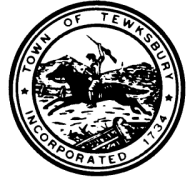


FY2019  
BUDGET PRESENTATION  
January 11, 2018



# FY2019 BUDGET PRESENTATION

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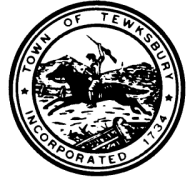


## Presentation Contents

- Budget Process
- Review Revenues and Expenditures
  - Expenditures:
    - Overall FY19 Appropriations (Includes Town and School FY19 Budgets)
    - Other Local Expenditures
    - State and County Charges
  - Revenues:
    - Tax Levy
    - State Aid
    - Local Receipts
    - Other Available Funds
- FY19 Town and School Budgets
- Five Budget Projection and Future Financial Items to Monitor

# FY2019 BUDGET PRESENTATION

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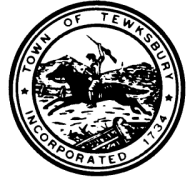


## Budget Process

- Budget Message
  - Sent to Departments November 9
  - Budgets Due November 24
  - Budget Guidelines:
    - Adjust salaries for contractual obligations
    - Level Service Operating Budgets
    - Each Department provide top two priorities
- Budget Review
  - November 27- December 8
- Budget Development
  - December 8 – December 22
- Future Budget Schedule
  - Finance Committee starts Budget review January 17

# FY2019 BUDGET PRESENTATION

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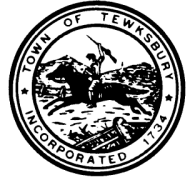


**FY2019**

**SUMMARY REVENUES AND EXPENDITURES**

# FY2019 BUDGET PRESENTATION

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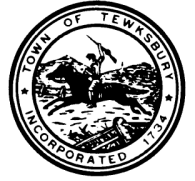


## Review Revenues and Expenditures

- Expenditures:
  - Overall FY19 Town and School Budget
  - Other Local Expenditures
  - State and County Charges
- Revenues:
  - Tax Levy
  - State Aid
  - Local Receipts
  - Other Available Funds

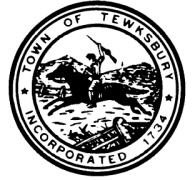
# FY2019 BUDGET PRESENTATION

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Expenditures

# FY2019 BUDGET PRESENTATION



## Expenditures

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<b>Appropriations</b>								
General Fund Budget (Includes all TM R&A and Transfers)	86,494,802	88,288,756	93,371,740	97,348,178	102,695,928	104,978,321	109,100,585	4,122,264
Transfer to Enterprise Funds	281,485	268,721	263,794	253,724	248,775	48,429	36,208	(12,222)
Reserve for Appropriation	-	-	-	-	-	-	390,590	390,590
Sewer Enterprise Fund Budget (R&A and Transfers)	6,086,796	6,102,578	5,541,478	5,937,648	5,806,008	5,663,059	-	(5,663,059)
Water Enterprise Fund Budget (R&A and Transfers)	5,961,130	5,938,637	6,272,029	6,110,505	6,890,460	7,565,043	-	(7,565,043)
Cable TV Enterprise Fund Budget (R&A and Transfers)	-	-	-	-	-	600,000	-	(600,000)
Spring ATM Articles, Non-Budget R&A	34,987	38,776	-	74,825	43,926	46,250	-	(46,250)
Spring ATM Articles, Transfers	1,748,255	2,980,713	3,079,163	2,250,275	72,000	4,440,459	-	(4,440,459)
Spring STM Articles, Non-Budget R&A	-	-	-	-	-	-	-	-
Spring STM Articles, Transfers	992,100	600,000	870,292	700,000	9,395,614	600,000	-	(600,000)
Fall ATM Articles, Non-Budget R&A	275,292	265,326	271,521	30,215	1,300	18,946	-	(18,946)
Fall STM Articles, Transfers	3,903,446	2,156,874	4,039,396	2,956,782	5,892,661	-	-	-
<b>Total Appropriations</b>	<b>105,778,293</b>	<b>106,640,381</b>	<b>113,709,413</b>	<b>115,662,150</b>	<b>131,046,672</b>	<b>123,960,508</b>	<b>109,527,383</b>	<b>(14,433,125)</b>

Note: Sewer Debt within Transfer to Enterprise Funds will end FY2020

# FY2019 BUDGET PRESENTATION



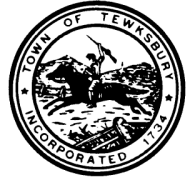
## Expenditures (Cont.)

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<b>Cherry Sheet Offsets</b>	45,497	45,156	54,616	36,780	36,135	36,597	36,597	-
<b>Other Local Expenditures</b>								
Overlay Reserve	809,814	878,401	865,819	1,139,073	664,160	769,477	700,000	(69,477)
Overlay Deficit	-	-	-	3,552	-	-	-	-
Tax Title	77,054	-	25,000	-	-	-	-	-
Other Local Expenditures/Deficits	-	-	-	-	-	-	-	-
Debt not Appropriated	58,896	-	-	-	-	-	-	-
Final Judgements	-	-	-	-	43,947	-	-	-
Revenue Deficit	-	-	-	-	-	-	-	-
Snow/Ice Deficit	-	466,995	-	359,459	-	-	-	-
Projected Snow/Ice Reimbursement	-	-	-	-	-	-	-	-
Teacher Salary Deferral	953,332	866,663	779,994	693,323	606,651	519,979	433,298	(86,681)
Other - Unforeseen Charges/Assessments	-	-	-	-	-	-	-	-
<b>Total Other Local Expenditures</b>	<b>1,899,096</b>	<b>2,212,059</b>	<b>1,670,813</b>	<b>2,195,408</b>	<b>1,314,758</b>	<b>1,289,456</b>	<b>1,133,298</b>	<b>(156,158)</b>

**Notes:** Cherry Sheet Offsets are earmarked for the Library. The Teacher Salary Deferral will be completed in 2023.



# FY2019 BUDGET PRESENTATION



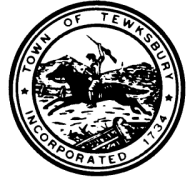
## Expenditures (Cont.)

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<b>State and County Charges</b>								
Retired Employees Health Insurance	-	-	-	-	-	-	-	-
Retired Teachers Health Insurance	-	-	-	-	-	-	-	-
Mosquito Control Projects	60,180	63,132	64,207	61,240	71,074	74,448	81,893	7,445
Air Pollution Districts	8,621	8,963	9,005	9,145	9,374	9,450	10,395	945
RMV Non-Renewal Surcharge	24,360	24,020	27,760	27,760	27,760	25,300	27,830	2,530
Regional Transit	233,976	239,825	245,821	251,967	258,266	264,723	291,195	26,472
Special Education	-	-	-	1,145	-	4,594	5,053	459
School Choice Sending Tuition	14,900	5,000	15,000	32,671	33,800	82,567	90,824	8,257
Charter School Assessment	993,590	1,123,245	1,286,521	1,170,098	1,081,690	1,164,867	1,281,354	116,487
Essex County Technical Institute Sending Tuition	87,325	100,425	-	-	-	-	-	-
Additional County Assessment	-	-	-	-	-	-	-	-
<b>Total State and County Charges</b>	<b>1,422,952</b>	<b>1,564,610</b>	<b>1,648,314</b>	<b>1,554,026</b>	<b>1,481,964</b>	<b>1,625,949</b>	<b>1,788,544</b>	<b>162,595</b>
<b>Total Uses of Funding</b>	<b>109,145,837</b>	<b>110,462,206</b>	<b>117,083,156</b>	<b>119,448,364</b>	<b>133,879,529</b>	<b>126,912,510</b>	<b>112,485,822</b>	<b>(14,426,688)</b>

Notes: The Projection for all State and County Charges is based upon a 10% increase over FY18.

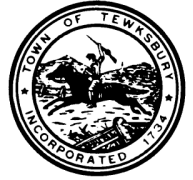
# FY2019 BUDGET PRESENTATION

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Revenues

# FY2019 BUDGET PRESENTATION



## Revenues

### Revenue Assumptions - Property Taxes:

- Property Tax Levy is the revenue a community can raise through real and personal property taxes. We will refer to the property tax levy simply as the levy. In Massachusetts, municipal revenues to support local spending for schools, public safety and other public services are raised through the property tax levy, state aid, local receipts and other sources. The property tax levy is the largest source of revenue for most cities and towns.

