enforcement of limo/livery and taxicab regulations targeting illegal operations.

FY'10 Goals

- Scan and store online all files in order to provide electronic documentation upon request;
- In conjunction with the Licensing Commission, review and revise the limo/livery and taxicab regulations, and
- In conjunction with the Licensing Commission, review and revise licensing commission rules and regulations.

Licensing Program Budget #165

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	62,123	63,347	64,593	65,730	67,266	1,536
Operations and Maintenance	3,021	3,958	5,211	4,560	4,480	(80)
Capital	-	-	-	-	-	-
Department Total	65,144	67,305	69,804	70,290	71,746	1,456

Licensing Personnel Listing #165

Title	2006	2007	2008	2009	2010	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

Personnel and planning staff changes continued into FY09, but the changes did not diminish the Department's efforts to advance the City's planning goals. The creation and filling of the Assistant Director and Housing Project Development Manager positions as part of the FY08 reorganization of the Department allows the Department to continue with its mission. The unexpected retirement of the Construction Manager early in the fiscal year leaves the Department with a vacancy that has yet to be filled; however, in light of the decline in development projects resulting from the economic situation in which the country finds itself, the Department is taking the departure as an opportunity to reevaluate its staffing needs in that area and to explore alternative methods of monitoring construction activities on publically funded building projects.

Department at a Glance

- Zoning Board of Appeals Applications: FY05 – 50; FY06 – 44; FY07 – 36; FY08 – 16;
- Permitted approximately 80 affordable housing units at several sites in the City;
- Assisted in the purchase of six key foreclosed properties in the Addison-Orange and Shurtleff-Bellingham neighborhoods, and
- Funded counseling of approximately 150 Chelsea residents on foreclosure issues.

FY'09 Accomplishments

Housing

- Created a targeted code enforcement program for the Gerrish Avenue neighborhood in an effort to improve housing, trash and graffiti issues, and developed a list of “problem properties” in that neighborhood that Inspectional Services and the Planning Department will focus on for court action, including potential receivership;
- Participated in the creation of a Neighborhood Stabilization Program 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 and resulting in Chelsea Neighborhood Developers (CND) purchasing six properties and Chelsea Restoration Corporation (CRC) purchasing one property;

- Permitted 272 residential units in the urban renewal area;
- Assisted in the completion of the renovation of 21 units of Single Room Occupancies owned by Caritas Communities on Eastern Avenue;
- Facilitated the closing and construction of 113 Spencer Avenue for 48 units of rental housing;
- Staffed the newly established Affordable Housing Trust Fund, providing technical assistance to the board and presenting the first application for project funding;
- Obtained secondary financing from NSC Home funds in order to assist in constructing the loft units scheduled for Atlas Lofts on Library Street and Gerrish Avenue, thereby adding six affordable units to the project;
- Provided additional subsidy to the Boxworks' affordable homeownership units allowing for all fourteen to now be acquired by homebuyers;
- Assisted in the development of a of a 152 unit development that has been permitted on Webster Block, including 32 units of affordable family housing;
- Coordinated with the Department of Public Works the completion of infrastructure work on Library Street, Gerrish Avenue and Marlboro Street in support of the Boxworks development;
- Continued to provide funding and technical assistance to CRC's foreclosure program which supported counseling for over 150 residents;
- Participated in the statewide Foreclosure Task Force in an effort to recommend approaches to the state's residential foreclosure problem, and
- Helped create the foreclosure registration ordinance that requires all entities taking over property through foreclosure to register with ISD and appoint a local property manager for the property.

Transportation

- Continued to advocate for the development of the Urban Ring and participated in the environmental review as a member of the Urban Ring Citizen Advisory Committee;
- Began on on-going monitoring of the State's reconstruction of the Chelsea Street Bridge and provided input on City concerns, and
- Responded to the State's request for "shovel-ready" projects for inclusion in the proposed economic stimulus bill by providing details on several transportation projects in Chelsea.

Open Space

- Completed the construction of a new 4,800 square foot park on the northwesterly corner of Fifth Street and Chestnut Street;
- Completed the design and bidding, and began construction an approximately one acre park in the new Parkway Commons development;
- Secured funding for and began the design of an approximately 7,800 square foot park on the Island End River;
- Provided coordination for the Department of Public Works' Highland Avenue Park project;
- Continued work on the update of the City's open space and reaction plan, and
- Secured the City's eligibility for Gateway Community park fund grants.

Public Improvements and Planning

- Coordinated training sessions for board/commission members and staff;
- Amended the Wind Turbine section of the Zoning Ordinance to provide for coordinated review and permitting of such structures;
- 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;
- Began a major planning study for the Addison/Orange neighborhood;
- Began a coordinated planning effort with the CND to implement aspects of the Shurtleff-Bellingham neighborhood planning study;
- Provided input and review to the Metropolitan Area Planning Council on the regional plan for the lower Mystic River corridor;
- Provided input and review to MAPC on the development of the regional pedestrian planning study, and
- Represented the City and made presentations on City initiatives at various state and national conferences and meetings.

Economic Development

- Permitted the development of a 272 unit residential development with retail space in the Everett Avenue Urban Renewal District (EAURD);
- Permitted the development of a 155 unit affordable/market rate development with retail space on Eastern Avenue;
- Permitted the development of a dry-cleaning establishment on Everett Avenue and a convenience store on Broadway;
- Secured Chapter 43D, Priority Development Status for 5 sites in the EAURD;
- Continued to work with the owner of the Mystic Mall to redevelop a mixed-use redevelopment scheme for the site;
- Worked with MAPC to secure federal interest in financing of the City's economic redevelopment efforts, and
- Provided input and review to MAPC on the development of a regional online mapping project to promote economic development.

Administration

- Created and filled the new assistant director position, without increasing staff or budget;
- Created and filled the new housing development project manager position, without increasing staff or budget;
- Completed two audits (Massachusetts Small Cities Program and City) with no findings;
- Closed out FY'2005 and 2006 MSCP Grants, received the Mass CDBG (formerly MSCP) for FY 08 and submitted the application for the next round of funding, and
- Upgraded Department equipment.

FY'10 Goals

Housing

- Complete the project at 113 Spencer Avenue, known as Spencer Green, and assist in rent up to low and moderate income families;
- Close on the affordable housing development of 32 units at Webster Block, known as Spencer Row, and monitor construction;
- Participate in the Addison/Orange neighborhood study, with an emphasis on strengthening the residential market in the area;
- Coordinate a citywide targeted code enforcement program focused on foreclosed properties;
- Continue to coordinate a multi-pronged approach to foreclosure issues in Chelsea, including foreclosure counseling and mitigation, code enforcement and the purchase of foreclosed properties for re-development or demolition;
- Create a joint rehabilitation program for owner occupants in Shurtleff/Bellingham in partnership with the NSC Home program and the City of Revere;
- Continue to work on implementing the planning vision developed in the Gerrish Avenue neighborhood, and
- Close on Atlas Lofts and monitor construction.

Transportation

- Pursue MA CDBG funding for the reconstruction of Chester Avenue;
- 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 and/or federal funding for the construction of improvements to Spruce Street between the rail tracks and Everett Avenue;
- 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
- Continue to 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;
- Complete the construction of the Creekside Commons Park;

- Complete the construction of the Island End Park;
- Work with the Department of Public Works on the design of the reconstruction of the playing field at Highland Park;
- Pursue funding options for the maintenance and development of open space in the City;
- 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

- Complete the neighborhood planning study of the Addison-Orange neighborhood;
- 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, 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

- Continue to 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
- Continue to work to improve the time sheet recording process.

Office of Planning & Development Program Budget #175

Expense Line Item	2006 Actual	2007 Actual	2008 Budget	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	-	-	45,487	46,846	49,849	3,003
Operations and Maintenance	24,250	24,000	22,033	24,000	24,000	-
Capital	-	-	-	-	-	-
Department Total	24,250	24,000	67,520	70,846	73,849	3,003

Office of Planning & Development Personnel Listing #175

Title	2006	2007	2008	2009	2010	Variance
Planner / Project Manager	0.00	0.00	1.00	1.00	1.00	0.00
Total Department	0.00	0.00	1.00	1.00	1.00	0.00

Office of Planning & Development Programs Grant Funded

Program Activity	2010 Budget
Infrastructure Improvements - Chester Avenue	425,000
Parks - Island End Park	395,113
Citizenship Training Program	30,000
Housing Reinvestment / Distressed Properties	742,000
Grant Funded Total	1,592,113

Office of Planning & Development Personnel Listing Grant Funded

Title	2006	2007	2008	2009	2010	Variance
Executive Director	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Director	0.00	0.00	0.00	1.00	1.00	0.00
Planning Director	1.00	1.00	1.00	0.00	0.00	0.00
Finance Director	1.00	1.00	1.00	1.00	1.00	0.00
Housing Director	1.00	1.00	1.00	0.00	0.00	0.00
Construction Manager	1.00	1.00	1.00	1.00	0.00	(1.00)
Project Manager	1.00	1.00	1.00	1.00	1.00	0.00
Housing Rehab. Specialist	1.00	1.00	1.00	0.00	0.00	0.00
Housing Development Project Mgr	1.00	1.00	0.00	0.00	0.00	0.00
Financial Analyst	1.00	1.00	1.00	0.00	0.00	0.00
Special Projects Coordinator	0.00	0.00	1.00	0.00	0.00	0.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Distressed Properties Administrator	0.00	0.00	0.00	0.50	1.00	0.50
Intern	0.00	0.00	0.00	0.40	0.40	0.00
Total Department	10.00	10.00	10.00	6.90	6.40	(0.50)

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.

