

Special Town Meeting
Supplemental Information Handout
October 1, 2019

The following is a summary of proposed Special Town Meeting actions and balances in funds being proposed for utilization and how those actions relate to the Board of Selectmen's Overall Financial Management Policy. Not all articles are included in this handout since their Executive Summary provides sufficient explanation.

Board of Selectmen Overall Financial Management Policy after Free Cash Certification:

- At least \$600,000 will be set aside for potential snow and ice deficit (Funds are set aside and will remain in Free Cash).
- At least \$350,000 will be set aside to be transferred into the Other Post-Employment Benefits Trust Fund (Instead of transferring funds from Free Cash, funds were appropriated in the FY20 Budget. The General Fund Budget Unclassified Budget has an appropriation in the amount of \$650,000 for OPEB. In addition, the Water Enterprise Fund appropriated \$163,947 for OPEB, Sewer Enterprise Fund appropriated \$38,785 and the Cable Enterprise Fund appropriated \$6,200 for OPEB for a total Town funding of \$858,932).
- At least 25% of the remaining Certified Free Cash is recommended to fund the capital budget and one-time capital expenditures. (The remaining FY20 Free Cash is \$4,247,154 and 25% of that amount is \$1,061,789. The proposed Special Town Meeting Town and School expenditures for the capital budget and one-time capital expenditures are \$1,241,106). This goal was met.
- At least 25% of the remaining Certified Free Cash will be placed into the Stabilization Fund. (The remaining FY20 Free Cash is \$2,406,048 and 25% of that amount is \$601,512. In Article 7, \$2,256,048 is proposed to be transferred from Free Cash into the Stabilization Fund. This goal was met when Certified Free Cash was allocated for FY20).

Definitions:

Raise and Appropriate: A phrase used to identify a funding source for expenditure or expenditures, which refers to money generated by the tax levy or other local receipt. For Special Town Meeting additional funds were available to raise and appropriate since State Aid was higher than projected and New Growth (which is tax revenue generated by development and new construction in the community) was also higher than projected.

Free Cash: Remaining, unrestricted funds from operations of the previous fiscal year including unexpended Free Cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as Free Cash. The calculation of Free Cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: Free Cash is not available for appropriation until certified by the Department of Revenue's Director of Accounts.

Retained Earnings: An equity account reflecting the accumulated earnings of an Enterprise Fund that may be used to fund capital improvements, to reimburse the General Fund for prior year subsidies, to reduce user charges and to provide for enterprise revenue deficits (operating loss)

Other Post-Employment Benefits (OPEB): Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends. The most common type of these post-employment benefits is a pension. Post-employment benefits other than pensions generally take the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. They may also include some type of life insurance. As a group, these are referred to as OPEB. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service and fund the liability.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40§5B). Communities may establish one or more Stabilization Funds for different purposes and may appropriate into them, in any year, an amount not to exceed ten percent of the prior year's tax levy. The total of all Stabilization Fund balances shall not exceed ten percent of the community's equalized value of \$4,291,748,930, and any interest shall be added to and become a part of the funds. A two-thirds vote of Town Meeting or City Council is required to establish, amend the purpose of, or appropriate money into or from the Stabilization Fund.

SPECIAL TOWN MEETING ARTICLES THAT WILL BE AMENDED (None)

(Deleted language shown with strikethrough and added in bold)

SPECIAL TOWN MEETING ARTICLE INFORMATION:

Article 1 Raise and Appropriate \$4,825,827.36:

<u>School Debt Exempt Principal:</u>	\$2,725,000.00
<u>School Debt Exempt Interest:</u>	\$2,100,827.36

Funds need to be appropriated into the School Budget to pay for the debt service associated with the new Elementary School. The funds are excluded debt and were not included in the operating budget that was adopted at Annual Town Meeting in May 2019.

Article 2 Raise and Appropriate \$971.80:

The additional funding will also be used to appropriate \$971.80 for unpaid prior fiscal year invoices. The invoice for Comcast is for internet, Badger Meter is for the meter software maintenance and Lowell General was for an employee medical exam. All invoices were received after the close of the Fiscal Year.

Article 3 Transfer \$150,000 from Free Cash:

The transfer of these funds will be used to pay the future liability for benefits such as sick leave buyback benefits and accrued vacation.

Article 4 Transfer \$241,106 from Free Cash:

Voting Tabulators: \$6,250
Funding will be used to purchase one additional new voting tabulator to be used at a Central Tabulation Center for the purpose of counting Early Voted ballots or as a spare to be used in an emergency.

Pinnacle Street Culvert: \$100,000
Funds will be used to replace damaged culvert under Pinnacle Street roadway near the intersection with Lynne's Way. The culvert and sub-soils are not stable and the road has been closed. Funds will supplement funding with the DPW budget to repair the road and culvert and avoid Chapter 90 funds from being used which will allow those funds to be used for other roadway and drainage projects.

