

Special Town Meeting
Supplemental Information Handout
October 2, 2018

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 FY19 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 and the Sewer Enterprise Fund appropriated \$38,785 for OPEB for a total Town funding of \$852,732)
- At least 25% of the remaining Certified Free Cash is recommended to fund the capital budget and one-time capital expenditures. (The remaining FY18 Free Cash is \$3,260,434 and 25% of that amount is \$815,109. The proposed Special Town Meeting School expenditures for the capital budget and one-time capital expenditures are \$650,000. This goal was not met. The Town will not seek funding for one-time capital expenditures at this Town Meeting as they have been deferred until FY20, there is currently enough projects and purchases to be addressed in FY19)
- At least 25% of the remaining Certified Free Cash will be placed into the Stabilization Fund; (The remaining FY18 Free Cash is \$3,260,434 and 25% of that amount is \$815,109. In Article 6, \$2,610,434 is proposed to be transferred from Free Cash into the Stabilization Fund. This goal was met when Certified Free Cash was allocated for FY19.)

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

(Deleted language shown with strikethrough and added in bold)

Article 15

To see if the Town will vote to accept M.G.L. c. 40U §2 regarding municipal fines and liens for unpaid Town General and Zoning By-Law violations or take any other action relative thereto.

Article 19

18.10.040 Enforcement and Penalties

A. This bylaw shall be enforced by the ~~Board of Health, the Public Health Director,~~ **Town Manager** and/or the ~~Board's~~ **Town Manager's** designated agent and may be enforced by any lawful means in law or in equity including, but not limited to, a non-criminal disposition as provided in the M.G.L. c. 40 § 21D and/or appropriate provisions of the General Bylaws of the Town. The following penalties shall apply:

Article 24

Section 5291. Locations. Off-premise signs shall be permitted in the Heavy Industrial and Office/ Research Zoning Districts located adjacent to either Interstate 93 or Interstate 495. No off-premise sign edge shall be located further than ~~25~~ **100** feet from the Interstate highway right-of way.

Section 5294. Add a new subsection **I** to read **“There shall be no waivers or variances granted for any dimensional restrictions or design guidelines.”**

Article 1 Raise and Appropriate \$1,455,695

School:	\$974,920
Town:	\$480,775

This article raises and appropriates from additional funds for Town and School FY19 Budget items that were identified during the budget process as “unfunded priorities”, as well as other financial issues that occurred after the budget was approved in May 2018. This additional funding totals \$1,624,866.45. The Schools portion of the funding is \$974,920 which is appropriated in Article 1 and the town’s portion is \$649,946.45; \$480,775 appropriated in Article 1, \$165,000 appropriated in Article 2 and \$4,171.45 appropriated in Article 3.

This additional funding comes from two sources that are not certain prior to the May Annual Town Meeting: 1) Net State Aid and 2) New Growth. Therefore, the Town needs to take a conservative approach when estimating Net State Aid and New Growth when balancing the Budget being presented at the May Annual Town Meeting. The Final FY19 Net State Aid amount was not available to the Town until late July 2018, which resulted in additional Net State Aid in the amount of \$255,867; \$218,425 was an increase in State Aid over the level funded projection, and State and County Assessments were \$ 37,442 less than projected.

New Growth is defined as additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY19 is based on new construction, etc. that occurred between January and December 2017. In the fall of 2018, when new growth is being determined to set the FY19 levy limit, the FY18 tax rate is used in the calculation and will be added to the Property Tax Levy. The New Growth projection every year is based upon a recommendation and review by the Town’s Chief Assessor, Finance Director and Town Manager. The FY19 new growth projection was \$800,000 and it has been adjusted to \$2,169,000 which is an increase of \$1,369,000. In FY19, real estate property growth is estimated to be \$1,113,000 and personal property, largely from National Grid, is estimated to be \$1,056,000. This is still an estimate until it is certified by the Massachusetts Department of Revenue.