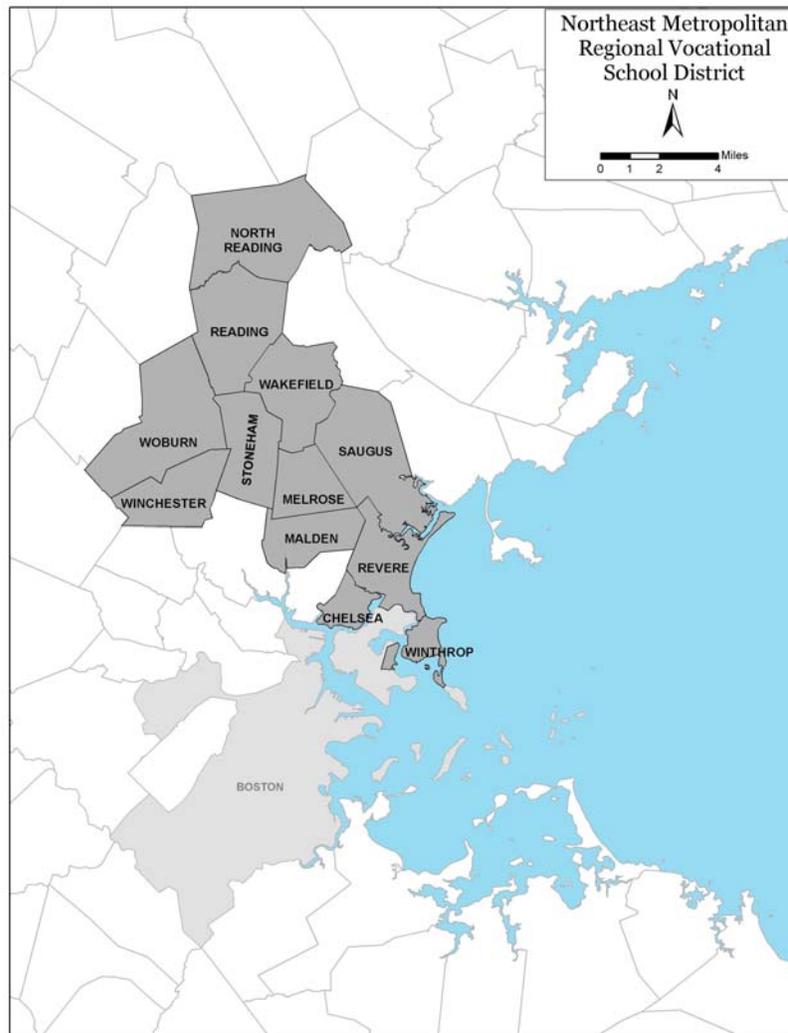
In FY'08, in order to better identify the whole funding effort made by the City to the School Department, we changed the departments to which the City Council appropriated resources to the School Department. This year again, items such as health insurance and school nurses are appropriated directly to 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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
School Appropriation	47,663,396	55,524,212	58,803,231	62,664,885	62,593,285	(71,600)
Total Department	47,663,396	55,524,212	58,803,231	62,664,885	62,593,285	(71,600)

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 206 of the 1206 students attending this year. The "required contribution" that the Department of Education has calculated for Chelsea this fiscal year is \$528,622.00. In addition to the minimum contribution, the School Committee has assessed Chelsea \$57,649 for transportation and equipment and \$208,014 for other educational expenses for a total assessment of \$794,285. 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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Regional Assessment (5662)	1,269,085	825,626	683,157	700,000	735,495	35,495
Total Department	1,269,085	825,626	683,157	700,000	735,495	35,495

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, efficient, 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 serves. 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 year in its movement towards a full service community policing organizational philosophy. The CPD remains committed to balance the need to maintain an immediate and effective police response to individual crime incidents and emergencies as they arise, while simultaneously enacting new proactive initiatives and strategies aimed at solving problems before they occur or escalate. To facilitate that purpose the Police Department hired thirteen (13) additional Sworn Patrol Officers this past year and increased the ranks to a total of 93 officers. In addition, a new Patrol Division Shift titled the "Impact Shift" was also created as an overlapping shift between the First Half and the Last Half Shifts from 5:00pm to 3:30am to address crime related issues during periods of peak activity. This new overlapping shift with the increased staffing levels allows the Patrol Division to become a more multi-faceted patrol force by utilizing plain clothes officers in unmarked vehicles along with uniformed personnel and Officers assigned to mountain bikes to address the calls for service workload while simultaneously targeting hot spot areas. The CPD has also formed a dual purpose K-9 Unit trained in suspect tracking and drug detection to augment the activities of the Patrol Division. Three dogs have been acquired for the unit and are now undergoing training.

Department at a Glance

	2008	2007
Calls for Service:	44,812	41,293
Arrests:	2,247	1,929
Protective Custody (PC):	435	470
Crime Related Incidents:	3,930	3,549
Non-Crime Related Incidents:	1,602	1,674
Motor Vehicle Accidents:	889	990
Traffic Citations:	8,834	5,012
Field Interviews:	176	38

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

FY'09 Accomplishments

- Established, maintained and enhanced community partnerships whereby the community helped 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 community outreach to the various community groups throughout the city;
- Fostering a relationship with local youth through their participation in the Summer Park Ranger Program by utilizing the new Community Outreach Officer and the Sector Officers;
- Improving the School Resource Officer program through increased education and training of the involved three (3) assigned 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 of 2008.
- Controlled 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 new software and implementing the Citizen Observer Alert Notification and TIPS Program to provide instantaneous proactive communication with the community; Text a Tip to: TIP411 or 847411 then type *Chelsea* followed by a 100% anonymous message to the CPD;
 - Drug Enforcement- The Drug Unit was successful in targeting specific areas of concern to citizens and business owners. Detectives utilized both covert and overt operations to suppress ‘curbside dealing’. In November of 2008, the Criminal Investigations Division (CID) conducted a three month “street level” drug dealing operation in Bellingham Square. CID Drug detectives collaborated with the Drug Enforcement Agency (DEA), Massachusetts State Police Suffolk County Drug Unit and the Everett Police. This undercover operation resulted in 18 arrests of those selling and or purchasing drugs in the Bellingham Square area. In 2008, CPD placed 153 individuals under arrest for narcotic violations. CID also has one detective assigned full-time to the DEA Boston office. Investigations involving the DEA in Chelsea are ongoing and are typically long in duration as the target(s) are high level drug distributors;
 - Operation EPIC (Eliminate Prostitution in Chelsea) – This operation was conducted throughout 2008 and was successful in the suppression of overt prostitution violations in the city. CPD targeted both prostitutes and “*Johns*” in an effort to address this community concern, and profiled the area of Congress, Third St, Everett Ave and the Park Square as a priority enforcement zone. CID developed a “*Top 10 Offender*” list to be targeted by all officers. CPD also utilized Electronic Message Boards to warn and educate the community on the enforcement effort in that specific area. CPD arrested 78 individuals for John Law Violations and 65 for sex for crime related crimes.
 - Developed better regional approaches to criminal investigation related issues by assigning one Superior Officer from CID to the Boston BRIC (Boston Regional Intelligence Center) for bi-weekly briefings;
 - Utilized members of CID and Federal and State law enforcement agencies to covertly address known locations of gang members/drug dealers and established 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;
 - Continued the partnership with the Massachusetts State Police Gang Unit;
 - Provided case profiling and prioritization by a designated Assistant District Attorney with the goal to fast track all violent crimes in the city;

- Operation Rapid Response – CID, which includes the Gang Unit and Drug Unit, conducted Operation RAPID Response during the report period. The Operation was a collective “zero tolerance” effort targeting gangs, prostitution and drug dealing in targeted areas of the city. The operation resulted in 33 arrests of prostitutes, 21 gang members arrested, (seven charged with illegal possession of firearms), and 19 arrests for narcotic dealing (2.2 kilograms of cocaine recovered). The operation resulted in 137 total arrests during the time period. During the operational period CPD continued to partner with the Massachusetts State Police Gang Unit and cleared 20 active warrants for violent offenders residing in Chelsea;
- Partnered with probation officers and conducted home visits and monitored court ordered restrictions;
- Developed a plan to undertake a Phase II expansion of the “*ChelseaView*” surveillance system by adding up to nine (9) additional Homeland Security Cameras;
- Opened the Storefront Mini-Station located at 28 Washington Ave 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;
- Established the Team-12, two-officer bike patrol for the Bellingham Square Area – six (6) Officers have been assigned to utilize this alternative means of patrol;
- Established a K-9 Drug Detection/Tracking Team with 3 dogs, and
- Disseminated weekly regional crime bulletins from Everett and Lynn.
- Increased citizen safety and perception of safety by implementing innovative and proactive problem solving endeavors with the community, by;
 - Expanded Neighborhood Watch Programs to the Box District;
 - Established venues for the four Community Action Teams to be physically located in each particular district;
 - Increased the total size of Sworn Police Officers to 93 through local appropriations and the securing of state and federal grants;
 - Reinstated the National Night Out Event and helped initiate other community and business events as requested;
 - Increased public service announcements on City-operated cable television Channel 15 by creating timely and informative PowerPoint slides relating to public safety issues of concern, and
 - Continued the partnership with the Chelsea Public School System for the next five years for funding of the three (3) School Resource Officers.
- Reduced the number of motor vehicle accidents by 10.2%, which ultimately 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;
- Addressing commercial motor vehicle traffic through a comprehensive strategy involving enforcement, education, planning and partnerships with businesses and other government agencies. CPD issued 8834 citations in 2008 which is a 131% increase from the previous year. Due to increased enforcement efforts, 730 violations were issued for commercial motor vehicle being operated on restricted roadways, a 437% increase from the previous year:
- 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;