Proposition 2 1/2 places constraints on the amount of the levy raised by a city or town and on how much the levy can be increased from year to year. A levy limit is a restriction on the amount of property taxes a community can levy. The maximum the levy can be in a given year is 2.5% on the previous year's limit plus certain allowable increases such as new growth, overrides and debt and capital exclusions.

The Levy is projected to increase 2.5% above the previous Fiscal Year's Property Tax Levy Limit as allowed under Proposition 2 1/2 and in addition New Growth is added to the levy limit and the Town excluded debt which causes the levy limit to increase more than 2.5% each year as well as property taxes.

- New Growth is 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 is based upon a recommendation and review by the Town's Chief Assessor, Finance Director and Town Manager.

# FY2019 BUDGET PRESENTATION



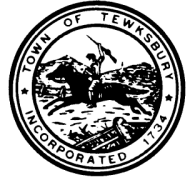
## Determining Proposition 2 1/2 Levy Limit

### Example

Step 1	Previous Year's Levy Limit	10,000,000
Step 2	Add 2.5%	250,000
Step 3	New Growth	<u>200,000</u>
Step 4	New Levy Limit	10,450,000
If Applicable Step 5	Add Any Overrides or Debt Exclusions	<u>1,000,000</u>
Step 6	Total Property Taxes - Levy Limit	11,450,000

Note: The figures above are for illustrative purposes they are not part of the FY19 Budget. Also the cap of 2.5% only pertains to the previous years Levy Limit the actual Levy Limit can increase more than 2.5% after New Growth and any overrides or Debt Exclusions are added.

# FY2019 BUDGET PRESENTATION



## Revenues - Property Taxes: New Growth

New Growth	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Avg. FY13-FY18	Avg. % of NG
Residential	239,290	249,398	397,923	748,927	565,482	886,595	514,603	36%
Commercial	81,587	17,644	16,527	12,272	122,304	142,653	65,498	5%
Industrial	1,345	26,834	9,526	0	30,349	48,743	19,466	1%
Personal Property	<u>545,578</u>	<u>533,421</u>	<u>674,273</u>	<u>938,911</u>	<u>956,042</u>	<u>1,354,241</u>	<u>833,744</u>	<u>58%</u>
Total	867,800	827,297	1,098,249	1,700,110	1,674,177	2,432,232	1,433,311	100%

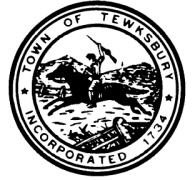
# FY2019 BUDGET PRESENTATION



## Revenues - Property Taxes

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<i>Sources of Funding</i>								
<b>Property Tax Levy</b>								
Property Taxes	56,363,353	58,640,237	60,933,540	63,555,127	66,844,115	70,189,395	74,376,362	4,186,967
Add 2.5%	1,409,084	1,466,006	1,523,338	1,588,878	1,671,103	1,754,735	1,859,409	104,674
New Growth	867,800	827,297	1,098,249	1,700,110	1,674,177	2,432,232	800,000	(1,632,232)
<b>Total Property Taxes</b>	<b>58,640,237</b>	<b>60,933,540</b>	<b>63,555,127</b>	<b>66,844,115</b>	<b>70,189,395</b>	<b>74,376,362</b>	<b>77,035,771</b>	<b>2,659,409</b>
Add Debt Exclusions	7,628,860	7,611,005	7,891,380	8,245,844	8,496,963	8,100,749	9,125,434	1,024,685
Amortization of Bond Premium	-	-	-	-	(75,653)	(71,545)	(66,068)	5,477
<b>Total Property Taxes - Levy Limit</b>	<b>66,269,097</b>	<b>68,544,545</b>	<b>71,446,507</b>	<b>75,089,959</b>	<b>78,610,705</b>	<b>82,405,566</b>	<b>86,095,137</b>	<b>3,689,571</b>
<b>Total Property Taxes - Levied</b>	<b>66,234,396</b>	<b>68,530,647</b>	<b>71,444,252</b>	<b>75,017,836</b>	<b>78,550,516</b>	<b>82,392,297</b>	<b>86,095,137</b>	<b>3,702,839</b>
Excess Levy Capacity	34,701	13,898	2,255	72,124	60,189	13,268	-	(13,268)

# FY2019 BUDGET PRESENTATION

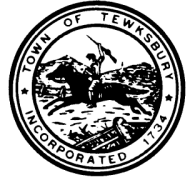


## Revenues Property Taxes (Cont.)

Residential and CIP Property Tax Historic Information							Proposed/Projected
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
<b>Total Levy Amount</b>	<b>66,234,396</b>	<b>68,530,647</b>	<b>71,444,252</b>	<b>75,017,835</b>	<b>78,550,516</b>	<b>82,405,566</b>	<b>86,095,137</b>
Increase(Decrease)	2,528,759	2,296,251	2,913,606	3,573,583	3,532,681	3,855,050	3,689,571
Percentage Increase(Decrease)	4.0%	3.5%	4.3%	5.0%	4.7%	4.9%	4.5%
<b>Values</b>							
<b>AVERAGE SINGLE FAMILY HOME</b>	316,552	314,436	327,145	343,424	358,079	375,355	375,355
Increase(Decrease)	938	(2,116)	12,709	16,279	14,655	17,276	-
Percentage Increase(Decrease)	0.3%	-0.7%	4.0%	5.0%	4.3%	4.8%	0.0%
<b>AVERAGE RESIDENTIAL CONDO</b>	227,469	223,254	224,859	244,435	260,175	284,755	284,755
Increase(Decrease)	(8,253)	(4,215)	1,605	19,576	15,740	24,580	-
Percentage Increase(Decrease)	-3.5%	-1.9%	0.7%	8.7%	6.4%	9.4%	0.0%
<b>AVERAGE COMMERCIAL</b>	773,618	767,716	740,100	745,568	747,964	758,533	758,533
Increase(Decrease)	17,137	(5,902)	(27,616)	5,468	2,396	10,569	-
Percentage Increase(Decrease)	2.27%	-0.76%	-3.60%	0.74%	0.32%	1.41%	0.00%
<b>Average Tax Bill</b>							
<b>AVERAGE SINGLE FAMILY HOME</b>	4,888	5,066	5,355	5,615	5,840	6,056	6,327
Increase(Decrease)	175	178	290	260	225	215	271
Percentage Increase(Decrease)	3.7%	3.6%	5.7%	4.8%	4.0%	3.7%	4.5%
<b>AVERAGE RESIDENTIAL CONDO</b>	3,512	3,597	3,681	3,996	4,243	4,594	4,800
Increase(Decrease)	(7)	85	84	316	247	351	206
Percentage Increase(Decrease)	-0.2%	2.4%	2.3%	8.6%	6.2%	8.3%	4.5%
<b>AVERAGE COMMERCIAL</b>	19,805	20,452	20,444	20,475	20,808	21,044	21,986
Increase(Decrease)	856	647	(8)	31	334	235	942
Percentage Increase(Decrease)	4.5%	3.3%	-0.04%	0.15%	1.6%	1.1%	4.5%

# FY2019 BUDGET PRESENTATION

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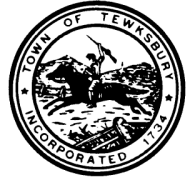
## Revenues

### Revenue Assumptions State Aid:

- State Aid is Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation. The Projection for FY19 is level funded to the amount received for FY18. This is a revenue area that will be watched closely since State Revenues are not as strong as projected for FY18 and that could impact FY19 allocations.



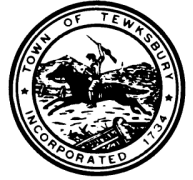
# FY2019 BUDGET PRESENTATION



## Revenues - State Aid

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<b>State Aid</b>								
Chapter 70 - School Aid	12,472,939	12,566,614	12,727,415	12,818,290	13,012,055	13,119,905	13,119,905	-
Charter School Tuition Assessment Reimbursement	215,539	284,374	70,522	212,059	74,119	71,440	71,440	-
Chapter 71 - School Transportation	4,433	16,164	-	-	-	-	-	-
School Lunch - Offset	19,060	18,674	18,421	-	-	-	-	-
Unrestricted General Fund Aid	2,354,150	2,409,797	2,476,625	2,565,783	2,676,112	2,780,480	2,780,480	-
Veteran's Benefits	150,029	218,427	246,846	294,278	324,441	288,324	288,324	-
State owned Land	144,644	147,504	184,578	184,578	182,381	182,208	182,208	-
Exemptions, Veterans, Blind and Surviving Spouses	15,060	103,736	99,570	99,570	105,144	106,423	106,423	-
Public Libraries - Offset	26,437	26,482	36,195	36,780	36,135	36,597	36,597	-
<b>TOTAL STATE ESTIMATED REVENUES</b>	<b>15,402,291</b>	<b>15,791,772</b>	<b>15,860,172</b>	<b>16,211,338</b>	<b>16,410,387</b>	<b>16,585,377</b>	<b>16,585,377</b>	<b>-</b>