Motorola Repeater and Installation: \$46,802
Funds will be used to purchase and install a new Motorola GTR 8000 Repeater for the Police Department at the Astle Street Water Tank radio site. The current repeater being utilized is on loan from a consultant's engineer and needs to be replaced/returned. Included in this funding will be the labor and equipment necessary to move the Police Department radio equipment at all four radio sites off the antiquated/inefficient Verizon copper phone lines and over to the Town's newly installed fiber network. This will significantly improve signal strength and improve officer safety.

HVAC Town Hall Annex: \$44,466
Replace the rooftop units at the Town Hall Annex. The units are 20 to 25 years old causing maintenance issues and difficulty finding parts for repairs. When we do, they are expensive.

Field Sweeper: \$38,438
Funds will be used purchase a field sweeper to be used to sweep/clean lots, walkways, courts, remove grass clippings from fields, and pick up trash/ debris.

Sander: \$5,150
Purchase a sander to be mounted on a Facilities and Grounds truck during the Winter to assist in sanding parking lots and walkways.

Article 5 Transfer \$300,000 from Free Cash:

Schools Design and Engineering: \$300,000

The School Department is requesting the sum of \$300,000 for consulting and design work for capital improvements to the Heath Brook and Loella F Dewing Schools. Specifically, the School Department would like to investigate options for:

- Heath Brook - Window replacement: current windows are plexi-glass and over time most have become non-transparent and cannot be seen through. Additionally, these windows are not energy efficient, providing very little thermal protection from heat or cold.
- Heath Brook - Electrical Upgrade: to increase capacity as needed for future needs of the school. Current system is near full capacity.
- Heath Brook - Improvements to “greenhouse” style classrooms: several classrooms have a plexi-glass exterior wall which makes these rooms very hot in warmer weather, creating an environment that is not conducive to good teaching and learning.
- Heath Brook and Loella Dewing Schools - Other cooling solutions: lack of air circulation creates many areas in the buildings that are extremely hot in warm weather.
- Loella F Dewing - assess and advise on the condition of stone retaining walls at the rear of the school.
- Loella F Dewing - assess and advise on the condition and life expectancy of the entire roof of the building.

This funding will be used to consult with architects, engineers and design professionals to establish a long term plan including feasibility, designs, bid specifications and cost estimates for these projects.

Article 6 Expend \$2,200,000 - raise and appropriate \$800,000, transfer \$700,000 from Free Cash, transfer \$350,000 from Water Retained Earnings and transfer \$350,000 from Sewer Retained Earnings:

Funds will be used for the Design, Engineering and Project Management of a new combined DPW and School Maintenance Facility at the current site of the DPW Facility on Whipple Road. Funding for this article will come from the Town’s ability to raise and appropriate additional revenue from State Aid and new growth that were higher than projected. In addition, certified Free Cash will be used to fund a portion of the cost as well as Water and Sewer Retained Earnings since the new facility houses Water and Sewer Divisions.

The original DPW facility was built in 1962 and was 8,400 SF and in 1980 additions were added increasing the total square footage to 25,900. These structures are still being utilized by DPW Highway, Water, Sewer, Fleet Maintenance and Administration Divisions for operations, equipment and vehicle storage and offices. The current facility is not code compliant, lacks sufficient space, and is inefficient and unsafe. The plan is to demolish the existing facility and build a new 49,488 +/- facility on the current site that will house DPW as well School Maintenance since the current School structure/facility will be demolished when the new Elementary School is built. The new facility will allow for proper storage of equipment, vehicles and materials, improved office space and employee work areas, locker rooms, meeting areas, state of the art Fleet Maintenance garage, fueling area and a vehicle wash bay. The current projected cost to construct this facility which includes Architectural/Engineering and Owner Project Management Construction Administration Fees and contingencies is \$25.1 million. This cost is not based upon any design or site review. It is a high level programmatic cost estimate that will likely change. The plan to fund the future construction would be to utilize existing General Fund and Water and Sewer Enterprise Fund accounts and revenues. The goal is to fund the project without a Debt Exclusion Override, but that may not be possible. A determination will be made once we have a better understanding of Town finances and more a reliable project cost estimate.

Article 7 Transfer \$2,256,048 from Certified General Fund Free Cash to the Town Stabilization Fund:

Funds are being transferred into the Stabilization Fund to increase the fund balance to be used for future one-time capital expenditures or emergencies that the Town may encounter. Both the Town and Schools have future Capital needs, and this Fund will assist in addressing them. The current balance in the Stabilization as of July 31, 2019 is \$3,595,600 and by adding the \$2,256,048 from Free Cash the new balance will be \$5,851,708.