- 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 (including National Night Out) 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;
- 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;
- Increasing enforcement-intensive traffic enforcement by the CPD’s Community Services Division resulted in an increase in citations for violation of the city’s truck exclusions and weight limits. The results were mostly visibly seen on Beacon Street, Fourth Street and Webster Avenue where 730 trucks were cited, a 437% increase from the previous year;
- Coordinating with the Massachusetts State Police Commercial Motor Vehicle Enforcement Unit, Governor’s Auto Theft Strike Force, and Registry of Motor Vehicles (RMV) Compliance Unit, CPD’s Community Services Unit met with the State Police and inspectors from the Registry of Motor Vehicles to receive additional commercial motor vehicle training. Utilizing each agencies expertise, the Community Services Unit conducted three joint inspection initiatives which resulted in numerous citations for weight violations, improperly covered and secured loads, improperly registered vehicles, safety violations, and other commercial specific violations. Additionally, the State Police regularly assign commercial motor vehicle team troopers to the Beacon St off-ramp, Fourth St off-ramp and Beecham St area;
- Securing improved signage by working extensively with the Mass Highway Department, Department of Conservation and Resources (DCR), Massport, Chelsea Public Works (DPW) and others to improve signage and pavement markings along truck routes and approaches to the city. Massport has been extremely cooperative with posting trucks exclusion and weight limit signs on the Tobin Bridge. Mass Highways placed signs along Route 93 advising long haul truckers to utilize the Sullivan Square exit for access to the city’s truck route and New England Produce Center. Chelsea DPW replaced numerous missing, damaged, or poorly placed sign along Webster Ave. Efforts with the Department of Conservation and Resources are on-going;
- Conducting traffic studies as CPD purchased traffic classification equipment through a grant from the Massachusetts Executive Office of Public Safety. Combined with data obtained from the Massachusetts Highway Department, it will provide more detailed analysis of the city’s traffic problems and focus enforcement efforts. The equipment captures detailed vehicle counts, direction of travel, speed and classification of vehicle types;
- Planning, educating and developing relationships with businesses, truckers, developers, contractors, and other agencies to develop comprehensive traffic management plans. The Chief of Police sent letters and the Community Services Division personally met with every business at the new Chelsea Commons Shopping Center to discuss traffic issues. Several of the businesses agreed to notify their suppliers and place essential truck route info on their purchase requests. Additional meetings were held with the developers, contractors, and project managers working on the Parkside Commons Apartments. Meetings were also held with project engineers at the former Chelsea Armory site and Gulf Oil. The Department meets monthly with Massport on traffic issues and the on-going bridge

restoration project. Regular meetings are taking place with Mass Highways concerning the replacement of the Chelsea Street Bridge.

FY'10 Goals

- Reduce complaints of open air drug dealing in both the business district and targeted neighborhoods: In order to ensure the progress made is maintained, the Drug Unit will continue the aggressive use of undercover detectives posing as drug customers within the City. These operations will combine both long term (3-5 months) investigations and very visible and immediate “*Buy-Bust*” operations to further this objective;
- Foster Community Partnerships and ensure open dialogue and mutual understanding on drug issues between CPD, substance abuse providers and other prevention based city programs. The Drug Unit continues to further partnerships with not only local, state and federal agencies, but has also entered into partnerships with ROCA and the Crescent Avenue Methadone Clinic. Through these new partnerships, we hope to have alternatives to provide in those circumstances we encounter which would be best addressed through the understanding that drug addiction is a treatable disease;
- Eliminate Street Prostitution through continued overt and covert targeting of both prostitutes and “*Johns*” with a balanced suppression effort with an offender focused alternative court strategy to reduce recidivism;
- Monitor and address Human Trafficking and Organized Prostitution Rings that use the Internet to avoid detection. The Drug Unit has partnered with the FBI and State Police Human Trafficking Unit to conduct Internet prostitution investigations. Two such operations were conducted in 2008 with additional operations planned for 2009;
- Reduce violent crime by conducting special operations based on intelligence and data driven indicators with the goal of continued target enforcement;
- Saturate areas of high priority with uniformed and plain clothes anti-crime teams. The Impact Shift officers working with CID will respond and address high priority areas based on real time information. The flexibility of the new impact shift with its added police presence during high call service times will enable the CPD to mobilize more efficiently on operations and saturation of problem areas;
- Implement a Top Five Violent Offender List, working work with all law-enforcement partners to aggressively pursue these individuals responsible for the majority of firearm related incidents. The CID will use this list to deploy all available resources to quickly apprehend and hold suspects under the guidelines of “dangerousness hearing proceedings” and obtain successful prosecutions. CID will establish case profiling of the five most violent offenders and better utilize the Safe Neighborhood Initiative partners to target these offenders. CID will work with the probation officers and conduct home visits with increased frequency and place under arrest those in violation of any terms of probation;
- Utilize FBI Task-Force to specifically target illegal sales of firearms and to cultivate local informants in intelligence gathering operations specifically targeting the “Top 5 Offender list.” One CID detective will work closely with the FBI Gang Task-Force and Massachusetts State Police to conduct local covert operations;
- Launch Text TIP411 to Chelsea: The CPD will maximize the potential public use of cell phones to create a safer community by allowing all to send real time information to investigators without fear of retribution. The CPD will launch this new crime fighting tool that enables the public to text message or submit through the Chelsea Police website an anonymous tip to the police department;
- Coordinate with the Chelsea Fire Department to run the National Night Out Event in August at Washington Park;

- Develop a comprehensive curriculum to reinstitute the Citizen's Police Academy;
- Implement the full K-9 Unit;
- Implement a part time Newcomer Advocate position which will provide support and resources for newly placed immigrant and refugee families residing in the city. This is a grant funded position for three years from the MGH with an option for four additional years which will be used to strengthen the ties between new residents of Chelsea and community resources. The position will coordinate needed services to educate CPD and other department personnel who protect and enforce the safety and health of residents. The Advocate will provide educational advice to CPD and community groups to inform about the various cultures arriving and residing in the city and will work with resettlement agencies as well as City agencies, and
- Install up to six (6) additional surveillance cameras at various strategic locations around the city focusing on areas that generate a disproportionate number of the calls for service workload including crimes against the person and crimes against property.

Police Department Program Budget #210

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	6,328,921	6,604,890	6,500,512	7,087,865	7,742,910	655,045
Operations and Maintenance	446,578	484,583	512,813	582,346	604,007	21,661
Capital	133,429	106,109	112,000	94,500	51,915	(42,585)
Department Total	6,908,928	7,195,582	7,125,325	7,764,711	8,398,832	634,121

Police Department Personnel Listing #210

Title	2006	2007	2008	2009	2010	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	14.00	14.00	0.00
Police Officers	61.00	61.00	62.00	62.00	69.50	7.50
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	1.00	1.00	0.00
Administrative Assistant	0.00	0.00	0.00	1.00	1.00	0.00
Head Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Matron	0.50	0.50	0.50	0.50	0.00	(0.50)
Animal Control Officer	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	92.50	92.50	93.50	94.50	101.50	7.00

Police Department Programs Grant Funded

Program Activity	2010 Budget
Newcomer Coordinator Program	70,436
Traffic Enforcement	15,000
Public Safety Coordination (various grants)	780,000
Youth Violence & Drug Prevention & Training (various grants)	162,050
Community Policing	365,322
Grant Funded Total	1,392,808

Police Department Grant Funded

Title	2006	2007	2008	2009	2010	Variance
Police Officers	0.00	0.00	0.00	9.00	1.50	(7.50)
Program Managers	0.00	0.00	0.00	0.00	1.25	1.25
Administrator	0.00	0.00	0.00	0.00	0.50	0.50
Total Department	0.00	0.00	0.00	9.00	3.25	(5.75)

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. CFD 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

The Chelsea Fire Department continues to improve delivery of fire protection and public safety services in a number of areas. In particular there has been a concentration on Communications, Training and Fire Prevention. The new radio communications grant of \$745,000 from the Department of Homeland Security was completed. That project is significant in that it achieves interoperable communications regionally and cross-discipline with shared channels for fire, police and EMS services. Training is vital to meeting CFD's mission of preserving life and property. The Training Division delivered physically demanding and comprehensive training programs throughout the year. The Massachusetts Fire Academy provided a number of "Impact Series" training programs including Trench Rescue Awareness. This past year there was particular emphasis on rescue of lost or trapped firefighters. Each member has been trained in the various methods of extricating trapped firefighters, and has also been taught skills to prevent entrapment as well as self rescue techniques to employ while a Rapid Intervention Team is deployed. As of December, 2008, the public may now access fire department forms and permits online through the City website under public safety. Fire Prevention received \$5,700 from the Department of Fire Services SAFE Grant in support of fire safety education for students' grades one through four. Public education included safety days held at the Massachusetts General Hospital Clinic, Home Depot and Chelsea Latino Education Group.