# FY2019 BUDGET PRESENTATION



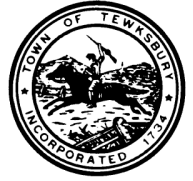
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## Revenues

### Revenue Assumptions Local Receipts:

- Motor Vehicle Excise Tax – A locally imposed annual tax assessed to owners of motor vehicles registered to an address within the community, in accordance with MGL Chapter 60A. The Excise Tax rate is set by statute at \$25.00 per \$1000 of vehicle value. The FY19 projection for Motor Vehicle Excise Tax is based upon a 3 year average of actual collected.
- Meals Tax - A local option tax upon the sale of restaurant meals originating within the city or town by a vendor at a rate of .75 per cent of the gross receipts of the vendor from the sale of restaurant meals, in accordance with MGL 64L section 2(a). Tewksbury accepted this statute in May 2011 and assesses .75% bringing the Meals Tax from 6.25% to 7%. The FY19 projection for Meals Tax revenue was based upon a 5 year average.
- Hotel/Motel Tax - A local option since 1985 that allows a community to assess a tax on short-term room occupancy. The community may levy up to 4%-6% percent of the charge for stays of less than 90 days at hotels, motels and lodging houses, in accordance with MGL 64L section 2(a). Tewksbury accepted this statute in May 2011 and assesses 6%. The FY19 projection was based upon a 5 year average.
- Other Excise Tax (Boat) – In accordance with MGL Chapter 60B, this is an amount levied on boats and ships in lieu of a personal property tax for the privilege of using the Commonwealth's waterways. Assessed annually as of July 1, the excise is paid to the community where the boat or ship is usually moored or docked. The FY19 projection was based upon a 5 year average of Boat Excise.

# FY2019 BUDGET PRESENTATION



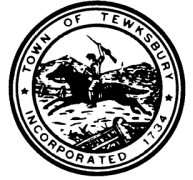
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## Revenues

### Revenue Assumptions Local Receipts:

- Penalties and Interest On Taxes and Excises - A charge assessed for late payment of taxes and fees in accordance with MGL Ch. 59 section 57. The FY19 projection was based upon a 3 year average since FY14-FY17 collections were more stable and consistent for projection purposes.
- P.I.L.O.T. – Payment In-Lieu of Taxes is an agreement between a municipality and an entity not subject to taxation, such as charitable or educational organizations, in which the payer agrees to make a voluntary payment to the municipality. The projection is based upon a 4 year average minus highest year which was not ordinary. The amounts owed are generated from agreements the Town has with the Housing Authority.
- Charges for Services – Fees charged for use of the Ambulance Service. Fees are set using Medicare allowable rates as a base. Tewksbury's rates are 150% over 2015 Medicare allowable rates. The FY19 projection is based upon a 5 year average.
- Fees – These are Fees charged by Departments for a service such as Police Detail Administration fees, Sealer of Weights and Measures, Fire Inspections, and Record/Report request fees, to name a few. The FY19 projection is based upon a 5 year average after removing Cable Fees, Rubbish Cart Fees, which are no longer collected as a local receipts and Treasurer/Collector One-Time Fees and then adding Municipal Liens which were reallocated from Recurring Revenue to this revenue classification.

# FY2019 BUDGET PRESENTATION



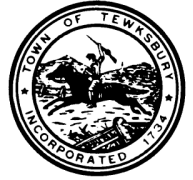
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## Revenues

### Revenue Assumptions Local Receipts:

- Rentals - Fees collected from Wireless Carriers for Cell Towers on Town property and for any other Town property that charges a fee for its use. Fees are projected based upon 5 year average minus a one-time payment of \$91,401 in FY17. The actual amounts collected are determined from agreements with Wireless Communication Carriers.
- Other Departmental Revenue - No projection for FY19 since amounts previously collected and allocated to this classification will be properly classified to the correct revenue in the future.
- License and Permits - Fees charged by Departments for licenses and permits such as liquor and other establishment licenses, building, electrical, plumbing and gas permits, DPW permits, Board of Health food establishment permits and Public Safety permits. The FY19 projection is based upon a 5 Year Average for all except building, wiring gas and plumbing fees, those are 3 year average using FY13, FY14, FY15 since FY16 and FY17 were not typical years
- Fines and Forfeits – Court Fines, Parking Fines, Library Fines and Zoning Fines. The FY19 projection based upon a 5 year average but In-Lieu of Fines were eliminated as a projection since we have not collected any.

# FY2019 BUDGET PRESENTATION



## Revenues

### Revenue Assumptions Local Receipts:

- Interest Earnings – Interest earned on cash that the Town Treasurer has in the General Fund. The projection for FY19 is a 5 year average after removing Bond Premiums from this revenue classification.
- Miscellaneous State and Other Revenue - No projection since no revenue has ever been collected and none expected.
- Medicaid Reimbursement – Revenue from the Federal Government for providing medically necessary Medicaid services (direct services) to eligible Mass Health-enrolled children. This would include outreach, and those activities that aid the delivery of direct services to Medicaid-enrolled children with individualized education plans (IEPs). The Projection is based upon a 2 year average FY13, and FY15. Did not include highest year FY14, FY16 and FY17 since the future of this revenue is uncertain with possible changes at the Federal level.
- Recurring Revenue – No Revenue projection for FY19. Revenue from certain Medicaid Reimbursements were moved to the “Medicaid Reimbursement” classification. Revenue for this category included a Medicare Drug Subsidy the Town no longer receives and in addition Municipal Liens previously classified to this revenue have been moved to “Fees” in FY18.
- Non-Recurring Revenue - No projection since it is revenue that is not reliable each year. FEMA and MEMA reimbursements and Special Medicaid reimbursements are examples of revenue allocated to this account in the past. Also Supplemental Tax Revenue was included in this category which should be allocated to Property Taxes.

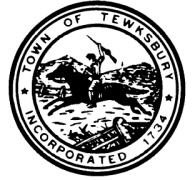
# FY2019 BUDGET PRESENTATION



## Revenues – Local Receipts

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<b>Local Receipts</b>								
Motor Vehicle Excise Tax	3,920,582	4,237,760	4,310,321	4,633,789	5,024,172	4,065,000	4,656,094	591,094
Meals Tax	499,179	573,001	526,124	581,319	633,000	544,906	562,524	17,618
Hotel/Motel Tax	687,085	841,798	1,014,019	1,099,717	1,072,823	910,655	943,088	32,433
Other Excise Tax	2,929	-	2,535	2,868	3,359	2,851	2,338	(513)
Penalties and Interest on Taxes and Excises	438,807	463,913	329,840	301,620	334,917	334,917	322,126	(12,791)
Payment In-Lieu of Taxes (PILOT)	7,952	7,971	8,035	16,011	8,003	8,000	7,990	(10)
Charges for Services - Ambulance	930,656	922,608	1,273,075	1,202,681	1,384,138	1,031,865	1,142,632	110,767
Fees	754,248	1,434,954	906,562	1,088,973	419,595	365,443	381,944	16,501
Rentals	480,608	452,418	387,195	420,383	532,172	387,195	436,275	49,080
Other Departmental Revenue	-	-	-	-	-	-	-	-
Licenses and Permits	663,299	782,059	791,228	1,178,083	1,313,949	737,812	752,140	14,328
Fines and Forfeits	110,599	108,808	80,646	123,454	102,776	93,866	100,902	7,036
Interest Earnings	38,357	36,031	36,505	105,476	128,032	52,656	68,880	16,224
Misc. State and Other Revenue	-	-	-	-	-	-	-	-
Medicaid Reimbursement	94,263	162,872	69,243	227,490	307,135	51,553	81,753	30,200
Recurring Revenue	-	214,520	385,974	290,884	95,559	-	-	-
Non-Recurring Revenue	250,638	968,002	1,026,561	1,150,955	1,356,004	-	-	-
<b>Total Local Receipts</b>	<b>8,879,203</b>	<b>11,206,716</b>	<b>11,147,863</b>	<b>12,423,703</b>	<b>12,715,636</b>	<b>8,586,719</b>	<b>9,458,687</b>	<b>871,968</b>