In summary, the additional Net State Aid of \$255,867 plus the additional New Growth of \$1,369,000 totals \$1,624,867, which will be used to fund Article 1 (\$1,455,695), Article 2 (\$165,000), and Article 3 (\$4,171.45).

Article 1 School Breakdown

School Salaries: \$470,291

Funding will be used for seven (7) new positions. Two K-4 Computer Science Teachers, one Assistant Maintenance Foreman, one Districtwide Director Counselling Registration, one High School Assessment Assistant to Principal, one Districtwide K-12 Health & Wellness Coordinator, one Districtwide English Curriculum Coordinator/Director.

School Operating: \$50,000

Funding will be used for additional student services; contracted services for aides, occupational therapy, physical therapy, behavioral modification and speech service for students.

School Capital Outlay: \$345,000

\$250,000 will be used for electrical upgrades at the Dewing Elementary School to provide increased electrical capacity to the entire building. There is an increased electrical need due to advancements in technology use in classrooms as well as an increase in students that have a medical need for air conditioning. School maintenance staff and electrical contractors have advised that the building is at or near its' current electrical capacity.

In addition \$95,000 will be used for the following technology upgrades:

Fiber connections, which run from external internet connection to different areas of the buildings in the elementary schools, are old and beginning to fail. Most pressing is the Dewing Elementary School, where the “A wing” of the school is experiencing internet connectivity issues. Technical staff have been cutting and patching these connections, but the real solution is replacement of the entire fiber connection. Dewing and Heath Brook Schools are the priority for this effort.

Also this technology funding will be used for Unified Threat Management (UTM), which is the School internet security product. The Shark UTMs that the district had been using require an outside vendor to provide the district with a service contract to maintain. The plan is to switch these UTMs to another product, such as Sophos, which can then be maintained by our School Technical staff in house. Even though there is an upfront cost to switch the type of UTM the district utilizes in the long term, this change will be a cost savings to the district, by allowing the School Department to cancel the UTM service contract.

Finally these funds will used to purchase a new server at the Center School administration offices. The main server at the Center School is between 12 and 15 years old and is at the end of its expected life and needs replacement.

School Health Insurance: \$102,767

This will pay for the potential increased cost to provide health insurance to new hires that enroll in Town Health Insurance and Dental Plans.

School Medicare: \$6,862

Funding will be used for the increased cost in Medicare Tax due to increase in Salaries.

Total School Raise and Appropriate: \$974,920

Article 1 Town Breakdown

Facilities and Grounds Salaries: \$5,264

To cover the salary of an employee hired in the Department that transferred from another Town Department which required a higher salary than appropriated in the budget.

Facilities and Grounds Leases and Contracts: \$22,272

To replenish funds spent for additional work at Livingston Recreation Complex in conjunction with the Splash Park. Work included landscaping, electric improvements and paving of a sidewalk.

Facilities and Grounds Capital Outlay: \$66,573

Funds will be used to purchase a new Town Sign Board for the Center of Town, \$46,573 and a new paint machine to line sports fields \$20,000.

Town Manager's Salaries \$4,229

To fund the Town Manager’s 2.5% salary increase consistent with other employees.

Police Overtime \$150,000
Needed based upon previous year's spending and additional funding necessary every year.

Fire Salaries \$13,464
Funds to cover the cost of training and sick leave buy back.

Fire Overtime \$75,000
Fire Overtime is needed based upon previous year's spending, three (3) new recruits will be attending the Fire Academy this fiscal year and one Firefighter being on long term military deployment.

Fire Operating \$16,473
Funding will be used as a match for a FEMA Fire Act Grant awarded to the Town in the amount of \$164,739 for portable radios and protective gear washer/dryer.