Department at a Glance

	2007	2008
Total Dollar Loss All Fires	\$2,035,380	\$2,723,190
Working Structural Fires	198	175
Vehicle/Other Non Structural Fires	113	76
Hazardous Materials Response	119	288
Extrications/Industrial/Medical BLS	5072	5015
Fire Alarm Investigations	772	877
Other Emergencies	1189	1058
False Alarms	77	82
Total of Emergency Incidents	7540	7571
Total Calls For Service:	9365	10943
	2007	2008
<u>Type of Inspection</u>		
Certificate of Compliance	274	253
Code Enforcement	520	775

Fire Certificate Inspections	12	17
Fire Reports	26	57
Quarterly Inspections	38	59
Smoke Inspections	70	77
Sprinkler Inspection	61	47
Oil Burner Inspections	31	21
Total	1032	1306

Type of Permit

Carbon Monoxide Technical Options	1	1
Dwelling Rehab Waiver	2	3
General Permit	35	43
Hot Work	25	39
Oil Burner	22	21
Sprinkler Permit	33	40
Smoke Detector Permit	6	26
Fire Alarm System	31	37
Flammable Storage Permit	7	9
Tank Removal Permit	21	27
Total	183	246

Code Violation Tickets

Ticket for Violation Warning Only	45	118
Ticket for Violation Fine (paid)	9	8
Ticket for Violation Fine (outstanding)	6	10
Total	60	136

Source: Chelsea Fire Department IMC

FY'09 Accomplishments

- Received State equipment grant of \$11,000 for the acquisition of two (2) bunker gear dryers;
- Received State Fire Prevention Education grant of \$5,800;
- Issued 91 sets of bunker gear to firefighters through a Fire Act grant of \$212,000;
- Conducted, through Fire Prevention, a “Community Safety Day” sponsored by Home Depot, Papa Gino’s and Kool Smiles, and participated in a “Community Safety Day at the MGH Clinic;
- Participated in the “Back to School Safety Day” sponsored by Chelsea Latino Education Group and the City’s “National Night Out” celebration;
- Coordinated 100% compliance with new carbon Monoxide requirements;
- Prosecuted 6 juvenile arson suspects enrolled in Juvenile Fire Setter Program;
- Revised and develop an annual inspection format for auto repair shops and garages, fuel testing laboratories, and rooming houses throughout the city;
- Developed a Fire Prevention web page providing the community with access to local and state codes, fire prevention tips and answers to frequently asked questions;
- Completed 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; through a \$745,000 Homeland Security grant;

- Completed 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;
- Secured additional, up-to-date hazardous materials education programs for all firefighters, including refresher training on personal protective equipment, metering and decontamination;
- Reallocated 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;
- Completed Emergency Medical Recertification Courses and Basic Life Support Training (A.E.D.) Automatic External Defibrillation Recertification, and
- Graduated 4 new recruit firefighters from the Mass Fire Academy.

FY'10 Goals

- Apply for the 2009 Student Awareness of Fire Education Grant (S.A.F.E.);
- Develop a bi-annual inspection format for flammable and combustible fuel storage facilities;
- Update the current City ordinances that are non compliant with 527 C.M.R. M.G.L. Chapter 148;
- Complete Phase II implementation of CFD's information management system for administration of records including budget, vendor management and personnel;
- Apply for 2009 Fire Act Grant to fund firefighting equipment, the 2009 Fire Act Grant SAFER and the 2009 Commonwealth of Massachusetts Equipment Grant;
- Coordinate "Community Safety Day," "Fire Prevention Back to School Safety Day," and, with the Chelsea Police Department, "National Night Out;"
- Coordinate Emergency Medical Recertification Courses and Basic Life Support Training (A.E.D.) Automatic External Defibrillation Recertification;
- Continue Emergency Vehicle Operator Training;
- Update or establish standard operations procedures for marine firefighting and manhole firefighting, the latter utilizing the NSTAR Utility Training Program, and
- Deliver the annual D.O.T. Refresher for Emergency Medical Technicians.

Fire Department Program Budget #220

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	6,186,314	6,226,679	7,054,159	6,884,694	7,005,503	120,809
Operations and Maintenance	339,057	400,692	428,018	422,700	446,350	23,650
Capital	-	-	43,932	25,789	26,940	1,151
Department Total	6,525,372	6,627,371	7,526,109	7,333,183	7,478,793	145,610

Fire Department Personnel Listing #220

Title	2006	2007	2008	2009	2010	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	60.00	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	93.00	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

Due to the constant overcrowded and unsafe housing conditions, which the Department discovers on a daily basis, it became apparent that it would be necessary to reorganize the building inspector's duties. Two building inspector's had to absorb an increased workload to allow one building inspector's new assignment to be exclusively dedicated to the inspections of multi-family homes, three units and greater. This new housing inspection initiative requires that these housing units be inspected on an annual basis with the goal of eliminating unsafe conditions.

Department at a Glance

In Calendar 2008, the Department:

- Issued 970 Building/Occupancy Permits, up 6%;
- Issued 464 Electrical Permits, up 4%;
- Issued 264 Plumbing Permits, up 9%;
- Issued 187 Gas Permits, up 18%;
- Issued 1176 Certificates of Habitability Permits, up 20%;
- Issued 112 Certification of Inspection Permits, down 10%;
- Issued 360 Dumpster Permits, down 2%;
- Issued 64 Orders for Court Appearances, up 1%;
- Issued 1925 21(D) Violation Tickets, down 6%;
- Total Fines Issued \$187,820, up 57%;
- Total Fines Collected \$55,765, down 7%;
- Total Building Permit Construction Value \$89,711,225, up 18%, and
- Total Building Permit Fee Revenue \$1,201,300, down 15%.

FY'09 Accomplishments

- Initiated "Targeted Code Enforcement," consisting of three teams of two inspectors conducting off hour inspections in the targeted neighborhood of Grove, Marlboro, Library, and Bellingham Streets in an effort to mitigate substandard housing conditions by pursuing property owners and holding them accountable for their properties, with the result being that property owners either comply with regulations, sell their properties to a more responsible party, or, in extreme cases, their property will be determined eligible for receivership;

- Conducted an aggressive zero tolerance program with the goal of a graffiti free city, through the collaboration of Inspectional Services, Planning and Development, ROCA and Chelsea Neighborhood Developers working as a team along with residents of the city;
- Started the process of converting/scanning the Department's forty (40) file cabinets of permits, general communications and Zoning Board of Appeals decisions into an electronic, fully searchable database file that will be accessible to view from desktop computers throughout City all;
- Issued, for the seventeenth consecutive year, a record number of permits with a total permit revenue exceeding \$1.3m on \$89m of construction work being performed, and
- Placed in operation tablet computers to eventually allow inspectors to record inspection violations, track permit status and create an electronic file which leads to a more efficient, filing and permit tracking system.

FY'10 Goals

- Utilize Table 108 of the State Building Code to conduct annual inspections of at least five hundred (500) multi-family residential units, including smoke detector and means of egress inspections to be conducted in the common areas and within the residential units;
- Complete the process of converting/scanning all Department records, making them electronically reviewable;
- Create a new electrical fee schedule that will be more user friendly to both electrical contractors and office staff;
- Increase the number of inspectors utilizing the tablet computers and electronic database and increase the number of electronic inspection forms that will be required to accomplish this goal, and
- Restructure office layout and renovate same to create a more efficient working environment for both ISD employees and the general public.

Inspectional Services Program Budget #240

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	519,692	550,406	552,213	593,810	581,671	(12,139)
Operations and Maintenance	19,059	19,541	27,548	36,717	36,417	(300)
Capital	12,034	-	-	-	-	-
Department Total	550,784	569,947	579,761	630,527	618,088	(12,439)

Inspectional Services Personnel Listing #240

Title	2006	2007	2008	2009	2010	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	0.00	(0.50)
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	0.50	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	11.50	11.50	11.50	11.00	(0.50)

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 determine the nature of the call (service or information) and promptly dispatch the appropriate agency or agencies. All calls for Emergency Medical Service (EMS) are dispatched to the contracted provider by Emergency Management staff. In addition, the dispatchers monitor (around-the-clock) the city's fire alarm boxes, maintain radio communications with police, fire, EMS, emergency management and their respective inter-agency radios to assist in coordinating any possible public safety event or incident.

Significant Changes

State 9-1-1 funding is supporting 9-1-1 dispatch training. 9-1-1 training is conducted locally and regionally on an on-going basis. A new UHF radio system paid for with Homeland Security funds has allowed fire, police, EMS and emergency management in the Metro Boston Fire Region to be on the same radio network. This enhances interoperability among public safety agencies in cities and towns.

Department at a Glance

9-1-1 dispatchers answer all 9-1-1 emergency calls and non emergency calls on two telephone systems. The dispatchers prioritize police calls during high volume times and dispatch in accordance with established Policies, Procedures and Protocols. 9-1-1 dispatchers document all calls (emergency and non emergency) as well as fire and police details and other respective department information. Dispatchers run criminal history and Registry of Motor Vehicle checks. Fire/EMS calls are received and entered into IMC for dispatch assignments. Dispatchers maintain records at all alarm levels of request for service to dispatch including notifying outside departments and agencies of requests. Contact information (telephone, pager, etc) of police and fire departments are maintained by the Department for emergency twenty-four hour contact. All notification to the fire department off duty personnel is made by 9-1-1 for call back at incidents or elevated alarm levels. The City's Emergency Operating Center (EOC) is typically operational during the year for severe weather, public safety special operations and regional exercises.