Article 8 Authorize the borrowing of \$2,500,000:

This article authorizes the Town to borrow \$2,500,000 for the cost of building a new Center Fire Station. Originally the Town approved the appropriation of \$15,896,809.85 for the project and this debt is excluded from the property tax levy. Based upon estimates, the cost of construction may be higher than the appropriation and the additional funding could be needed to cover any contingencies during construction. The funds will not be borrowed unless bids for the project come in higher than the appropriation or if during the project additional funds are needed due to any unforeseen issues. The current estimate for design, engineering, project management, construction, furniture, demolition of the old fire station and contingency is \$17.1 million. The project is currently in the final design phase and was delayed until parking options were finalized with Bank of America, which may reduce project costs. The plan is to finalize design and bid the project over the Winter for construction to start in the early Spring. The building has five truck bays, three floors totaling 22,298 SF and should take 12-18 months to complete.

Article 9 Appropriate \$350,000 from the Community Preservation Fund Undesignated Reserve:

Hazel Field Lighting:

\$350,000

The Community Preservation Act (CPA) requires that communities set aside for future spending, a minimum of 10% of their annual CPA revenues for open space/recreation, 10% of their annual CPA revenues historic preservation, 10% of their annual CPA revenues community housing and 5% for administrative purposes. The remaining 65% of the funds are undesignated, and can be used for any allowable project in any of the CPA categories. This article is a request to use CPA funds from the Undesignated Reserve for the installation of lighting poles, with new high efficiency LED ballasts and wiring at Hazel softball field located at Saunders Recreation Area on Livingston Street. This project is an allowed use within the open space/recreation category and is consistent with similar recreation improvements the Town has undertaken. Over the past two years the Town has approved CPA funded projects to install lighting at Memorial Field and State Field at Saunders Recreation Area on Livingston Street and the Little Leagues Fields on Chandler Street.

Article 10 will accept the provisions of Chapter 44, § 53F½ of the Massachusetts General Laws:

This article will allow the Town to set up an Enterprise Fund specific for stormwater management, operation, and maintenance (including regulatory compliance) upgrades, and the expansion of the existing stormwater system, which is provided by the Town. A stormwater fee will be collected from property owners based on a property's impact to the storm drain system in addition to the assumed usage of roadways and sidewalks. Generally, the impact to the storm drain system is assessed based upon a property's amount of impervious surface. The Enterprise Fund would receive all revenue from a stormwater fee and would only be used for the purposes of stormwater management, operation, maintenance and capital needs. Enterprise accounting allows a community to demonstrate to the public the true, total cost of providing a service. Establishing an Enterprise Fund does not create a separate, autonomous entity from the municipal government operation. Like every other department, the municipal department overseeing the enterprise fund prepares a budget to be reviewed and analyzed by the Finance Committee and to be approved at Town Meeting.

The Town of Tewksbury has been developing a strategy to fund the Town's stormwater management needs, while at the same time ensuring costs are distributed equitably across all users. After reviewing available funding mechanisms and examples of other municipalities in Massachusetts, the Town Manager has recommended the best option is to implement a Stormwater Enterprise Fund. By creating a Stormwater Enterprise Fund, the Town can invest in the future without burdening other departments financed through the General Fund or impacting capital projects funded through State Aid (Chapter 90) such as roadway improvements and sidewalks.

The Town must comply with the extensive requirements of the 2016 Federal EPA Municipal Separate Storm Sewer Systems (MS4) Permit, which became effective on July 1, 2018. The Town will incur significant costs in order to meet the mandates within the permit. A dedicated and reliable funding source will be necessary in order to ensure compliance but also more importantly to maintain a clean and functioning stormwater system. The Town's current drainage system is aging and inadequate to meet the needs of the Community and to insure local streams, rivers and wetlands are not polluted. Many areas of Town have significant flooding problems during normal rain storms and icing in the winter. An Enterprise Fund with a fee dedicated to stormwater will address these problems through improved operations, maintenance and capital projects.

The most objective way to calculate the fee is based on a parcel's impact upon the drainage system. Parcels with greater impervious area, and without stormwater controls onsite, discharge greater amounts of stormwater into the municipal storm drain system. A common practice is to use an Equivalent Residential Unit (ERU) to compare impact to the stormwater system across different land use types and it is typically based on the average impervious area of the dominant land use type. The Equivalent Residential Unit in Tewksbury is 4,359 square feet, which is the average amount of impervious area on a single-family residential property.

After reviewing several fee structures, it was decided that the most equitable way to issue stormwater fees in Tewksbury would be a flat fee for residential parcels with three units or less and a fee per ERU for commercial and larger residential properties. Fees would be administered through the existing water/sewer billing system. Abatements or corrections to the stormwater bill would be offered, and a simple credit or incentive program system is being explored.

The Board of Selectmen would annually set the fee and the current options are \$30 per year per small residential parcel and per ERU which would generate approximately \$480,000 annually and fund 1/3 of approximate budgetary need; \$45 per year per year per small residential parcel and per ERU which would generate approximately \$721,305 annually and fund 1/2 of approximate budgetary need; and \$75 per year per year per small residential parcel and per ERU which would generate approximately \$1,202,175 annually and fund 80%-100% of approximate budgetary need.