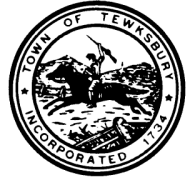
# FY2019 BUDGET PRESENTATION



## Revenue Analysis Local Receipts

	<b>Actual Budget FY17</b>	<b>Actual Budget FY17</b>	<b>Approved Budget FY18</b>	<b>Projected Budget FY19</b>	<b>FY19 Projected Inc(Dec) Over FY17 Actual Minus Non-Recurring/Onetime Revenue</b>
<b>Local Receipts</b>					
Motor Vehicle Excise Tax	5,024,172	5,024,172	4,065,000	4,656,094	(368,078)
Meals Tax	633,000	633,000	544,906	562,524	(70,475)
Hotel/Motel Tax	1,072,823	1,072,823	910,655	943,088	(129,735)
Other Excise Tax	3,359	3,359	2,851	2,338	(1,020)
Penalties and Interest on Taxes and Excises	334,917	334,917	334,917	322,126	(12,791)
Payment In-Lieu of Taxes (PILOT)	8,003	8,003	8,000	7,990	(13)
Charges for Services - Ambulance	1,384,138	1,384,138	1,031,865	1,142,632	(241,507)
Fees	419,595	419,595	365,443	381,944	(37,652)
Rentals	532,172	532,172	387,195	436,275	(95,897)
<i>Reduce One-time Payment</i>	-	(91,401)			91,401
Other Departmental Revenue	-	-	-	-	-
Licenses and Permits	1,313,949	1,313,949	737,812	752,140	(561,810)
<i>Reduce Building, Wiring Gas and Plumbing Permits</i>	-	(1,082,122)			1,082,122
<i>Add back 3 year average FY13,FY14 and FY15</i>	-	524,441			(524,441)
Fines and Forfeits	102,776	102,776	93,866	100,902	(1,874)
Interest Earnings	128,032	128,032	52,656	68,880	(59,152)
Misc. State and Other Revenue	-	-	-	-	-
Medicaid Reimbursement	307,135	307,135	51,553	81,753	(225,382)
Recurring Revenue	95,559	95,559	-	-	(95,559)
<i>Reduce Medicare Part D</i>	-	(95,559)			95,559
Non-Recurring Revenue	1,356,004	1,356,004	-	-	(1,356,004)
<i>Reduce FEMA Reimbursement</i>		(141,280)			141,280
<i>Reduce Bond Premium</i>		(388,898)			388,898
<i>Reduce Tax Liens/Deferred RE Taxes</i>		(455,812)			455,812
<i>Reduce Closing Old Accounts</i>	-	(370,014)	-	-	370,014
<b>Total Local Receipts</b>	<b>12,715,636</b>	<b>10,614,991</b>	<b>8,586,719</b>	<b>9,458,687</b>	<b>(1,156,304)</b>

# FY2019 BUDGET PRESENTATION

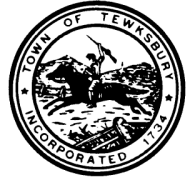


## Revenue Analysis Local Receipts

5 Year Average of all Actual Revenue	11,274,624.16
4 Year Average of all Actual Revenue	11,873,479.48
3 Year Average of all Actual Revenue	12,095,733.95
5 Year Average of all Actual Revenue Minus One -Time Revenue	10,126,804.59
4 Year Average of all Actual Revenue Minus One -Time Revenue	10,501,364.52
3 Year Average of all Actual Revenue Minus One -Time Revenue	10,660,421.34
5 Year Average of all Actual Revenue Minus One -Time Revenue, Cable Fees, Bond Premiums and Unique Building Permits	9,333,220.52
4 Year Average of all Actual Revenue Minus One -Time Revenue, Cable Fees, Bond Premiums and Unique Building Permits	9,637,174.27
3 Year Average of all Actual Revenue Minus One -Time Revenue, Cable Fees, Bond Premiums and Unique Building Permits	9,718,140.80
<b>Current Fiscal Year 2019 Local Receipts Projection</b>	<b>9,458,686.56</b>



# FY2019 BUDGET PRESENTATION



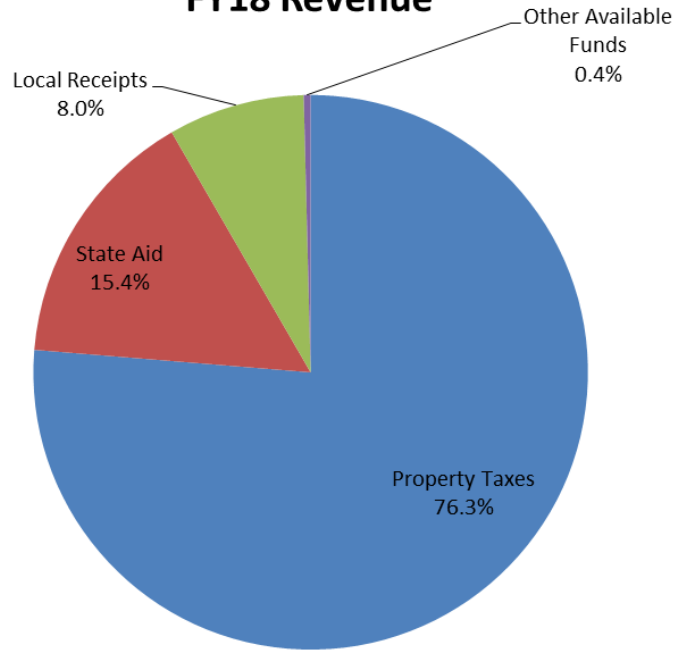
## Revenues

	Actual Budget FY13	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Approved Budget FY18	Projected Budget FY19	FY19 Projected Inc/(Dec) Over FY18
<b>Other Available Funds</b>								
Licensing and Keeping of Dogs	-	-	-	-	-	-	-	-
Wetland Protection Fund	-	-	-	-	-	-	-	-
Free Cash Spring Town Meetings	2,163,059	-	600,000	600,000	599,999	600,000	-	(600,000)
Free Cash Fall Town Meetings	3,028,466	1,683,494	4,039,396	2,424,657	4,316,361	-	-	-
Free Cash to reduce the Tax Levy	-	466,995	-	-	-	-	-	-
Teacher Salary Deferral	866,663	779,994	693,323	606,646	519,979	433,305	346,622	(86,683)
Overlay Surplus	125,000	35,000	25,000	25,000	25,000	25,000	-	(25,000)
Stabilization Fund	-	1,343,713	1,775,455	1,728,775	2,075,000	1,987,834	-	(1,987,834)
Sewer Enterprise Fund Revenue	6,756,716	7,025,929	6,923,364	7,427,619	5,828,734	5,663,059	-	(5,663,059)
Water Enterprise Fund Revenue	7,012,514	7,429,011	7,310,956	8,162,431	7,009,030	7,565,043	-	(7,565,043)
Cable TV Enterprise Fund Revenue			-	-	-	600,000	-	(600,000)
Sewer Enterprise Fund Revenue Retained Earnings	236,931	155,000	329,000	185,000	4,328,000	1,817,500	-	(1,817,500)
Water Enterprise Fund Revenue Retained Earnings	742,365	1,250,000	875,000	465,000	3,064,615	-	-	-
Cable TV Enterprise Fund Revenue Retained Earnings								
Community Preservation Fund	684,987	1,279,656	985,305	525,667	270,226	584,830	-	(584,830)
Other Available Funds	-	29,500	-	-	725,000	71,545	-	(71,545)
Misc. Revenue Funds	-	-	-	-	-	-	-	-
Budget/Article Transfers	-	-	-	-	-	-	-	-
<b>Total Other Available Funds</b>	<b>21,616,702</b>	<b>21,478,292</b>	<b>23,556,798</b>	<b>22,150,794</b>	<b>28,761,943</b>	<b>19,348,116</b>	<b>346,622</b>	<b>(19,001,494)</b>
<b>TOTAL SOURCES OF FUNDING</b>	<b>112,132,591</b>	<b>117,007,427</b>	<b>122,009,086</b>	<b>125,803,670</b>	<b>136,438,482</b>	<b>126,912,510</b>	<b>112,485,822</b>	<b>(14,426,688)</b>
<b>SURPLUS (DEFICIT)</b>	<b>2,986,754</b>	<b>6,545,221</b>	<b>4,925,929</b>	<b>6,355,306</b>	<b>2,558,953</b>	<b>-</b>	<b>-</b>	<b>-</b>