Total 9-1-1 System Calls: 35,005

Fire/EMS related calls: 7,589

Police related calls: 27,416

Calls received on wire line: 11,489

Calls received wireless: 9,435

Calls received other lines (non-emergency lines): 14,081

Total calls entered/recorded in IMC,
which includes telephone calls but as departmental transmissions: 53,916

FY'09 Accomplishments

- Awarded a \$101,197 State 9-1-1 Department Support and Incentive Grant which provided funding for upgrading of the 9-1-1 Dispatch Center with securing new radio consoles to replace the aging and, in some cases, non-functional furniture that was in use;
- Awarded a \$ 17,200 State 9-1-1 Training Grant for dispatch training;
- Completed dispatcher, State-authorized training and certification in respective courses, and
- Secured continued EPA support and training in CAMEO.

FY'10 Goals

- Apply for a State 9-1-1 Department Support and Incentive Grant for dispatch related upgrades;
- Apply for a State 9-1-1 Training Grant for further dispatch training;
- Install a Pictometry program in IMC which would allow for 3D building imagery for all 9-1-1 calls received;
- Install closed circuit camera in the Command Post for live on-scene transmissions;
- Install monitors in dispatch for citywide security cameras;
- Enhance EOC (Emergency Operations Center) training for all city departments;
- Complete ICS training for all employees, and
- Send all new hires to the State 9-1-1 Training Academy.

Emergency Management Program Budget #230

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	724,183	830,628	789,508	822,418	847,451	25,033
Operations and Maintenance	12,896	19,709	16,905	19,523	18,523	(1,000)
Capital	-	-	-	-	-	-
Department Total	737,079	850,337	806,413	841,941	865,974	24,033

Emergency Management Personnel Listing #230

Title	2006	2007	2008	2009	2010	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	1.00	1.00	0.00
Shift Supervisor / PT Dispatcher	0.00	0.00	2.00	0.00	0.00	0.00
Dispatcher	12.00	12.00	12.00	13.00	13.00	0.00
Dispatcher Part Time	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	14.00	14.00	16.00	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, 12 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

This past winter the city was hit with 66 inches of snow, which is approximately 24 inches above normal. There were over 22 snow related events which required action from DPW forces. These conditions required the use of over 2,300 ton of salt, and 38 ton of sand. While replacing 90% of the city's water meters, Chelsea Water and Sewer has installed meter transmitter units (MTU). This new system will allow the billing department to obtain water meter readings on a daily basis, thus minimizing the potential for missed reads, or inaccurate billing. It will also serve as a valuable tool in assisting property owners in the detection of household leaks and irregular water usage. On March 1, 2009 the state implemented new Excavation and Trench Safety regulations requiring cities and towns to appoint a permitting authority to issue permits to anyone wanting to excavate on public and private properties. This will not only increase the quantity of excavation permits, but also the number of site visits needed to ensure public safety.

Department at a Glance

In Calendar 2008, the Department:

- Repaired 33 manholes and catch basins;
- Cleaned 34,918 ft. of sewer and drain lines;
- Disposed of 1,858 ton of road debris stored at DPW yard;
- Oversaw the collection of 11,254 tons of solid waste, down 9%, and 458 tons of recyclables, up 7%;
- Issued 172 Street Opening Permits;
- Replaced 4405 water meters;
- Used 265 ton of asphalt for pothole repairs;
- Spread 2,300 ton of salt and 38 ton of sand used for snow storms, and
- Planted 48 new trees.

FY'09 Accomplishments

Administration

- Scanned over one-thousand sewer, water, roadway, land, development, park, buildings, MWRA, Mass Highway, and various other plans into electronic format stored on the local area network drive;
- Reissue Request for Qualifications for Capital Improvement Projects Engineering Services;
- Rebid Removal of Stockpiled Debris at City Yard Contract, and
- Rebid Traffic Signal Emergency Repair and Maintenance Contract.

Streets & Sidewalks

- Planted 48 street trees in various locations;
- Instituted a pavement management program to maximize life cycle of existing roadway, through maintenance procedures using the application of crack sealing and micro surfacing to roadways, resulting in 42,000 square yards of roadway having been sealed and resurfaced on 16 different street segments adding an additional seven to ten years to the expected life cycle of the roadways;
- Replaced roadway surface on various deficient roadway surfaces, specifically Webster Avenue from Revere Beach Parkway to Clark Avenue, Park Street from Winnisimett to Hawthorn and the intersection of Second and Spruce;
- Replaced sidewalks on Highland Street from Bellingham Street to Grove Street;
- Replaced sidewalks on Franklin Street;
- Reconstructed Library Street from Broadway to Highland Street with new roadway and sidewalks and the addition of street trees;
- Reconstructed Gerrish Avenue from Broadway to Highland Street with new roadway and sidewalks, and the addition of ornamental lighting and street trees, and
- Reconstructed Library Street and Highland Street providing new sidewalks and roadway.

Solid Waste/Recycling

- Investigated and drafted an internal review document for the expansion of recycling in the city.

Structures & Grounds

- Replaced all exit signs with low wattage LED exit signs as part of the ongoing energy savings, green initiative;
- Renovated the offices of the City Assessors, Licensing and Housing Departments;
- Began renovation of lower level corridor in City Hall by testing all wires and cabling and removing all abandoned wiring in the corridor and offices;
- Caulked, re-glazed and painted all windows in City Hall which made a significant improvement in energy conservation and cost savings;
- Renovated and expanded the locker facilities at the Chelsea Police Station to provide proper accommodations for the expanded force;
- Expanded green initiative and recycling program implemented in City Hall for remaining public buildings;

- Through an MWRA grant, utilized in-house staff to replace 11 high consumption toilets in various buildings with 1.6 low-flow toilets, decreasing the City's water consumption, with the rebate covering 72 percent of the cost of the fixtures and materials;
- Completed various renovations at the Senior Center including painting all of the function rooms, meeting spaces and corridors on the third floor and renovating and upgrading the administrative offices on the main floor, and
- Refurnished decorative lights from Bellingham Square to Chelsea Square, including repainting and re-glazing entire fixture and replacing lighting element to accommodate high efficient, compact fluorescent lamps, which is brighter and uses 75% less energy.

Water & Sewer

- Corrected Sanitary Sewer Overflow condition on Locke Street with installation of approximately three-hundred feet of new twenty-four inch PVC sewer main including a new connection to the MWRA's Chelsea Branch Sewer facilitating the ability for future cleanings of the sewer main;
- Corrected Sanitary Sewer Overflow condition on Carter Street and Fourth Street with installation of approximately seven-hundred-fifty feet of twelve inch and fifteen inch sewer;
- Commenced Illicit Discharge Detection Elimination program to satisfy requirements of National Pollution Discharge Elimination System small MS4 permitting program and Administrative Compliance Order signed with the EPA;
- Commenced \$3.6m Combined Sewer Separation Project on Crescent Avenue;
- Designed Water Main Replacement, Sewer Rehabilitation, Combined Sewer Separation and Drain Installation Project for Jefferson Avenue;
- Commenced Design of Combined Sewer Separation Project on Washington Avenue;
- Design and Bid Tide Gate Replacement Project for Combined Sewer Outfall CHE-008 in Gulf Bulk Storage Terminal Facility on Eastern Avenue;
- Continued monitoring and sampling of Storm Water Outfalls in accordance with National Pollution Discharge Elimination System Small MS4 permitting program and Administrative Compliance Order signed with the EPA;
- Continued mapping of Sanitary and Storm Water Sewer Systems by updating Geographical Information Systems maps;
- Began process of updating City Ordinances for Sanitary Sewer, Storm Sewer and Water;
- Repaired sanitary and storm sewer collapses in eight locations;
- Reached 90% completion of the Meter Replacement Program;
- Repaired 16 water leaks on services and mains, also investigated 12 leaking services which were repaired by private contractors, and
- Detected, with assistance from the MWRA, a 290,000 gallon per day leak on private property for which the private property owner hired a contractor to repair.

FY'10 Goals

Streets & Sidewalks

- Continue pavement management program to maximize the life cycle of roadways through the timely application of asphalt sealing and micro surfacing;
- Replace sidewalks and roadway on Broadway from City Hall Avenue to Gerrish Avenue;

- Plant 75 new trees as part of the Urban Forestry Environmental Justice Grant secured by the City last spring;
- Repair 70 sidewalk panels using in-house personnel,
- Provide chainsaw and tree trimming training to all DPW personnel.

Solid Waste/Recycling

- Finalize and implement a new Trash Initiative Program, and.
- Revamp current Solid Waste/Recycling specifications and commence the “Request for Proposals” process for July 1, 2010 contract.

Structures & Grounds

- Revamp work order system to more accurately identify and catalog every work order, all pre-scheduled work performed and all non-scheduled immediate responses made in the buildings, parks and playgrounds;
- Implement expanded green initiatives and recycling programs in the public buildings;
- Undertake Phase II of the lower level corridor in City Hall which will consist of ceiling restoration;
- Continue the office renovation program in City Hall which will include repainting, replacement of floor covering and lighting and data upgrading;
- Upgrade the access and security systems in City Hall;
- Continue painting program at Senior Center,
- Continue decorative light restoration and relamping program throughout City.