Average annual budgetary needs for stormwater management are \$1.52 million and the stormwater fee would fund a portion of the cost and the remaining amount would be funded in the DPW operating budget and/or other funding sources. The impact and burden placed on the General Fund operating budget and other funding sources such as Chapter 90 funds, stabilization fund or Free Cash will depend upon the fee amount and the revenue generated.

Below is a chart outlining the average annual budgetary needs for Stormwater Management. The chart shows the five (5) year average cost for stormwater capital improvements listed as Drainage Improvements and Culverts. The remaining items within the chart are the five (5) year average annual cost for Operations and Maintenance and MS4 Water Quality compliance. In order to fully comply with the Stormwater Permit annually the Town would need to budget approximately \$939,343 on average per year over the next five (5) years of which approximately \$376,926 on average per year over the next five (5) years is within the DPW budget for salaries, operating expenses and equipment. The fee would generate the additional revenue needed to fully comply.

The additional funding would be used as follows:

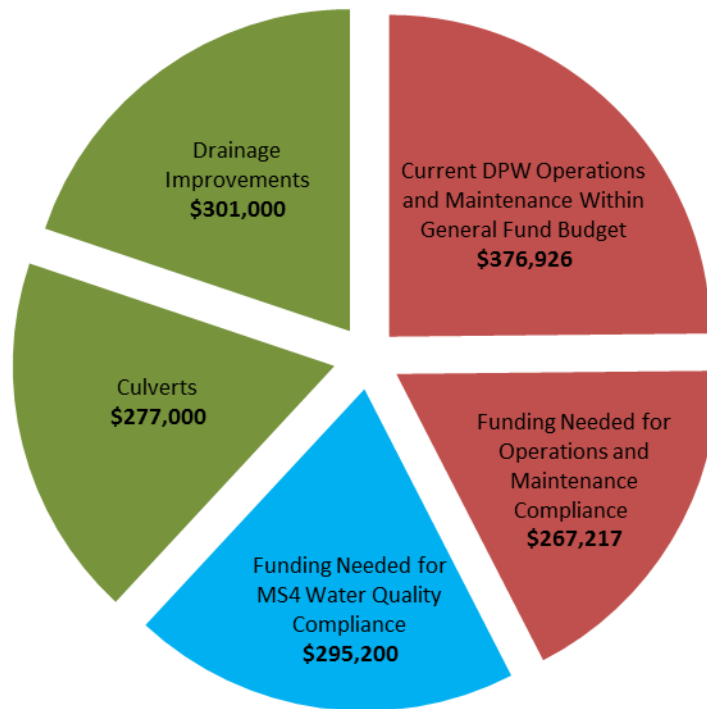
Operations and Maintenance

This compliance entails: Street Sweeping the entire Town twice per year through the use of contract services; Catch Basin cleaning all of the Town's approximately 3,300 catch basins. Currently the Town funds half of the basins to be cleaned within the budget; Detention Basin inspection, rehabilitation and maintenance for the approximately 46 detention ponds in Town. Some need rehabilitation while others need continued maintenance; Manhole and Pipe Inspection is required to clean manholes as well flush and clean pipes. Currently the Town is reactionary in our approach to inspecting and cleaning. These funds will be used to establish a program and ongoing schedule to clean and flush the system, which is a requirement of the permit.

MS4 Water Quality

This compliance includes: Impaired Water requirements which includes education on best practices for residents, businesses/commercial/institutional, developers and industrial on topics including pet waste management, septic systems, grass clippings/fertilizer, leaf litter disposal, construction site practices, and storage/application of deicing materials; Illicit discharge detection and elimination which is identifying and stopping pollution into our waterways through activities such as dry weather screening, wet weather testing and further investigation of catchments that are identified as priorities due impairments; post-construction stormwater management; Good housekeeping and pollution prevention for permittee-owned operations and facilities; Additional requirements for discharges to surface drinking water supplies and their tributaries; Program evaluation, record keeping and reporting. Currently there are no funds within the DPW Operating budget for MS4 Water Quality compliance.

Stormwater Management Program Average Annual Cost



Article 11 Authorize Board of Selectmen to acquire any fee, easement, or other interest land for:

This article authorizes the Board of Selectmen to provide an easement to National Grid for electricity and equipment to be installed on the property where the new Regional Emergency Communication Center is being constructed.

Article 12 Authorize Board of Selectmen to acquire any fee, easement, or other interest land for:

This article authorizes the Board of Selectmen to provide an easement to National Grid for electricity and equipment to be installed on the property where the new Elementary School is being constructed.