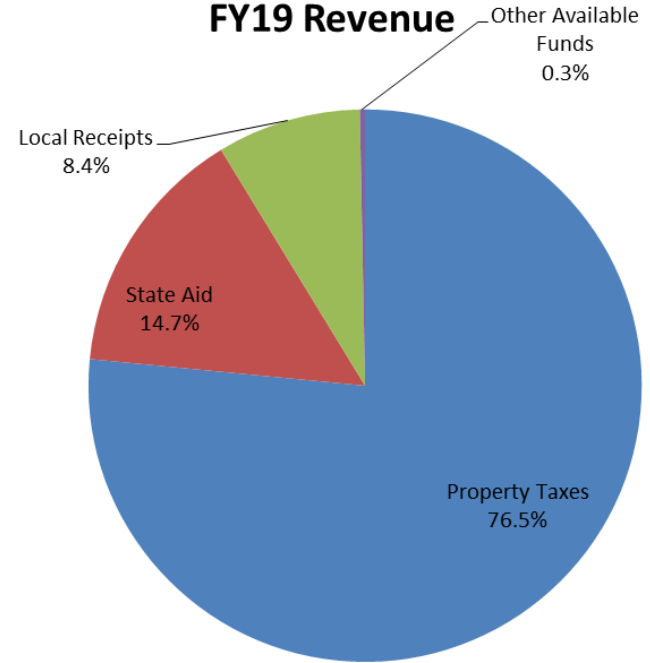
# FY2019 BUDGET PRESENTATION



### FY18 Revenue



### FY19 Revenue



# FY2019 BUDGET PRESENTATION

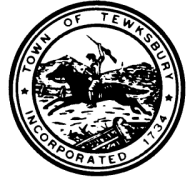


## Summary

<b>Summary Expenditures and Revenues</b>	Actual	Actual	Actual	Actual	Actual	Approved	Projected	FY19 Projected
	<u>Budget FY13</u>	<u>Budget FY14</u>	<u>Budget FY15</u>	<u>Budget FY16</u>	<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	86,776,287	88,557,477	93,635,534	97,601,902	102,944,703	105,026,751	109,527,383	4,500,633
Water, Sewer and Cable TV Enterprise Fund Budgets	12,047,925	12,041,215	11,813,507	12,048,152	12,696,468	13,828,102	-	(13,828,102)
Special Articles and Transfers	6,954,080	6,041,689	8,260,372	6,012,097	15,405,501	5,105,655	-	(5,105,655)
Cherry Sheet Offsets	45,497	45,156	54,616	36,780	36,135	36,597	36,597	-
Other Local Expenditures	1,899,096	2,212,059	1,670,813	2,195,408	1,314,758	1,289,456	1,133,298	(156,158)
State and County Charges	<u>1,422,952</u>	<u>1,564,610</u>	<u>1,648,314</u>	<u>1,554,026</u>	<u>1,481,964</u>	<u>1,625,949</u>	<u>1,788,544</u>	<u>162,595</u>
<b>Total Use of Funding</b>	<b>109,145,837</b>	<b>110,462,206</b>	<b>117,083,156</b>	<b>119,448,364</b>	<b>133,879,529</b>	<b>126,912,510</b>	<b>112,485,822</b>	<b>(14,426,688)</b>
<i>Sources of Funding</i>								
Property Taxes	58,605,536	60,919,642	63,552,872	66,771,992	70,129,206	74,363,094	77,035,771	2,672,677
Debt Exclusions	7,628,860	7,611,005	7,891,380	8,245,844	8,421,310	8,029,204	9,059,365	1,030,162
State Estimated Revenues	15,402,291	15,791,772	15,860,172	16,211,338	16,410,387	16,585,377	16,585,377	-
Local Estimated Revenues	8,879,203	11,206,716	11,147,863	12,423,703	12,715,636	8,586,719	9,458,687	871,968
Other Available Funds	<u>21,616,702</u>	<u>21,478,292</u>	<u>23,556,798</u>	<u>22,150,794</u>	<u>28,761,943</u>	<u>19,348,116</u>	<u>346,622</u>	<u>(19,001,494)</u>
<b>Total Sources of Funding</b>	<b>112,132,591</b>	<b>117,007,427</b>	<b>122,009,086</b>	<b>125,803,670</b>	<b>136,438,482</b>	<b>126,912,510</b>	<b>112,485,822</b>	<b>(14,426,688)</b>
<b>Surplus/(Deficit)</b>	<b>2,986,754</b>	<b>6,545,221</b>	<b>4,925,929</b>	<b>6,355,306</b>	<b>2,558,953</b>	<b>-</b>	<b>-</b>	<b>-</b>

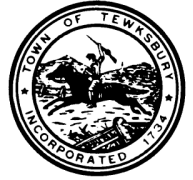
# FY2019 BUDGET PRESENTATION

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## FY2019 BUDGET

# FY2019 BUDGET PRESENTATION



## Revenue Split for Town and School

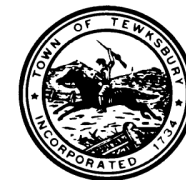
Total New Revenue	<b>3,475,949</b>				
Minus Shawsheen	(723,654)	Projected 13% Inc			
Minus Essex Aggie	<u>19,416</u>	Projected Decrease			
<b>Sub-Total</b>	<b>2,771,711</b>				
School 60% of Net Revenue	1,663,027				
Minus School Health Ins	(86,803.00)	Level Premiums, 3% Medex, 5% Dental			
Minus School Retirement	(81,515.00)	Actual			
Minus School Medicare	(23,116.00)	Projected 5% Inc			
Minus School Debt	5,157.90	Actual			
Minus School Prop. and Liab. Ins	<u>(26,330.00)</u>	Projected 5% Inc			
<b>Net School Appropriation</b>	<b>1,450,421</b>				
Town 40% of Net Revenue	1,108,684				
Minus Town Health Ins	(21,649)	Level Premiums, 3% Medex, 5% Dental			
Minus Town Retirement	(385,545)	Actual			
Minus Town Medicare	(12,800)	Projected 5% Inc			
Minus Town Debt	13,593	Actual			
Minus Town Prop. and Liab. Ins	<u>2,925</u>	Projected Decrease			
<b>Net Town Appropriation</b>	<b>705,209</b>				

# FY2019 BUDGET PRESENTATION



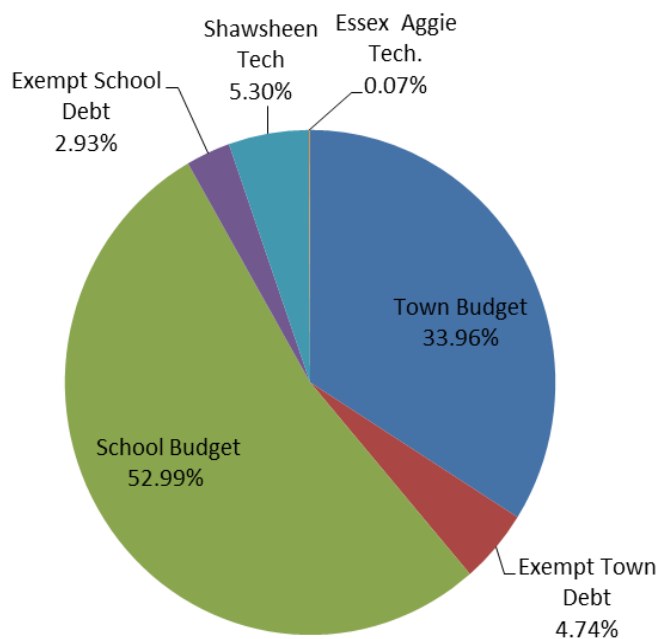
## FY19 General Fund Budget Summary

	FY2015	FY2016	FY2017	FY2018	FY2019	BUDGET
	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>BUDGETED</u>	<u>TM REC</u>	<u>INC/DEC</u>
Total Town Budget Net Allocations and w/o Exempt Debt	31,098,814	31,863,552	34,583,276	35,654,305	36,762,989	1,108,684
Total Exempt Town Debt	4,609,268	4,775,021	5,104,242	4,981,076	6,106,524	1,125,449
Total School Budget Net Allocations	48,325,450	50,805,467	52,758,955	55,628,744	57,291,771	1,663,026
Total Exempt School Debt	3,032,174	3,211,396	3,144,086	3,071,245	2,982,702	(88,544)
Shawsheen Tech	5,838,185	5,671,070	5,646,988	5,566,567	6,290,221	723,654
Essex North Shore Agricultural and Tech. School District	168,574	124,086	76,384	76,384	56,968	(19,416)
Total Budget Net Allocations/Offsets	93,072,465	96,450,591	101,313,931	104,978,321	109,491,175	4,512,854