Water & Sewer

- Complete \$3.6m Combined Sewer Separation Project on Crescent Avenue;
 - Commence Water Main Replacement, Sewer Rehabilitation, Combined Sewer Separation and Drain Installation Project for Jefferson Avenue;
 - Build Tide Gate Replacement Project for Combined Sewer Outfall CHE-008 in Gulf Bulk Storage Terminal Facility on Eastern Avenue;
 - Reconstruct 650 feet of Fifteen Inch Sanitary Sewer on Webster Avenue between Jefferson Avenue and the Revere Beach Parkway;
 - Renew Five Year National Pollution Discharge Elimination System Small MS4 Permit and continue Storm Water Management Program;
 - Complete design of Washington Avenue Combined Sewer Separation Project;
 - Commence design and construction of Chester Avenue Infrastructure Improvements;
 - Continue to repair sanitary and storm sewer collapses as they occur, and
- Complete the Water Meter Replacement Program.

Public Works / Administration Division Program Budget #421

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	166,335	171,620	189,978	205,885	207,836	1,951
Operations and Maintenance	11,198	7,100	3,462	5,600	5,000	(600)
Capital	-	-	-	-	-	-
Department Total	177,533	178,720	193,440	211,485	212,836	1,351

Public Works / Administration Division Personnel Listing #421

Title	2006	2007	2008	2009	2010	Variance
Director	0.50	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	0.33	0.33	0.33	0.33	0.00
Head Clerk	1.00	1.00	1.00	1.00	1.00	0.00
Total Department	3.50	3.83	3.83	3.83	3.83	0.00

Public Works/ Streets & Sidewalks Division Program Budget #422

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	563,580	564,669	530,474	652,960	664,481	11,521
Operations and Maintenance	821,309	1,048,998	978,837	1,143,750	1,081,000	(62,750)
Capital	-	32,000	70,729	-	-	-
Department Total	1,384,889	1,645,667	1,580,040	1,796,710	1,745,481	(51,229)

Public Works/ Streets & Sidewalks Division Personnel Listing #422

Title	2006	2007	2008	2009	2010	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	1.00	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
PWMMSMEO'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	0.70	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	15.50	15.20	15.20	15.20	0.00

Public Works / Solid Waste Division Program Budget #430

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	-	-	-	-	-	-
Operations and Maintenance	1,680,397	1,907,836	1,787,195	1,930,735	1,927,800	(2,935)
Capital	-	-	-	-	-	-
Department Total	1,680,397	1,907,836	1,787,195	1,930,735	1,927,800	(2,935)

Public Works / Solid Waste Division Personnel Listing #430

Title	2006	2007	2008	2009	2010	Variance
Solid Waste Coordinator	0.50	0.00	0.00	0.00	0.00	0.00
Total Department	0.50	0.00	0.00	0.00	0.00	0.00

Public Works / Structures & Grounds Division Program Budget #470

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	238,307	228,859	270,366	282,040	287,685	5,645
Operations and Maintenance	667,331	820,317	734,807	767,890	761,710	(6,180)
Capital	-	-	-	-	-	-
Department Total	905,638	1,049,176	1,005,173	1,049,930	1,049,395	(535)

Public Works / Structures & Grounds Division Personnel Listing #470

Title	2006	2007	2008	2009	2010	Variance
Building Craftsmen	2.00	2.00	2.00	2.00	2.00	0.00
Building Custodian	1.50	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	0.50	0.50	1.00	1.00	1.00	0.00
Total Department	6.00	6.00	6.50	6.50	6.50	0.00

Public Works / Snow Removal Division Program Budget #423

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	18,720	13,192	29,912	25,000	25,000	-
Operations and Maintenance	99,792	44,579	161,227	66,260	76,260	10,000
Capital	15,704	9,604	9,996	10,000	-	(10,000)
Department Total	134,216	67,375	201,135	101,260	101,260	-

Public Works / Snow Removal Division Personnel Listing #423

Title	2006	2007	2008	2009	2010	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	24.50	25.33	25.53	25.53	25.53	0.00
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Department of Health and Human Services

Mission Statement

The Department of Health and Human Services (HHS) and the divisions included therein ensure that Chelsea residents, independently of their background or condition, have access to programs and services of high quality; which 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 these ends, the department collaborates with residents, other City departments and State and Federal agencies in developing appropriate programs, activities, and services.

The Chelsea Department of Health and Human Services includes the following divisions:

- Administration
- Public Library
- Elder Affairs
- Public Health
- Recreation and Cultural Affairs
- Workforce Development
- Veteran Services

Health and Human Services - Administration

Significant Changes

The Chelsea Health and Human Services Department successfully sustained its programs and activities and provided support to all its divisions, maintained staffing within budget constraints and expanded services to the general population in the midst of new general economic and social challenges.

Division at a Glance

In Calendar 2008, the Department::

- Conducted over 6,200 contacts, individual visits and referrals;
- Provided oversight of 6 general funds, 15 grants, and 3 revolving funds;
- Processed more than 500 requisitions and 500 vouchers;
- Processed finance reports for 15 grants (monthly and quarterly);
- Processed pay adjustments for 43 full time employees and at least 17 part-time employees (not including temporary grant-based employees).
- Monitored all HHS divisions related accounts;
- Monitored grant contracts with collaborating private service providers;
- Produced approximately 9 grant applications and corresponding reports;
- Provided service referral assistance to over 4,200 individuals;
- Translated approximately 240 written documents;
- Provided interpreter services to approximately 2,750 individuals;
- Processed approximately 250 burial permits and 8 funeral homes licenses;
- Processed Body Art Establishment and Body Art Practitioner's Licenses;
- Participated in the design and supports new program initiatives and activities related to changing community needs; including nutrition and hunger, food and fuel assistance, education, jobs, veteran services, school health services, refugee services, youth employment, disease prevention, addictions,

tobacco control, state and local health regulations, cultural events, library services, elders affairs, and others related to overall Chelsea health and human services;

- Worked with all other City departments on issues related to Summer Camps, site inspections, environmental complaints, food contamination, pharmaceuticals, and any public health issue requiring City intervention, and
- Supported assigned boards and commissions.

FY'09 Accomplishments

- Obtained grant funds for the Chelsea Summer Youth Work Program and the Chelsea year round Youth Employment program;
- Obtained grant funds to sustain Chelsea's SNI - Young Librarians 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 2009/2010 CDBG Small Cities Grant proposal for ESOL classes at the Chelsea Community Schools;
- Updated Emergency Dispensing Sites Plan for the inoculation of Chelsea population in the event of an epidemic outbreak;
- Implemented a West Niles Virus surveillance and control program and kept residents informed on disease prevention measures using cable television services;
- Provided administrative support to the Chelsea School Based Nurses Program and for the submission of a grant request for services to school age children;
- Provided support to the Chelsea Community Schools and promoted, and served as an advocate for better interaction among youth service providers in the city;
- Supported the work of the Chelsea Cultural Council at state functions;
- Supported the work of Veteran Agent at a time of increasing case load;
- Participated in federal, state and local initiatives to address winter fuel cost, hunger, homelessness, immigration and other issues;
- Assisted with Senior Center program adjustments and staffing;
- Assisted local businesses in the transition to Tobacco Free workplaces and continued the enforcement of state and local regulations prohibiting tobacco sale to minors;
- Worked with Board of Health in addressing local public health issues, and
- Worked with private funders on ways to support not for profit initiatives in Chelsea.

FY'10 Goals

- Plan for re-adjustment of services if required by general economic conditions;
- Assist in strengthening voluntary initiatives;
- Further strengthen local youth employment programs by seeking new resources and participating in program planning and design;
- Strengthen efforts to reduce alcohol and substance abuse in the city;
- Support private service providers in their search for funding, and encourage further programs coordination;
- Strengthen School Nurses program and seek new grant funding;
- Support completion of second Chelsea Odor Control study, and
Seek additional funding sources for Chelsea Community Schools.

Health & Human Services Administration Program Budget #510

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	134,933	138,914	142,013	144,018	147,348	3,330
Operations and Maintenance	7,020	6,825	4,367	4,962	4,680	(282)
Capital	-	-	-	-	-	-
Department Total	141,953	145,739	146,380	148,980	152,028	3,048

Health & Human Services Administration Personnel Listing #510

Title	2006	2007	2008	2009	2010	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

Workforce Development

Mission Statement

The division of workforce development coordinates efforts with providers of job training and development, and local area employers to ensure that local and regional workforce development services of high quality are available to local residents.

Significant Changes

Collaboration with privately funded programs was expanded. Grant funding for: Summer Youth programs, Safe Neighborhoods Initiative-Young Librarians and Year long Youth Employment Program were applied for and successfully obtained. Current economic downturn is affecting funding and private sector jobs availability for local residents.

Division at a Glance

- Supports employment services for 200+ youth in Chelsea;
- Supports Refugee employment activities, and
- Supports employment and career search for youth and adults in the city.

FY 09 Accomplishments

- Wrote grants and obtained funds for the training and employment of more than 200 Youth in Chelsea;
- Maintained discussion on jobs program and new careers development with local service providers, and
- Supervised the provision of Youth employment programs and managed related grants.