DPW Administration Operating \$50,000
Funding will be used to comply with new OSHA Regulations. Funds will be used to hire a consultant, conduct training and dispose of chemicals. Department of Labor Standards OSHA Compliance - Chapter 44 of the Acts of 2018, "An Act Relative to Standards of Employee Safety", signed by the Governor clarifies employee safety requirements in public sector workplaces. The effective date for compliance is February 1, 2019. The law requires all Public Sector work places, by the compliance date, to conform w/OSHA Standards. Funding will be for development of written programs, policies and training. In addition, purchase of personal protective equipment and the proper disposal of hazardous materials/products will be addressed.

DPW Administration Capital Outlay \$10,000
Funding will allow the DPW to install, terminate and test Cat 6 cable to the fleet office and garage; install cabinet and panels at the garage and at the server. Due to the distance from the server the fleet operation frequently loses phone and data service.

DPW Fleet Capital Outlay \$22,500
Funds will replace the 2009 model Hotbox with 3-Ton trailered box. The temperature control on the existing hotbox has been replaced and repaired a number of times. Currently the box either shuts off or burns the material making it unsafe and inoperable. The hotbox is a trailer mount box that holds 3-4 yards of asphalt and it's heated so the asphalt picked up in the morning stays hot throughout the day not allowed to cool. If it cools, it becomes unusable and has to be discarded. The hot box is used throughout the Winter for potholes mostly but it is also Spring/Summer and Fall for potholes and/or patching manhole repairs, driveway aprons, berm installation, small water break trench repairs/level settling. The hot box is one of the heaviest used pieces of equipment DPW uses throughout the year.

Solid Waste Operating \$45,000
Funds will be used to toward the cost of disposing recycling which is part of the new contract with Republic Services.

Total Town Raise and Appropriate: \$480,775

Grand Total FY19 Raise and Appropriate Article 1: \$1,455,695

Article 2 Raise and Appropriate \$165,000:

As part of the additional funding available from Net State Aid and New Growth this \$165,000 appropriation will fund a future liability for benefits such as sick leave buyback benefits and accrued vacation.

Article 3 Raise and Appropriate \$4,171.45:

The additional funding will also be used to appropriate \$4,171.45 for unpaid prior fiscal year invoices for HVAC maintenance and audio books at the Library, fire and safety inspection at the DPW, and generator maintenance at the Police Station.

Article 4 Raise and Appropriate \$22,500 from Water Rates:

The \$22,500 from water rates will fund 50% of the cost of 3-yard hot box. The remaining 50% will come from the General Fund. See description above in Article 1.

Article 5:

This article transfers \$350,000 from Cable Enterprise Fund Operating to Cable Enterprise Fund Salaries to allow the Town to hire employees to work within the Local Cable Access Television Department. The bottom line for the Cable Enterprise Fund Budget does not change. Currently there is \$600,000 in Cable Enterprise Fund Operating, but if this article is passed, the Budget will be allocated \$350,000 for Salaries and \$250,000 for Operating. The entire \$600,000 funding for the Cable Enterprise Fund is from Cable provider fees.

Article 6 Transfer \$650,000 from Free Cash:

School Safety: \$600,000
Approximately \$150,000 per school will be used at the Ryan School, Wynn Middle School, Dewing School and Heath Brook School for vestibule reconstruction, increased security and control technology.

School Digital filing system: \$50,000
This appropriation will be used to begin the process of converting antiquated and cumbersome paper files into searchable, digital format. The School Administration will work with a vendor to develop an overall document retention and storage plan, which aligns with all document retention statutes and guidelines.

Article 7 Transfer \$2,610,434 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.

Article 8 Appropriate \$42,000 from the Community Preservation Fund Undesignated Reserve:

Saunders Recreation Area Fencing and Skateboard Park \$42,000
Funds will be used to continue replacement of fencing at Saunders Recreation Area at Livingston Street and make improvements to the Skateboard Park by adding a half-pipe ramp. Fencing will cost \$35,000 and the Skateboard Park is \$7,000.