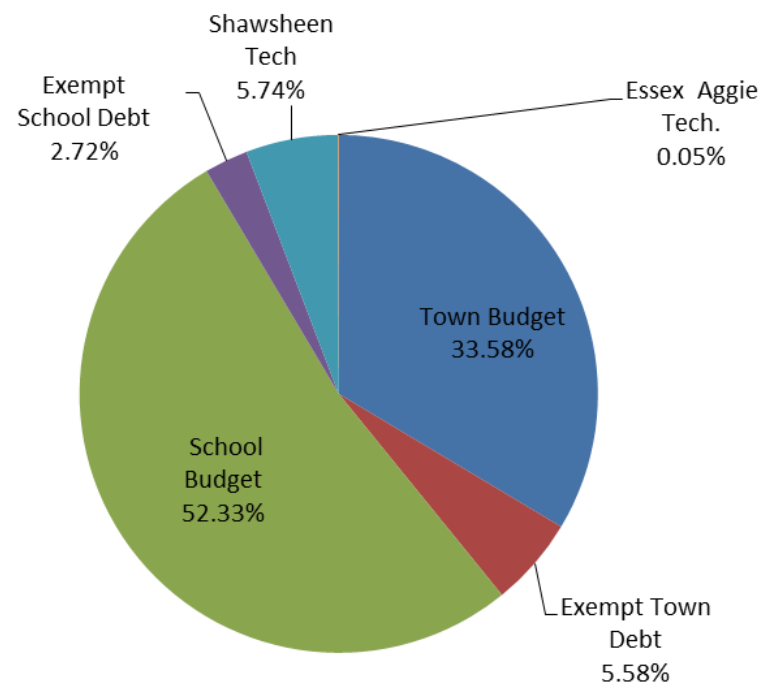


# FY2019 BUDGET PRESENTATION

## FY18 Town and School General Fund Budget



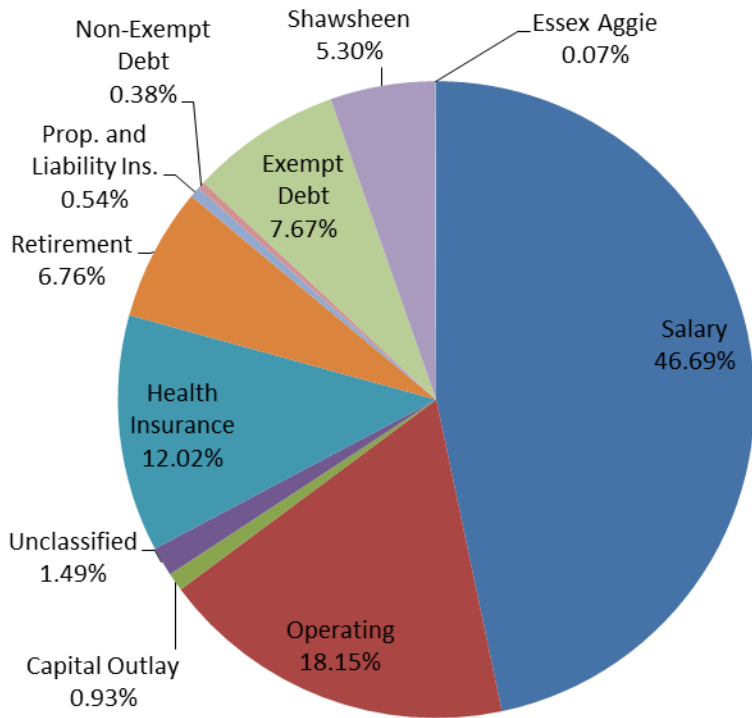
## FY19 Town and School General Fund Budget



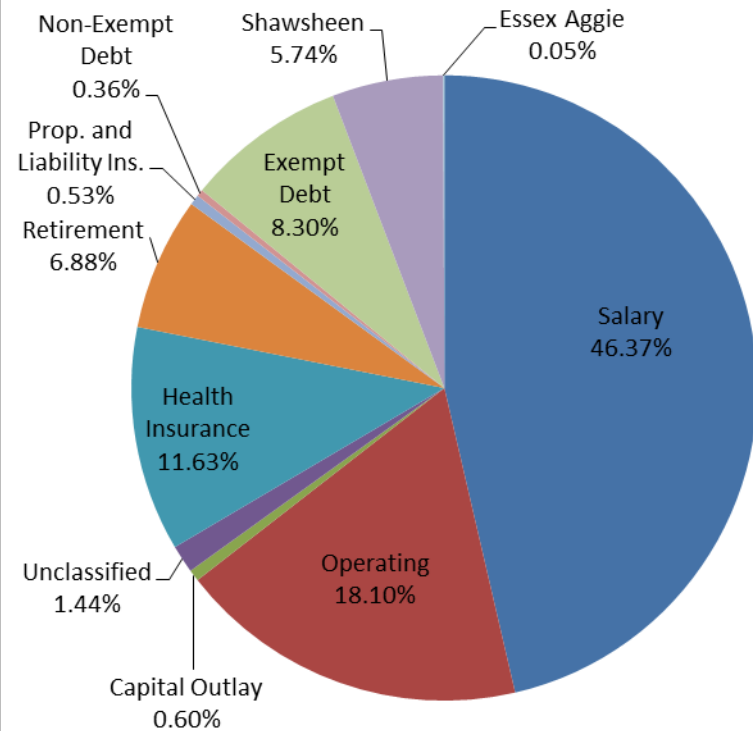


# FY2019 BUDGET PRESENTATION

### FY18 Town and School General Fund Budget



### FY19 Town and School General Fund Budget





# FY2019 BUDGET PRESENTATION



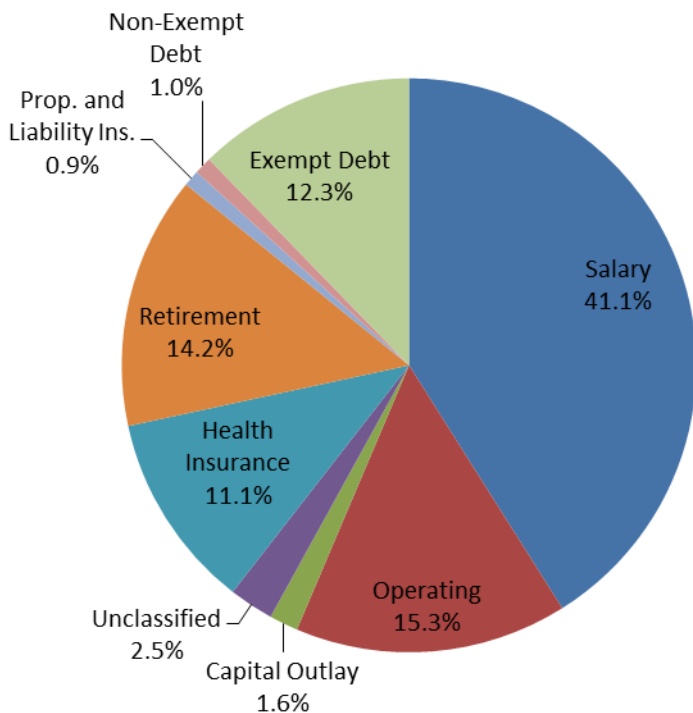
## Town Budget Increase with Exempt Debt: 1,843,543

<b>Budget Summary</b>	<b>FY2015 EXPENDED</b>	<b>FY2016 EXPENDED</b>	<b>FY2017 EXPENDED</b>	<b>FY2018 BUDGETED</b>	<b>FY2019 TM REC</b>	<b>BUDGET INC/DEC</b>
Total General Government	1,082,882	1,202,922	1,392,855	1,402,038	1,470,605	68,567
Total General Government Net Allocations	1,062,816	1,182,394	1,371,521	1,380,194	1,447,871	67,677
Total Finance Department	1,136,237	1,082,363	1,111,435	1,149,879	1,146,949	(2,929)
Total Finance Department Net Allocations	1,039,745	983,621	1,025,997	1,061,665	1,059,009	(2,655)
Total Community Services	425,928	453,444	451,764	460,474	492,921	32,447
Total Council on Aging Budget	230,467	289,015	329,075	370,786	389,273	18,487
Total Facilities	248,479	303,959	436,284	607,938	635,076	27,139
Total Library Budget	963,695	1,028,415	1,137,549	1,329,822	1,332,687	2,865
Total Planning and Development	742,405	830,371	1,010,432	803,915	824,487	20,573
Total Planning and Development Net Allocations	736,992	830,371	1,010,432	803,915	824,487	20,573
Total Public Safety Budget	11,032,377	11,467,108	12,628,092	12,750,771	12,865,980	115,209
Total DPW Budget	5,867,048	5,473,898	6,194,014	5,446,728	5,563,746	117,018
Total DPW Budget Net Allocations	5,417,444	4,872,473	5,538,517	4,804,029	4,885,606	81,577
Town Unclassified Budget Minus Exempt Debt	10,725,011	11,200,253	11,500,819	12,985,327	13,378,802	393,475
Town Unclassified Budget Net Allocations Minus Exempt Debt	9,940,872	10,452,752	10,654,046	12,084,713	12,439,489	354,776
Town Exempt Principal Debt	2,718,005	2,960,043	3,540,343	2,531,338	3,572,370	1,041,033
Town Exempt Interest Debt	1,891,263	1,814,978	1,563,899	2,449,738	2,534,154	84,416
Total Town Budget	37,063,796	38,106,769	41,296,560	42,288,751	44,207,051	1,918,299
Total Town Budget Net Allocations	35,708,082	36,638,573	39,687,518	40,635,380	42,478,924	1,843,543