FY 10 Goals

- Pursue further collaboration among service providers;
- Advocate and pursue grant funding of employment and training activities in the city;
- Continue support to existing programs, and
- Encourage and participate in discussion on new careers and work opportunities for Youth and young adults.

Health and Human Services Programs Grant Funded

Program Activity	2010 Budget
Workforce Development / Refugee Services	236,730
Youth Employment *	153,000
Grant Funded Total	389,730

* Grant funds 90 summer jobs and 7 year round part time youth jobs.

Health & Human Services Work Force Development Grant Funded

Title	2006	2007	2008	2009	2010	Variance
Refugee Placement Specialist	3.00	3.00	2.00	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	8.00	8.00	8.00	0.00

Public Library

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

A new Children Librarian was hired. The SNI Young Librarians program has been strengthened. Partnership with Bunker Hill Community College was maintained. Electronic media technology continues being upgraded. One full-time library assistant vacancy remained to be filled this year. Anti-theft gates were installed.

Division at a Glance

- Manages 22 computers in building;
- Public computers use up to 13,804 occurrences, a 9% increase from previous year;
- Books circulation up to 59,249, a 17% increase from previous year;
- More than 4,447 new items added to the Library collection;
- Registration of new borrowers up by 8,455, a 21% increase from previous year, and
- Reserve and inter-library loan requests up to 8,455, a 39% increase from previous year.

FY 09 Accomplishments

- Qualified for Library State Aid and certification by meeting standards of operating hours, materials expenditure, and Municipal Appropriation (MAR) requirements as determined by the Massachusetts Board of Library Commissioners;
- Produced a brochure outlining Library policies and operation hours;
- Developed a user-friendly Library specific web-site hosted through the City Network;
- Organized a Teen Space area with new materials on Career Resources;
- Hosted juvenile programs, including: “Wild Reads” a summer reading program with 100 participants; movie nights, crafts, and magic shows, puppets and musical performers;
- Conducted “Chelsea Literacy Day,” a major success attended by over 250 patrons during the Fall that included participation from the Museum of Science, Raising a Reader, Boys and Girls Club;
- Hosted a Halloween Party and a Christmas event;
- Hosted a month long series of Abraham Lincoln events in collaboration with the Chelsea Historical Society;
- Received two Official Citations from State Senator Gallucio and State Representative O’Flaherty, and.
- Organized Family Board Games Night and a music program for Toddlers.

FY 10 Goals

- Meet MBLC hours of operation requirements (57 hours per week); minimum expenditures on new materials including books, DVDs, CDs, and periodicals, and MBLC M.A.R. requirements for 2010;
- Process inter-library loans on planned schedule;
- Respond to increased use of Library by children and young adults;

- Upgrade Career Center and explore using electronic media and other materials in different languages;
- Increase Spanish and ESL collection and offer use of software by appointment for self-teaching using Library computers, and
- Continue and expand Library family programs and activities.

HHS - Chelsea Public Library Program Budget #610

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	243,333	245,924	253,729	258,315	261,402	3,087
Operations and Maintenance	23,675	19,120	20,051	22,524	20,381	(2,143)
Capital	3,000	4,000	7,500	6,000	-	(6,000)
Department Total	270,008	269,044	281,280	286,839	281,783	(5,056)

HHS - Chelsea Public Library Personnel Listing #610

Title	2006	2007	2008	2009	2010	Variance
Library Director	1.00	1.00	1.00	1.00	1.00	0.00
Custodian	0.31	0.31	0.33	0.33	0.33	0.00
Children's Librarian	2.00	2.00	1.00	1.00	1.00	0.00
Library Assistants	3.00	3.31	4.00	4.00	4.00	0.00
Reference Librarian	0.52	0.52	0.52	0.52	0.52	0.00
Desk Attendant	0.31	0.26	0.51	0.51	0.51	0.00
Part Time Staff	0.00	0.00	0.15	0.15	0.15	0.00
Total Department	7.14	7.40	7.51	7.51	7.51	0.00

HHS - Chelsea Public Library Programs Grant Funded

Program Activity	2010 Budget
Library Programs	63,735
Arts Programs	16,700
Grant Funded Total	80,435

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 to linguistic minority communities within the city, as well as other difficult to reach elders, to provide 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

All programs were 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.

Division at a Glance

- Approximately 500 seniors visit the Center yearly;
- 70 seniors participate in exercise classes;
- 100 seniors participated in the flu shot, and
- 275+ seniors participate in the food distribution "Brown Bag Program".

FY'09 Accomplishments

- Improved capacity to nine computers for weekly classes for seniors;
- Installed a computerized membership tracking system for all programs;
- Increased membership at a rate of 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, and
- Provided seniors with a free continental breakfast daily by collaborating with a local company, and maintained the Senior Center's Accreditation.

FY'10 Goals

- Continue and expand current exercise programs;
- Work with local agencies on intergenerational programs;
- Increase members and volunteer participation;
- Increase the COA Board with more Latino membership;
- Continue providing the growing number of Latino seniors at the Center with an option of having more presentations/health education classes in Spanish;
- 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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	183,621	191,149	158,611	164,812	169,021	4,209
Operations and Maintenance	17,884	16,133	16,012	26,750	26,750	-
Capital	-	-	-	-	-	-
Department Total	201,505	207,282	174,623	191,562	195,771	4,209

HHS - Elder Affairs Division Personnel Listing #541

Title	2006	2007	2008	2009	2010	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	1.50	1.50	0.00
Total Department	4.50	4.50	4.50	4.00	4.00	0.00

HHS - Elder Affairs Division Programs Grant Funded

Program Activity	2010 Budget
Elder Services	39,910
Grant Funded Total	39,910

HHS - Elder Affairs Division Personnel Listing Grant Funded

Title	2006	2007	2008	2009	2010	Variance
Outreach Worker	1.00	1.00	0.50	0.50	0.50	0.00
Total Department	1.00	1.00	0.50	0.50	0.50	0.00

Public 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 Department in addressing quality of life issues affecting the city.

Significant Changes

Search for a new Director of Nurses begun. The School Nurse program continued on all Chelsea Public Schools. A disease reporting system (MAVEN) was tested and used in surveillance of reportable communicable diseases. All nurses received training in emergency response and public health. Board of Health members got MHBA training. H1N1 virus prevention, monitoring and mobilization work was undertaken.

Division at a Glance

- Provided for a monthly average of 530 first aid cases, 350 illness cases, and over 100 scheduled medications to students in the Chelsea Public School system;
- Monitored 72+ reportable diseases with MDPH Lab support;
- Maintained Tuberculosis control activities including patient treatment compliance;
- Provided annual flu clinics to Chelsea residents as an epidemic control measure;
- Maintained tobacco control enforcement of related state and local regulations;
- Responded to residents' complaints on perceived public health threats;
- Implemented summer camps public health state mandated regulations, and
- Organized health promotion activities.

FY'09 Accomplishments

- Improved use of MAVEN in the surveillance of communicable diseases;
- Expanded tb control activities including treatment compliance, record keeping and case follow-ups on approximately 14 reported tb cases;
- Centralized annual flu vaccine clinics at Chelsea Seniors Center;
- Provided shingles education and vaccine to affected population;
- Provided first aid services to 2,180 students, illness consultation to 2,090 students and scheduled medication to 288 students in Chelsea schools;
- Provided health education sessions to different populations in the city, and
- Planned re-organization of Health Advisory Committee using MDPH guidelines.

FY'10 Goals

- Fill vacancies and strengthen School Nurses Program;
- Improve health education and health promotion in the city;
- Participate in MDPH exercises on epidemics prevention and control;
- Secure Medicare reimbursement for administering flu vaccines and other services;
- Continue current level of services, and
- Implement School Health Advisory Committee plan.

HHS - Health Division Program Budget #511

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	406,946	50,964	51,983	68,317	53,513	(14,804)
Operations and Maintenance	-	-	58	200	200	-
Capital	-	-	-	-	-	-
Department Total	406,946	50,964	52,041	68,517	53,713	(14,804)

HHS - Health Division Personnel Listing #511

Title	2006	2007	2008	2009	2010	Variance
Health Aid	1.00	0.00	0.00	0.00	0.00	0.00
Director of Nursing	1.00	0.00	0.00	0.00	0.00	0.00
School Nurses	4.50	0.00	0.00	0.00	0.00	0.00
Public Health Nurse	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	0.00	0.00	0.00	0.00	0.00
Board Secretary	0.50	0.00	0.50	0.50	0.00	(0.50)
Total Department	8.50	1.00	1.50	1.50	1.00	(0.50)

HHS - Health Division Programs Grant Funded

Program Activity	2010 Budget
Student Health	128,000
Grant Funded Total	128,000

HHS - Health Division Personnel Listing Grant Funded

Title	2006	2007	2008	2009	2010	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
Total Department	5.00	5.00	5.00	5.00	5.00	0.00

Veterans Services Division

Mission Statement

The Veteran Services Division provides information and 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

Veteran Officer completed trainings in conditions affecting veterans and current service regulations, and maintained state certification.

Division at a Glance

- Client caseload fluctuates between 85 and 110 cases per month;
- Average client caseload of Soldiers Home veterans: 12-15 per month, and
- Clients include retirees, combat veterans, and their families.

FY 09 Accomplishments

- Transferred 100+ cases from manual to digital records 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;
- Maintained certification of Veteran Services Officer;
- Increased effectiveness of Veterans Network with partnerships with Chelsea Neighborhood Developers, Chelsea Restoration and Chelsea Seniors Center and with state Dept. of Employment and Training, and
- Organized Veterans Day Ceremony and information sessions.