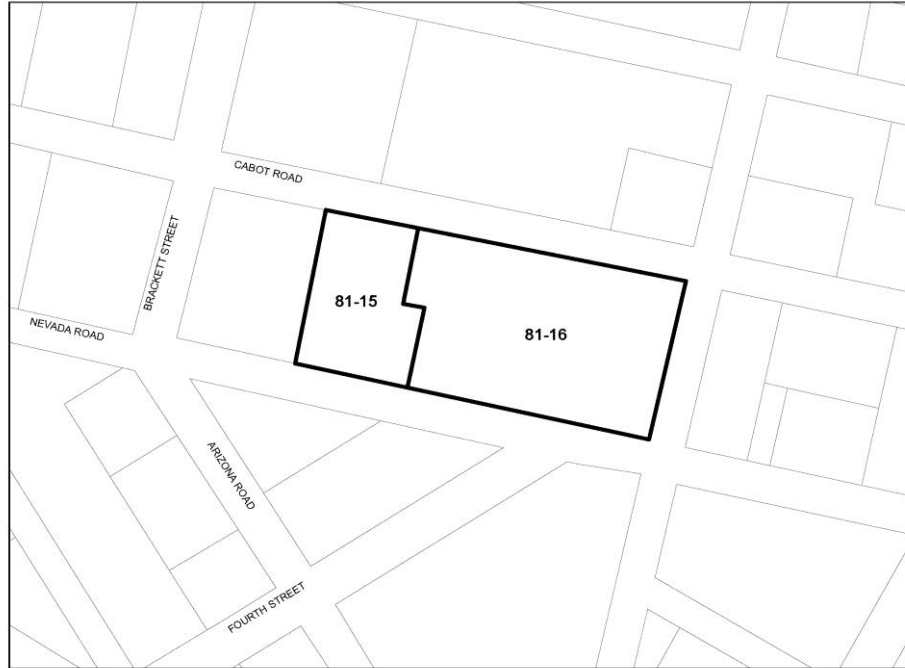
Article 13 Authorize Board of Selectmen to acquire any fee, easement, or other interest land for:

This article authorizes the Board of Selectmen to obtain an easement on the Cubesmart property located at 395 Woburn Street to allow for the Town to install and maintain drainage within this easement for stormwater management associated with Woburn Street.

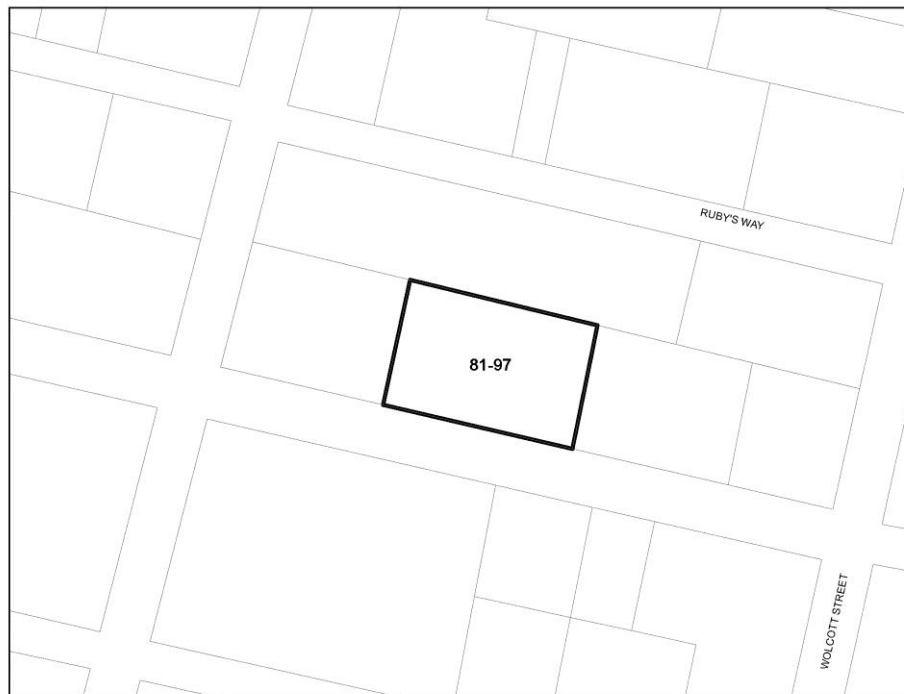
Article 14 Sale of Town Land:

This article allows the Town to sell land in accordance with the Town By-Law through a request for bid process giving preference to abutters of the parcel. The parcels listed in the article are parcels that abutters have requested the opportunity to purchase. Each parcel will have a minimum value that the purchaser is required to pay and it includes the assessed value and administrative and legal costs. Below are maps that show the locations of the parcels.

Maryland Road 81/15, 0.46 acres, current assessed value \$27,900
Maryland Road 81/16, 1.09 acres, current assessed value \$31,000