Article 9 Appropriate \$850,000 from the Community Preservation Fund Undesignated Reserve:

Saunders Recreation Area Lighting: \$850,000
Funds are for the installation of new light poles, lights and needed electrical upgrades at Memorial Softball Field and State Field at Saunders Recreation Area. The new lights will be LED luminaires which will be more cost effective than the current lighting. The improvements will not only be more efficient but improve safety to those using the fields.

Article 10 Appropriate \$60,000 from the Community Preservation Fund Undesignated Reserve:

Saunders Recreation Area Fitness Court: \$60,000
This funding will be added to an appropriation approved at the May 2018 Annual town Meeting for the equipment and installation of the Fitness Court. The additional funding is needed for the installation of the Fitness Court at Saunders Recreation Area since bids came in higher than the appropriation. When developing the estimate certain items were not factored in such as: removing and disposing of the soil, the gravel base for the pad, reinforcement for the concrete pad, area drains in the pad, the drain line to the existing drain line on site, loam and seeding.

Article 11 Appropriate \$30,000 from the Community Preservation Fund Undesignated Reserve:

Historic Inventory and Software: \$30,000
Funds will be used to hire an Archivist to work with the Town and Historic Society to inventory historic items in the Town and Society's possession. In addition, funds will be used to purchase software to properly inventory historic items. The Archivist is estimated to cost \$25,000 and the software \$5,000.

Article 12 Bond Premium Fire Station:

This article seeks approval to utilize a bond premium in the amount of \$896,809.85, received by the Town when \$15,000,000 was borrowed for the Fire Station Project. This article will increase the original appropriation for the Fire Station Construction Project by \$896,809.85, without further borrowing, because the bond premium will offset this additional appropriation.

Article 13 Council on Aging Revolving Fund:

The current Council on Aging Revolving Fund is limited in its use to trips and activities. This article will expand the use to allow expenditures for facilities and grounds maintenance and utilities. Since the Senior Center is rented to various groups, and the funds received are added to the Revolving Fund, it would make sense to use those funds to help pay for the upkeep of Senior Center and utilities. Currently this Revolving Fund has a balance of \$62,828 and an expenditure cap of \$200,000.

Article 14 Parks and Recreation Revolving Fund:

The current Parks and Recreation Revolving Fund is limited in its use to summer programs and activities. This article will expand the use to allow expenditures for facilities and grounds maintenance and utilities. Since the Parks and Recreation facilities are rented to various groups, and the funds received are added to the Revolving Fund, it would make sense to use those funds to help pay for the upkeep of facilities and utilities. Currently this Revolving Fund has a balance of \$51,782 and an expenditure cap of \$200,000.

Article 15 Acceptance of M.G.L. c. 40U:

The acceptance of this statute will allow the Town to adopt procedures regarding fines for Town General and Zoning By-Law violations. We currently have a problem collecting fines, and there is no mechanism to hold individuals accountable for what they owe. After procedures are developed and adopted at a future Town Meeting they will allow the Town to place a lien on the property to insure collection for what is owed.

Article 16 Acceptance of M.G.L. c. 59 §5 Clause 41C:

This article will lower the Minimum Age Requirement and change the Gross Receipt Limit and the Whole Estate Limit for individuals applying for a 41C exemption beginning Fiscal Year 2020. The number of eligible seniors has been decreasing for several years. This will hopefully allow more seniors over the age of 65 to take advantage of the exemption. The exemption is \$500, and is reimbursed by the State for up to 92 individuals. Any additional exemptions beyond 92 individuals would be the responsibility of the community and will be paid from the Assessors' Overlay Reserve Fund. We do not expect to exceed 92 exemptions, but funding is available if that occurs. The Town granted 13, 41C exemptions in Fiscal Year 2018.

Article 17 Authorize Board of Selectmen to acquire any fee, easement, or other interest land for:

This article authorizes the Board of Selectmen to obtain the necessary easements for the reconstruction of Mill Street Bridge. The cost, if any, for easements is unknown and any funds needed to acquire these easements will be paid from the Town Chapter 90 Funds.