FY 10 Goals

- Continue transition to document imaging system (12,000+ cases to be converted);
- Increase veterans support by the community through local veteran network in response to increased family group request for services;
- Improve Veterans Outreach Program as requested by the State of all municipalities;
- Seek added personnel support to expedite state reimbursement.

HHS - Veterans Services Program Budget #543

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	76,279	71,498	42,956	44,975	47,784	2,809
Operations and Maintenance	249,232	237,511	315,894	290,628	290,628	-
Capital	-	-	-	-	-	-
Department Total	325,511	309,009	358,850	335,603	338,412	2,809

HHS - Veterans Services Personnel Listing #543

Title	2006	2007	2008	2009	2010	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

Recreation and Cultural Affairs Division

Mission Statement

The Recreation and Cultural Affairs Division within the department of Health and Human Services creates, coordinates, and implements comprehensive recreation and cultural activities for all local residents to enhance their leisure, educational opportunities, and enjoyment. The operation and coordination of the Community Schools program at the Williams Building and the Chelsea Cultural Council are two of the division's major current activities.

Significant Changes

Chelsea Community Schools seasonal course registration was streamlined to: Fall/Winter, Spring, Summer sessions. The Division's Homework Help publicity campaign recruited 50 university students who provided academic support to youth in grades 5-8 attending Chelsea Public Schools. Chelsea English Language programs curriculum was revised, improved, and implemented at classes with 600 adult participants.

Division at a Glance

In Calendar 2008, the Division:

- Hosted 170 classes for youth and adults, including computer technology, sport clinics, academic support and English language learning;
- Registered 1,800 class participants;
- Coordinated the use of the facilities by 80 community organizations, and
- Supported 22 public projects that promote excellence, access, education and diversity in the arts, humanities and interpretive sciences in Chelsea.

FY'09 Accomplishments

- Utilized three season course registrations to yield the same number of registrants as FY'08;
- Offered Youth Academic Support programs such as Resume Workshops and English Advanced Reading & Writing Classes to high school students;
- Provided *SPLASH* – Learn to Swim aquatic safety lessons for 60 children;
- Attracted 270 participants to the Halloween Celebration, and
- Launched *Chelsea 2.2 Square Milers*, a local running program.

FY'10 Goals

- Redesign the Martial Arts program for ages 6+ by creating more opportunities and events for families;
- Expand *SPLASH* -Learn to Swim program by creating a beginner swim class for teens and adults, in partnership with the Jordan Boys & Girls Club;
- Design an annual publicity campaign for the *Chelsea 2.2 Square Milers*- a community running program;
- Assist Massachusetts General Hospital the *Chelsea Athletic Club* a physical education and nutrition program for obese young children ages 4-5, and
- Produce publicity materials for the Chelsea Cultural Council to increase community awareness of local cultural events.

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

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Salaries, Wages and Benefits	26,568	41,372	72,174	78,376	68,917	(9,459)
Operations and Maintenance	50,000	30,000	34,923	40,000	60,000	20,000
Capital	-	-	-	-	-	-
Department Total	76,568	71,372	107,097	118,376	128,917	10,541

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

Title	2006	2007	2008	2009	2010	Variance
Director of Community Schools	0.50	0.50	0.50	0.50	0.50	0.00
On-site Manager	0.00	0.50	0.50	0.50	0.50	0.00
Karate Instructor	0.00	0.00	1.00	1.00	0.25	(0.75)
Piano Instructor	0.00	0.00	0.25	0.25	0.25	0.00
Dance Instructor	0.00	0.00	0.25	0.25	0.25	0.00
Computer Instructors	0.00	0.00	0.50	0.50	0.25	(0.25)
Art Instructor	0.00	0.00	0.25	0.25	0.25	0.00
Sports Instructor	0.00	0.00	0.25	0.25	0.50	0.25
Security Guards	0.00	0.00	0.50	0.50	0.25	(0.25)
Total Department	0.50	1.00	4.00	4.00	3.00	(1.00)

HHS - Community Schools & Recreation Division Programs Grant Funded

Program Activity	2010 Budget
Community Schools	100,000
Grant Funded Total	100,000

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

Title	2006	2007	2008	2009	2010	Variance
Weed & Seed Manager	1.00	1.00	0.00	0.00	0.00	0.00
On-site Manager	1.00	1.00	0.40	0.40	0.40	0.00
Receptionist	0.50	0.50	0.00	0.00	0.00	0.00
Recreation Leader	0.50	0.50	0.00	0.00	0.00	0.00
Piano Teacher	0.50	0.50	0.50	0.00	0.00	0.00
ESL/Spanish Teacher	0.50	0.50	3.50	3.50	3.50	0.00
Karate Instructor	0.50	0.50	0.50	0.00	0.00	0.00
Computer Instructors	1.00	1.00	1.00	0.00	0.00	0.00
Art Instructor	0.50	0.50	0.50	0.00	0.00	0.00
Weekend Supervisor	0.50	0.50	0.50	0.00	0.00	0.00
Custodian	0.50	0.50	0.50	0.25	0.25	0.00
Program Assistant	0.50	0.50	0.50	0.50	0.50	0.00
Weekend Program Assistant	0.00	0.00	0.00	0.00	0.25	0.25
Security Guard	0.00	0.00	0.50	0.25	0.25	0.00
Sports Coach	0.00	0.00	0.00	0.00	0.00	0.00
Total Department	7.50	7.50	8.40	4.90	5.15	0.25

Total HHS Gen	24.14	17.40	21.01	20.51	19.01	(1.50)
Total HHS Grants	22.50	22.50	21.90	18.40	18.65	0.25

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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Principal - Long Term (710-5760)	6,750,163	6,637,264	6,797,358	7,469,970	7,872,369	402,399
Interest - Long Term (711-5761)	3,270,916	2,968,493	2,662,561	2,324,281	2,158,882	(165,399)
Interest - Short Term (711-5763)	41,260	504,000	550,000	469,000	179,043	(289,957)
State Qualified Bond Interest	-	-	-	22,473	19,227	(3,246)
Total Direct Expenses	10,062,340	10,109,757	10,009,919	10,285,724	10,229,521	(56,203)

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 85% 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: one HMO (Blue Cross/Blue Shield Managed Blue for Seniors) and two indemnity plans (Medex and Harvard First Seniority). The City pays 85% of the premium for the HMO plan, and 75% for the indemnity plans.

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, payment recommendation and cost review, and legal representation. The review 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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Unemployment Compensation (517	1,590	36,486	40,882	52,000	35,800	(16,200)
Health Insurance (5171)	9,747,043	5,461,746	5,534,190	5,974,058	6,425,148	451,090
Payroll Taxes (51760)	583,799	252,098	254,344	304,940	304,940	-
Workers Compensation (5178)	302,143	391,188	370,000	335,000	308,000	(27,000)
Life Insurance (51750)	29,546	11,034	9,822	35,000	24,750	(10,250)
Accidental Death & Dismembermen	8,767	8,385	-	-	-	-
Salary Reserve (5980)	-	-	-	450,931	550,000	99,069
Total Direct Expenses	10,672,888	6,160,937	6,209,238	7,151,929	7,648,638	496,709

Retirement

The City Retirement System provides pension and annuity payments to 385 retirees, and collects pension contributions from 692 active employees as of January 1, 2007. 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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Retirement Fund (5180)	6,121,184	4,645,939	4,948,356	5,235,554	5,341,206	105,652
Non-Contributory Pensions (5179)	88,536	65,691	32,949	22,930	15,926	(7,004)
Total Direct Expenses	6,209,720	4,711,630	4,981,305	5,258,484	5,357,132	98,648

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	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Ret. Employees Health Ins (5633)	4,739	-	-	-	-	-
Mosquito Control (5635)	7,961	8,699	9,245	9,542	9,293	(249)
Air Pollution Districts (5637)	6,840	6,903	6,954	7,140	8,058	918
Metropolitan Area Planning (5638)	9,290	9,337	9,416	9,611	11,337	1,726
RMV Non-Renewal Surc. (5640)	231,593	200,720	241,320	241,320	189,500	(51,820)
MBTA Chs.161A, 825 (5641)	1,993,826	1,932,646	1,964,095	1,982,651	2,346,393	363,742
Boston Met. Trans. District (5642)	309	309	319	319	309	(10)
Multi - Year Repayment (5645)	220,121	220,127	-	-	-	-
Special Education (5646)	20,266	31,255	43,913	47,272	23,505	(23,767)
State Qualified Bonds Interest (5647)	-	25,714	14,379	-	-	-
Charter School Assessment (5661)	697,922	1,084,534	1,714,410	2,233,166	2,293,967	60,801
School Choice (5663)	5,000	10,000	5,000	5,000	20,000	15,000
Essex County Sending Tuition	-	-	12,493	12,077	12,268	191
Total Direct Expenses	3,197,867	3,530,244	4,021,544	4,548,098	4,914,630	366,532

Insurance #945 and Legal Judgements #941

Expense Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Dollar Variance
Insurance	426,165	574,860	463,140	544,250	500,250	(44,000)
Judgements (571200)	9,210	25,670	3,473	25,000	25,000	-
Total Direct Expenses	435,375	600,530	466,613	569,250	525,250	(44,000)

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.