Mississippi Road 81/97, 0.31 acres, current assessed value \$27,100



Boisvert Road 44/125, 0.24 acres, current assessed value \$134,200



New York Road 81/169, 0.31 acres, current assessed value \$27,100

New York Road 81/173, 0.15 acres, current assessed value \$25,900



Maryland Road 81/140, 0.19 acres, current assessed value \$131,600



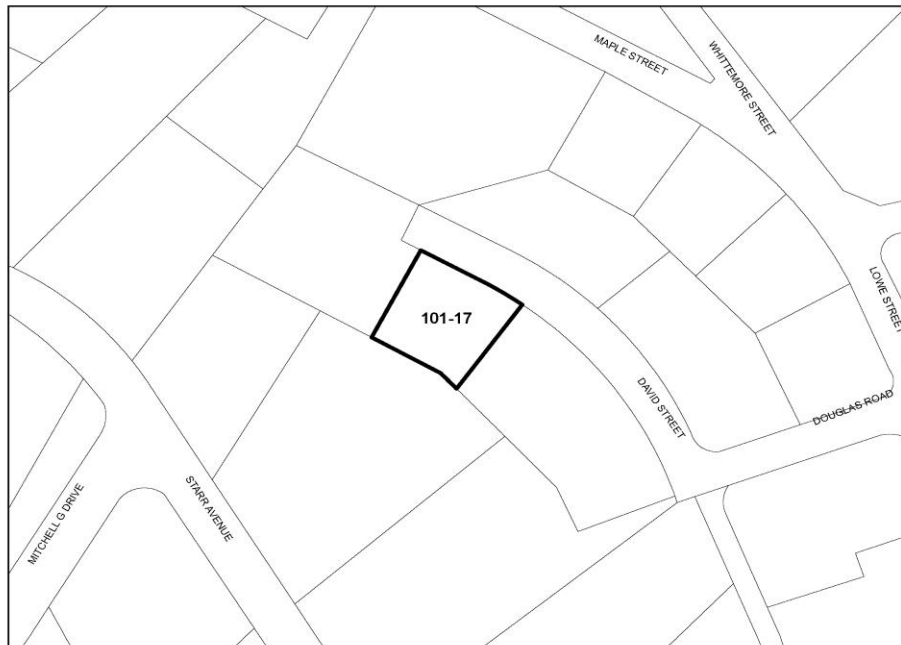
Washington Street 49/9, 0.15 acres, current assessed value \$58,100

Clinton Street 48/58, 0.11 acres, current assessed value \$800

Rockland Street 34/30, 0.18 acres, current assessed value \$29,600



David Street 101/17, 0.24 acres, current assessed value \$35,200



Article 15 Tewksbury General Bylaws by amending Chapter 6.04 Dogs - 6.04.160 Penalty Bylaw violation:

A recent change to the MGL CH 140 Section 173A defines the fine structure for Dog Bylaw violations. This Article increases the current fines with the Town By-Law to the minimum level required within the State Statute.

Article 16 New By-Law Chapter 21.04 Maintenance of Vacant Buildings and Land:

This new By-law will allow the Town to have enforcement authority over vacant land and vacant buildings that are blighted, rundown and unsafe. The By-Law outlines maintenance requirements for vacant land and buildings, ability for inspections by Town Departments and violations that are \$100 per day. The By-Law does not regulate owner occupied buildings.

Articles 17 and 18 Marijuana Establishments:

Articles 17 and 18 both remove a provision that allows the ban on marijuana cultivators, independent testing laboratories, marijuana product manufacturers, and/or any other types of licensed non-retailer marijuana-related businesses, will expire December 31, 2019. Since the residents voted to ban these uses in a non-binding referendum at the local election in April 2019, these articles take the final step to ensure that takes place. If this provision was not removed from the Zoning and General By-Laws, the use would be allowed after the expiration date.

Articles 19 Amend Zoning Map:

This article amends the Tewksbury Zoning Map to reflect the change that was adopted at the 2019 Annual Town Meeting by a vote of 152 yes to 18 no. The 2019 Annual Town Meeting Article 36 read as follows: To see if the Town will vote to amend the Zoning Map for parcels shown on Assessor's Map 102 Lot 16 and Map 103 Lot 102, said parcels are further describes as Lot 2 on a plan recorded in Plan Book 239 Plan 14 and Lot 7 on Plan Book 108 Plan 22, recorded in Middlesex North District Registry of Deeds, from Heavy Industry (HI) to Heavy Industry 1 (HR1). Submitted by Diane Repucci; Executive Summary: The purpose of the article is to re-zone land currently zoned Heavy Industry to Heavy Industry 1.

The Attorney General Review letter dated August 2, 2019 approved Article 36 but informed the Town that "As part of the Town's zoning by-laws, any amendments to the zoning map must follow the procedures set out in M.G.L. c. 40, § 32, and M.G.L. c. 40A, § 5. The Town should amend its zoning map at a future Town Meeting to reflect the current boundaries of the districts as a result of Article 36." This article amends the zoning map as advised by the Attorney General's office to reflect the Town Meeting change approved at the 2019 Annual Town Meeting.

Free Cash Balance Summary:

Certified Free Cash Balance July 1, 2019:	\$4,247,154
Set aside \$600,000 for Potential Snow and Ice:	<u>(\$600,000)</u>
Total Free Cash Available:	\$3,647,154
Article 3 - Town sick leave and vacation buyback:	(\$150,000)
Article 4 - Town Capital Expenditures:	(\$241,106)
Article 5 - School Capital Expenditures:	(\$300,000)
Article 6 - DPW/School Maintenance Facility:	(\$700,000)
Article 7 - Transfer into Stabilization Fund:	<u>(\$2,256,048)</u>
Total Remaining Free Cash:	\$0.00

OPEB Trust Fund:

OPEB Trust Fund Balance as of July 31, 2019:	\$4,625,983
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Note: The Town's unfunded OPEB liability as of June 30, 2019 was \$71,182,474.