Article 18 Authorize Board of Selectmen to petition the General Court for special legislation:

Since the Town has one (1) license remaining for the sale of all alcoholic beverages to be consumed on premises and none available for sale of wine and malt beverages to be consumed on premises, the Board of Selectmen is seeking approval to petition the General Court for additional licenses above the current State quota. In case other food establishments who are currently located in Town or new ones are interested in seeking a license, this article seeks approval for six (6) additional licenses for the sale of all alcoholic beverages to be consumed on premises and two (2) additional licenses for the sale of wine and malt beverages to be consumed on premises. The fee for all alcoholic beverages is \$2,500 and \$1,200 for wine and malt.

Article 19 New By-law to ban Plastic Bags:

This new By-law would eliminate the use of single use plastic bags by retail establishments. In line with our neighboring communities of Andover, Wilmington, Westford, Reading, and Lowell, the Beautification Committee proposes a bylaw to eliminate the use of single use handled plastic bags by retail establishments. The Town is at a point where single use plastic bags have transitioned from a convenience item to an environmental nuisance, hazard, and are additionally costing the Town real dollars in its waste management process. Plastic bags are not recyclable and they contaminate the Town's recycling loads, causing them to be rejected and fines to be levied. Single use plastic bags are the biggest problem within the waste stream. Promoting citizen use of reusable bags will help clean up Tewksbury and keep our refuse costs low. This By-law will allow Tewksbury to join the 81 plus cities and towns in the Commonwealth who have already passed bylaw changes and prepare for the statewide effort in 2019 and is in line with Tewksbury's green initiatives of Open Space, Green Community, and Recycle Smart Massachusetts.

Articles 20 and 21 Retailer Sale Recreational Marijuana:

Articles 20 and 21 both ban recreational marijuana retailers within Town. It has been recommended by the State’s Attorney General that Communities adopt both a General By-law and a Zoning By-law to ban recreational marijuana retailers. Article 20 is the General By-law ban and 21 is the Zoning By-law ban. The Town voted to oppose a Ballot Question in 2016, 50.8% to 49.2% to allow recreational marijuana and subsequently voted a Moratorium on recreational marijuana which ends December 31, 2018.

Articles 22 and 23 Retailer Sale Recreational Marijuana:

Articles 22 and 23 both ban recreational marijuana establishments, including marijuana cultivators, independent testing laboratories, marijuana product manufacturers, and/or any other types of licensed non-retailer marijuana-related businesses, except, this provision will expire December 31, 2019 which means if the Town does not take any action regarding a ban on these uses after this date they will be allowed in Town. The Ballot question in 2016 that was opposed by Tewksbury voters may have been confusing for residents and they may not have known that the recreational marijuana included cultivators, independent testing laboratories, and marijuana product manufacturers’ uses they may want to allow in Town. At the Annual Town Election in April the voters will have an opportunity to vote on non-binding referendum questions on whether they want to allow these uses. If residents do not want these uses, the plan would be to bring back articles at a future Town Meeting to remove the dates within these proposed articles and impose a ban. If the voters wish to allow any or all of these uses, the plan would be to allow the dates to lapse, and prior to that, put in place proper zoning and regulations.

Articles 24 Billboards:

Currently the Town Zoning By-law does not allow billboards within Town. This new By-law will allow billboards along interstate highways. Billboards generate revenue for communities through host agreements with companies who own them, even if they are located on private land.

Free Cash Balance Summary:

Certified Free Cash Balance July 1, 2017:	\$3,860,434	
Set aside \$600,000 for Potential Snow and Ice:		<u>(\$600,000)</u>
Total Free Cash Available:		\$3,260,434
Article 6- School Capital Expenditures:		<u>(\$650,000)</u>
Article 9 -Transfer into Stabilization Fund:		<u>(\$2,610,434)</u>
Total Remaining Free Cash:		\$0.00

OPEB Trust Fund:

OPEB Trust Fund Balance:	\$3,575,577
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Note: The Town’s unfunded OPEB liability as of June 30, 2018 was \$64,163,811.

Stabilization Fund:

Stabilization Fund Balance:	\$2,079,494
Proposed to be transferred in:	<u>\$2,610,434</u>
Total Stabilization Fund:	\$4,689,928

Water Enterprise Fund Retained Earnings Balance July 1, 2018: \$2,356,468

(No transfers are requested from Water Retained Earnings at this Town Meeting)

Water Stabilization Fund: \$1,814,225

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

Note: In regard to future Water Enterprise Projects, \$9.8 million needed for water distribution projects, water tank upgrades and equipment over the next four (4) years. Using Retained Earnings and Water Stabilization Fund for these projects will save the Town interest costs.

Sewer Enterprise Fund Retained Earnings Balance July 1, 2018: **\$5,107,493**
 (No transfers are requested from Sewer Retained Earnings at this Town Meeting)

Sewer Stabilization Fund: **\$3,717,415**
 (No transfers are requested from Sewer Stabilization Fund at this Town Meeting)

Note: In regard to future Sewer Enterprise Projects, there are estimated to be \$2.1 million in collection system improvements and equipment over the next four (4) years. 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.

Cable Enterprise Fund Retained Earnings Balance July 1, 2017: **\$1,200,094**

Community Preservation Act Fund Summary:

CPA Undesignated Fund Balance	\$1,565,863
Article 8	\$42,000
Article 9	\$850,000
Article 10	\$60,000
Article 11	<u>\$30,000</u>
Remaining Balance:	\$583,863
CPA Open Reserve/Recreation Balance	\$119,287
CPA Historic Reserve Balance	\$0
CPA Housing Reserve Balance	<u>\$458,027</u>
Total All CPA Balances After Transfers:	\$1,161,177

General Financial Information:

The following Chart is a summary of expenditures and revenues for Fiscal Years 2017, 2018 and 2019. 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 FY17 and FY18 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 \$89,808 surplus in FY19 will be from Water and Sewer revenue and it is an estimated surplus.

<i>Summary Expenditures and Revenues</i>	Actual	Actual	Projected	FY19 Projected
	<u>Budget FY17</u>	<u>Budget FY18</u>	<u>Budget FY19</u>	<u>Inc/(Dec) Over FY18</u>
<i>Uses of Funding (Amounts to be Raised)</i>				
Appropriations	102,944,703	105,026,751	110,983,078	5,956,327
Water, Sewer and Cable TV Enterprise Fund Budgets	12,696,468	13,828,102	13,393,250	(434,852)
Special Articles and Transfers	15,405,501	5,105,655	10,426,940	5,321,284
Cherry Sheet Offsets	36,135	36,597	38,995	2,398
Other Local Expenditures	1,314,758	1,289,456	1,133,298	(156,158)
State and County Charges	<u>1,481,964</u>	<u>1,625,949</u>	<u>1,751,102</u>	<u>125,153</u>
Total Use of Funding	133,879,529	126,912,510	137,726,662	10,814,152
<i>Sources of Funding</i>				
Property Taxes	70,129,206	74,363,094	78,404,771	4,041,677
Debt Exclusions	8,421,310	8,029,204	9,059,365	1,030,162
State Estimated Revenues	16,410,387	16,585,377	16,806,200	220,823
Local Estimated Revenues	12,715,636	11,470,913	9,458,686	(2,012,227)
Other Available Funds	<u>28,761,943</u>	<u>19,348,116</u>	<u>24,087,448</u>	<u>4,739,332</u>
Total Sources of Funding	136,438,482	129,796,704	137,816,471	8,019,767
<i>Surplus/(Deficit)</i>	2,558,953	2,884,194	89,808	-

The following Chart is a summary of the General and Enterprise Budgets. The FY19 Budget includes all action being proposed at Special Town Meeting.