Stabilization Fund:

Stabilization Fund Balance as of July 31, 2019:	\$3,595,600
Proposed to be transferred in:	<u>\$2,256,048</u>
Total Stabilization Fund:	\$5,851,708

Water Enterprise Fund Retained Earnings Balance July 1, 2019:

Article 6- DPW/School Maintenance Facility:	<u>(\$350,000)</u>
Total Remaining Water Retained Earnings:	\$1,145,574

Water Stabilization Fund:

(No transfers are requested from Water Stabilization Fund at this Town Meeting)

\$1,887,659

Note: Water Retained Earnings will be used in the future to help fund the Water Enterprise Capital Improvement Plan over the next four years, which totals \$1,902,500 and this does not include borrowing \$2 million per year for water distribution projects. Water Retained Earnings and/or Water Stabilization Fund may be used in the future to help pay for a portion of a new DPW/School Maintenance Facility.

Sewer Enterprise Fund Retained Earnings Balance July 1, 2019:

Article 6- DPW/School Maintenance Facility:	<u>(\$350,000)</u>
Total Remaining Sewer Retained Earnings:	\$5,598,694

Sewer Stabilization Fund:

(No transfers are requested from Sewer Stabilization Fund at this Town Meeting)

\$3,888,278

Note: Retained Earnings will be used in the future to help fund the Sewer Enterprise Capital Improvement Plan, which totals \$1,032,500. In addition we are projecting to use \$4,022,414 from current and future Retained Earnings to offset sewer debt over the next seven (7) years to stabilize rates. The Town also has 47 sewer pump stations that need to be maintained and operational. Using Retained Earnings and the Sewer Stabilization Fund for these projects will save the Town interest costs. Sewer Retained Earnings and/or Sewer Stabilization Fund may be used in the future to help pay for a portion of a new DPW/School Maintenance Facility.

Cable Enterprise Fund Retained Earnings Balance July 1, 2019:

\$1,564,820

Community Preservation Act Fund Summary:

CPA Undesignated Fund Balance	\$350,000
Article 9	<u>(\$350,000)</u>
Remaining Balance:	\$0.00
CPA Open Reserve/Recreation Balance	\$217,704
CPA Historic Reserve Balance	\$0.00
CPA Housing Reserve Balance	<u>\$560,644</u>
Total All CPA Balances After Transfers:	\$778,348

General Financial Information:

The following Chart is a summary of expenditures and revenues for Fiscal Years 2018, 2019 and 2020. Within the Uses of Funding section, the appropriations include the budget and all other financial articles approved at previous Town Meetings, and those being proposed. Cherry Sheet Offsets, Other Local Expenditures and State and County Charges are areas that need to be accounted for in addition to Town Meeting appropriations. The surpluses in FY18 and FY19 became part of certified Free Cash and Water and Sewer Retained Earnings. A portion was spent at previous Town Meetings and a portion transferred into the Stabilization Fund. The projected \$442,912 surplus in FY20 will be from Water and Sewer revenue and State Aid. It is an estimated surplus.

<i>Summary Expenditures and Revenues</i>	Actual	Actual	Projected	FY20 Proj. Inc/(Dec)
	<u>Budget FY18</u>	<u>Budget FY19</u>	<u>Budget FY20</u>	<u>Over FY19 Actual</u>
<i>Uses of Funding (Amounts to be Raised)</i>				
Appropriations	105,026,751	110,983,082	117,815,558	6,832,476
Water, Sewer and Cable TV Enterprise Fund Budgets	13,828,102	13,393,250	14,227,531	834,281
Special Articles and Transfers	5,105,655	10,426,940	10,129,931	(297,009)
Cherry Sheet Offsets	36,597	38,995	40,340	1,345
Other Local Expenditures	1,289,456	1,088,941	996,630	(92,311)
State and County Charges	<u>1,625,949</u>	<u>1,751,102</u>	<u>1,612,783</u>	<u>(138,319)</u>
Total Use of Funding	126,912,510	137,682,309	144,822,773	7,140,464
<i>Sources of Funding</i>				
Property Taxes	74,363,094	78,360,415	81,477,383	3,116,969
Debt Exclusions	8,029,204	9,059,365	12,953,342	3,893,977
State Estimated Revenues	16,577,682	16,874,088	17,009,744	135,656
Local Estimated Revenues	11,470,913	12,240,038	9,580,515	(2,659,523)
Other Available Funds	<u>20,869,217</u>	<u>26,231,355</u>	<u>24,244,701</u>	<u>(1,986,654)</u>
Total Sources of Funding	131,310,109	142,765,260	145,265,685	2,500,425
<i>Surplus/(Deficit)</i>	<i>4,397,599</i>	<i>5,082,951</i>	<i>442,912</i>	<i>-</i>

The following Chart is a summary of the General and Enterprise Budgets. The FY20 Budget includes all action being proposed at Special Town Meeting.

<i>General Fund Budget Summary</i>	FY2018	FY2019	FY2020	Budget
	<u>Expended</u>	<u>Expended</u>	<u>TM Rec</u>	<u>Inc/(Dec)</u>
Total Town Budget Net Allocations and w/o Exempt Debt	36,615,502	37,390,422	38,370,009	1,090,846
Total Exempt Town Debt	4,981,075	6,106,524	5,402,142	(704,382)
Total School Budget Net Allocations	56,142,624	58,227,502	59,708,554	1,388,769
Total Exempt School Debt	3,071,245	2,982,702	7,597,042	(211,487)
Shawsheen Tech	5,566,567	6,201,732	6,593,936	392,204
Essex North Shore Agricultural and Tech. School District	54,777	124,159	129,125	72,157
Water Enterprise Fund	7,037,637	6,881,048	7,162,649	281,601
Sewer Enterprise Fund	5,240,451	5,465,704	6,703,563	1,237,859
Cable TV Enterprise Fund	-	450,157	361,319	(88,838)
Total Budget Net Allocations/Offsets	118,709,878	123,829,950	132,028,339	8,198,389

The following Chart is a breakdown of funding that made up Certified Free Cash:

General Overview and Breakdown Free Cash FY19	
FY19 Budget Turn Back - Town	\$ 484,515
FY19 Budget Turn Back - School	\$ 766,817
FY19 State Assessments	\$ 49,750
Local Receipts Higher than Projected (see chart below for detail)	\$ 2,781,352
Real & Personal Property	\$ 475,698
State Aid	\$ 91,423
DOR Adjustments for FY19	\$ (547,685)
End of Year Adjustments Closing Out FY19	\$ 145,284
Total Certified Free Cash as of July 1, 2019	\$ 4,247,154
Breakdown Local Receipts Increase/(Decrease) over Projection	
Motor Vehicle Excise Tax	\$ 657,751
Meals Tax	\$ 115,208
Hotel/Motel Tax	\$ 536,370
Other Excise Tax	\$ 243
Penalties and Interest on Taxes and Excises	\$ (83,843)
Payment In-Lieu of Taxes (PILOT)	\$ 202,388
Charges for Services - Ambulance	\$ 340,334
Fees	\$ 175,867
Rentals	\$ 29,443
Other Departmental Revenue	\$ -
Licenses and Permits	\$ 382,441
Fines and Forfeits	\$ (13,424)
Interest Earnings	\$ 148,390
Misc. State and Other Revenue	\$ -
SPED Medicaid Reimbursement	\$ 109,956
Recurring Revenue	\$ 152,531
Non-Recurring Revenue (Account Close outs)	\$ 27,695
Total	\$ 2,781,352

The following Chart provides a breakdown of funding that made up Cable TV Retained Earnings:

General Overview and Breakdown Cable Retained Earnings FY19	
Previous Year Retained Earnings Carried Over	\$ 1,200,094
FY19 Budget Turn Back	\$ 295,215
FY19 Revenue Above Projection	\$ 69,511
Total Cable Retained Earnings Certified as of July 1, 2019	\$ 1,564,820

The following Chart provides a breakdown of funding that made up Water Retained Earnings:

General Overview and Breakdown Water Retained Earnings FY19	
Previous Years Balance Retained Earning Carried Forward	\$ 236,468
FY19 Budget Turn Back	\$ 277,277
FY19 Revenue Above Projection From Rates	\$ 773,363
FY18 & Prior Revenue Above Projection From Rates	\$ 177,179
Water Liens Compared To Projections	\$ (33,139)
Interest, Demands, Connections, New Meters and Misc.	\$ 64,313
End of Year Adjustments Closing Out FY19	\$ 114
Total Water Retained Earnings Certified as of July 1, 2019	\$ 1,495,574

The following Chart provides a breakdown of funding that made up Sewer Retained Earnings:

General Overview and Breakdown Sewer Retained Earnings FY19	
Previous Year Retained Earnings Carried Over	\$ 4,060,703
FY19 Budget Turn Back	\$ 486,805
FY19 Revenue Above Projection From Rates	\$ 1,045,274
FY18 & Prior Revenue Above Projection From Rates	\$ 210,674
Sewer Liens Compared To Projection	\$ 4,793
Sewer Interest, Demands and Interest on Liens Compared to Projection	\$ 25,984
Sewer Connections and Fees	\$ (57,526)
Sewer Application Fees and Drain layer Renewals	\$ 4,500
Sewer Rate Relief State Aid	\$ 38,320
Sewer Investment	\$ 117,567
End of Year Adjustments Closing Out FY19	\$ 11,600
Total Sewer Retained Earnings Certified as of July 1, 2019	\$ 5,948,694