General Fund Budget Classification	Expended	Budgeted	Projected	Budget
Budget Summary	<u>Budget FY17</u>	<u>Budget FY18</u>	<u>Budget FY19</u>	<u>Inc(Dec)</u>
Total Town Budget Net Allocations	34,583,276	35,654,305	37,279,160	1,624,855
Total Exempt Town Debt	5,104,242	4,981,076	6,106,524	1,125,449
Total School Budget Net Allocations	52,758,955	55,628,744	58,319,784	2,691,039
Total Exempt School Debt	3,144,086	3,071,245	2,982,702	(88,544)
Shawsheen Tech	5,646,988	5,566,567	6,201,732	635,165
Essex North Shore Agricultural and Tech. School District	76,384	76,384	56,968	(19,416)
Water Enterprise Fund	6,922,471	7,565,043	6,910,412	(654,631)
Sewer Enterprise Fund	5,621,009	5,663,059	5,905,338	242,279
Cable TV Enterprise Fund	-	600,000	600,000	-
Total Budget Net Allocations/Offsets	113,857,410	118,806,423	124,362,620	5,556,196

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

General Overview and Breakdown Free Cash FY18	
FY18 Budget Turn Back - Town	\$ 269,616
FY18 Budget Turn Back - School	\$ 428,181
FY18 State Assessments	\$ (20,773)
Local Receipts Higher than Projected (see chart below for detail)	\$ 2,884,193
Real & Personal Property	\$ 703,129
FEMA Reimbursement	\$ -
State Aid	\$ 29,409
DOR Adjustments for FY18	\$ (272,167)
End of Year Adjustments Closing Out FY18	\$ (161,154)
Total Certified Free Cash as of July 1, 2018	\$ 3,860,434
Breakdown Local Receipts Increase over Projection	
Motor Vehicle Excise Tax	\$ 1,032,049
Meals Tax	\$ 92,976
Hotel/Motel Tax	\$ 234,920
Other Excise Tax	\$ 859
Penalties and Interest on Taxes and Excises	\$ (32,189)
Payment In-Lieu of Taxes (PILOT)	\$ (3)
Charges for Services - Ambulance	\$ 423,872
Fees	\$ 340
Rentals	\$ 15,106
Other Departmental Revenue	
Licenses and Permits	\$ 124,855
Fines and Forfeits	\$ 3,562
Interest Earnings	\$ 226,394
Misc. State and Other Revenue	\$ -
SPED Medicaid Reimbursement	\$ 317,250
Recurring Revenue	\$ 364,881
Non-Recurring Revenue (account close outs)	\$ 79,321
Total	\$ 2,884,193

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

General Overview and Breakdown Water Retained Earnings FY18	
Previous Years Balance Retained Earning Carried Forward	\$ 1,779,057
FY18 Budget Turn Back	\$ 281,643
FY18 Revenue Above Projection From Rates	\$ (126,939)
FY17 & Prior Revenue Above Projection From Rates	\$ 199,159
Water Liens Compared To Projections	\$ (15,759)
Interest, Demands, Connections, New Meters and Misc.	\$ (50,796)
End of Year Adjustments Closing Out FY18	\$ 290,102
Total Water Retained Earnings Certified as of July 1, 2018	\$ 2,356,468

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

General Overview and Breakdown Sewer Retained Earnings FY18	
Previous Year Retained Earnings Carried Over	\$ 3,053,081
FY18 Budget Turn Back	\$ 441,084
FY18 Revenue Above Projection from Rates	\$ 365,037
FY17 & Prior Revenue Above Projection from Rates	\$ 237,136
Sewer Liens Compared To Projections	\$ (6,214)
Sewer Interest Demands and Liens Compared to Projection	\$ 72,163
Sewer Connections and Fees	\$ 772,627
Sewer Application Fees	\$ 2,390
Sewer Rate Relief State Aid	\$ -
End of Year Adjustments Closing Out FY18	\$ 170,190
Total Sewer Retained Earnings Certified as of July 1, 2018	\$ 5,107,493