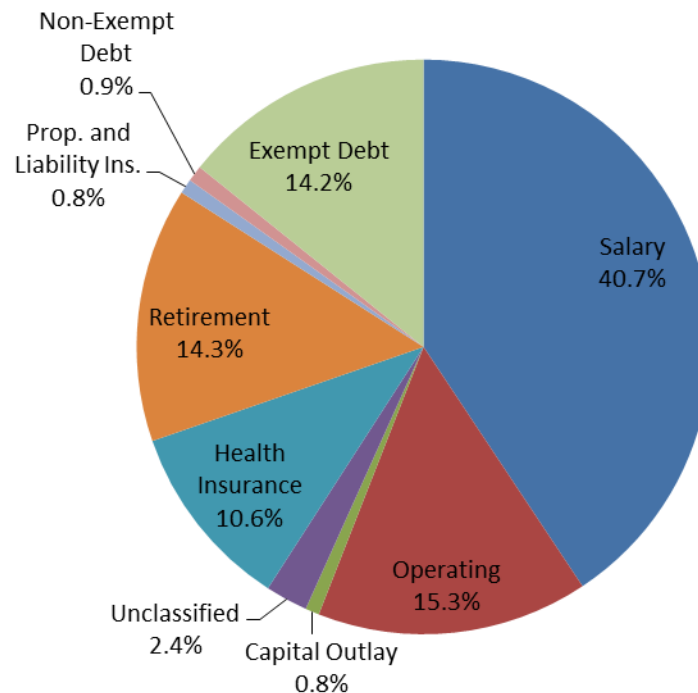


# FY2019 BUDGET PRESENTATION

## Cost as a Percentage of FY18 Town General Fund Budget



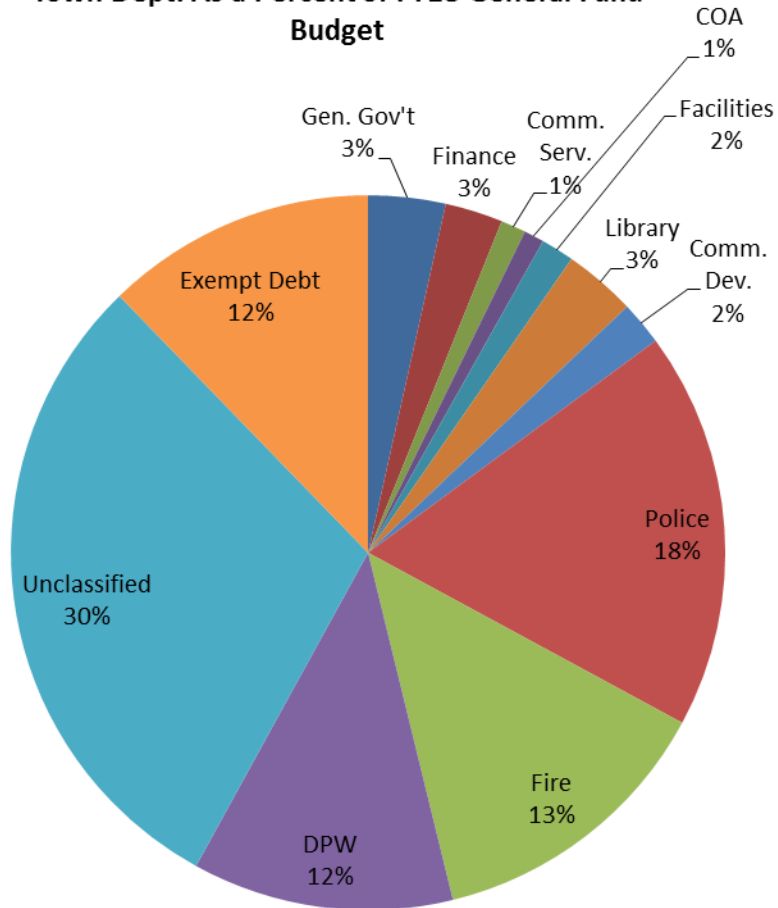
## Cost as a Percentage of FY19 Town General Fund Budget



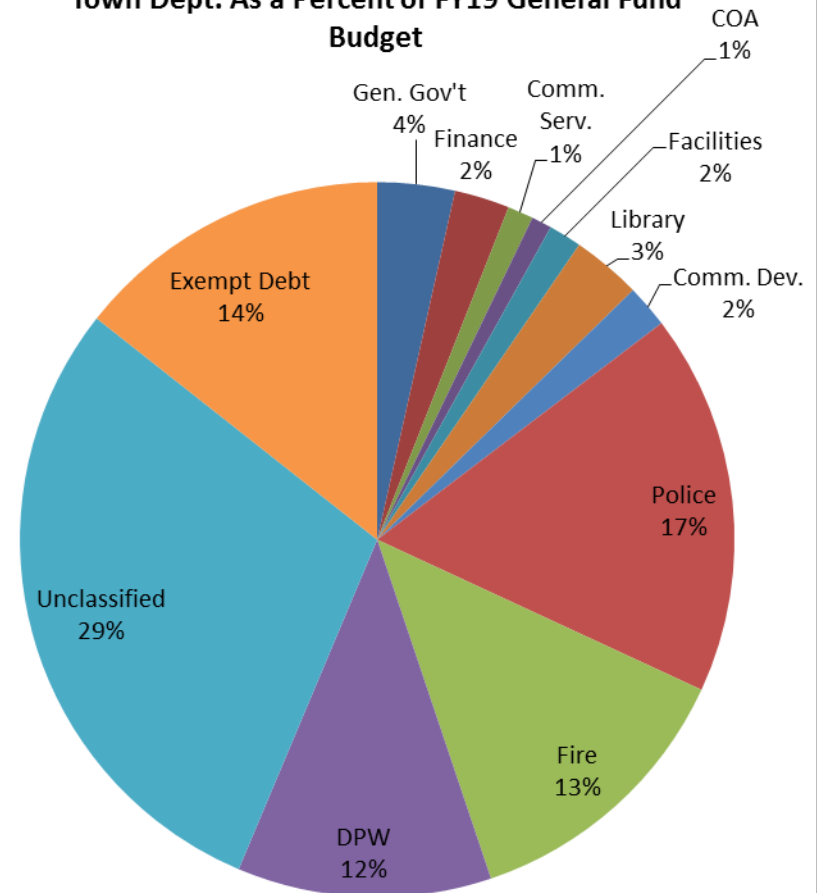
# FY2019 BUDGET PRESENTATION



**Town Dept. As a Percent of FY18 General Fund Budget**

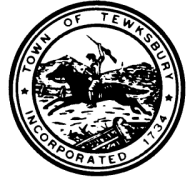


**Town Dept. As a Percent of FY19 General Fund Budget**



# FY2019 BUDGET PRESENTATION

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## **Town Budget Increase Net Allocations and Without Exempt Debt: 1,108,684**

Summary General Government Major Changes/Increases:

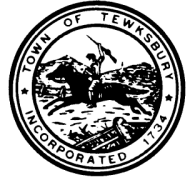
### **Salary Increase: New Staff, Longevity and Step Increases - Cost Increase: 749,545**

- Police Department, 2 Additional Officers: 130,626
- Police Terminal Leave: (46,878)
- Fire Terminal Leave: 59,090
- Veteran's Services, Part-Time Clerical: 14,261
- Facilities and Grounds, 1 Additional Employee: 46,595
- DPW- Highway, 1 Additional employee: 39,114
- Funds set aside for possible Salary Adjustments: 390,590

*There were reductions in other areas of departments' salaries that offset these costs as well as adjustments to water and sewer allocations.*

# FY2019 BUDGET PRESENTATION

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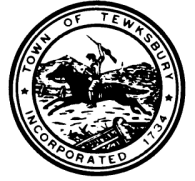


## **Town Budget Increase Net Allocations and Without Exempt Debt: 1,108,684**

Summary General Government Major Changes/Increases:

### **Operating Increase: 324,825**

- General Government Departments: 86,865 (Includes 50,000 for Animal Control Service, 10,000 pickup of dead deer and IT Support 14,000)
- Finance Departments: (10,829)
- Community Services: 16,849
- Facilities Departments: 24,371
- COA: 12,638
- Library: 55,064
- Planning and Development Departments: 4,280
- Police: 28,700
- Fire: 9,106
- DPW: 37,906
- Solid Waste Collection and Disposal: 46,684



# FY2019 BUDGET PRESENTATION

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**Town Budget Increase Net Allocations and Without Exempt Debt: 1,108,684**

Summary General Government Major Changes/Increases:

**Unclassified Budgets Increase: 354,776**

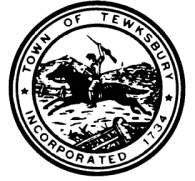
- Health Insurance: 21,372 (0% Premium Increase, 3% Medex and 5% Dental Increase)
- Unemployment Compensation: (10,000)
- Non-Exempt Debt Service: (13,593)
- Retirement: 357,771 (6% Increase)
- Property/Liability Insurance: (2,925)
- Medicare Tax: 12,582 (5% Increase)

**Capital Outlay: (320,461)**

**Allocations Increase: 74,756**

# FY2019 BUDGET PRESENTATION

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**School Budget Increase without Exempt Debt : 1,663,027**

Summary Changes/Increases:

**Salary: 1,005,731**

**Operating Increase: 444,690**

**Capital Outlay No Increase**

**Fixed Costs: 212,605**

- Health Insurance: 86,802 (0% Premium Increase, 3% Medex and 5% Dental Increase)
- Retirement: 81,514 (6% Increase)
- Property/Liability Insurance: 26,330 (5% Increase)
- Medicare Tax: 23,116 (5% Increase)
- Non-Exempt Debt Service: (5,157)

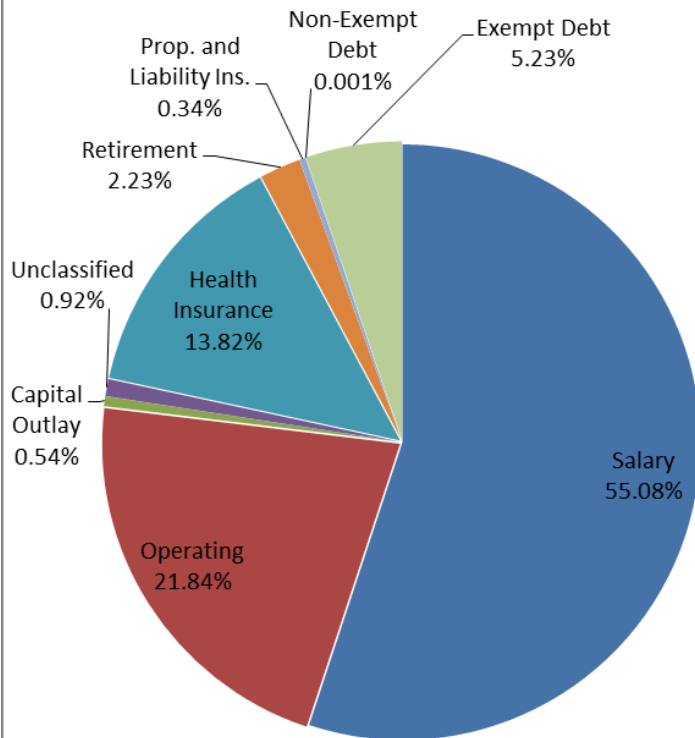
**Shawsheen Regional Vocational School 13% Increase Projected: 723,654**

**Essex North Shore Agricultural and Tech. School District: (19,416)**

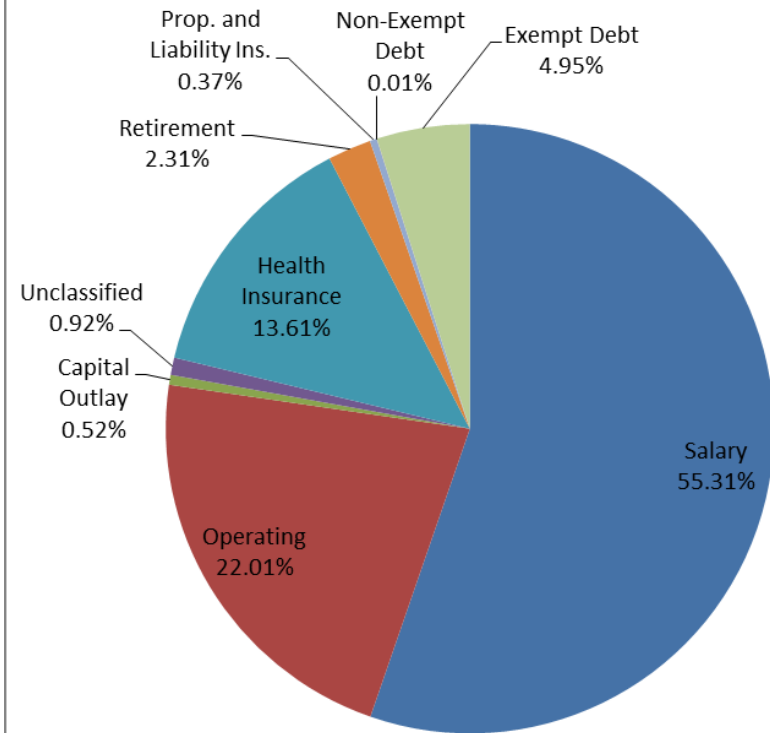
# FY2019 BUDGET PRESENTATION



### Costs As Percentage of FY18 School Budget



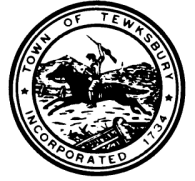
### Costs As Percentage of FY19 School Budget





# FY2019 BUDGET PRESENTATION

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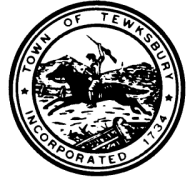


## Review FY2018:

- Added staff to COA Budget
- Added part-time staff to DPW
- Added funds for Police and Fire Overtime
- Funded a Training Officer for the Fire Department
- Funded a Professional Librarian for Technology
- Added funds to the Library Budget to comply with the State guidelines for the first time since 2007
- Increased funding for Facilities and Grounds to help maintain buildings and fields
- Funded a full-time Local Building Inspector
- Additional Funding School Department
- Funded Capital Outlay Budgets
- Added 650,000 within the Operating Budget for OPEB Liability

# FY2019 BUDGET PRESENTATION

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## **FY2019 Budget Highlights Priorities Not Funded**

- Additional funding for Facilities and Grounds Budget
- Additional staffing and operating funds For DPW
- Additional funding for Police and Fire Departments
- Additional funding School Department
- Capital Budgets
- Additional funding OPEB Liability



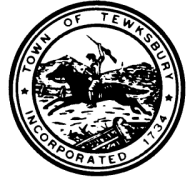
# FY2019 BUDGET PRESENTATION

## 5 Year Budget Projection

APPROPRIATIONS:	APPROVED BUDGET FY18	PROJECTED BUDGET FY19	PROJECTED BUDGET FY20	PROJECTED BUDGET FY21	PROJECTED BUDGET FY22	PROJECTED BUDGET FY23	PROJECTED BUDGET FY24
General Fund Budget							
Total School Budget	55,628,744	57,291,771	58,848,181	60,456,024	62,116,393	63,831,317	65,602,909
Exempt Debt School	3,071,245	2,982,702	2,771,215	2,691,257	2,608,488	2,304,050	2,249,150
Shawsheen Tech	5,566,567	6,290,221	6,541,830	6,803,503	7,075,643	7,358,669	7,653,015
Essex Aggie	76,384	56,968	59,247	61,617	64,081	66,645	69,310
Total Town Budget	35,654,306	36,762,990	37,653,016	38,853,654	40,137,459	41,464,678	42,870,664
Exempt Debt Town	4,981,075	6,106,524	6,142,142	5,854,204	5,743,084	5,663,719	5,637,669
Transfer to Enterprise Funds	48,429	36,208	14,749	-	-	-	-
<b>Total Budget Appropriations</b>	<b>105,026,750</b>	<b>109,527,383</b>	<b>112,030,379</b>	<b>114,720,259</b>	<b>117,745,148</b>	<b>120,689,076</b>	<b>124,082,717</b>
Cherry Sheet Offsets	36,597	36,597	36,597	36,597	36,597	36,597	36,597
Total Other Local Expenditures	1,289,456	1,133,298	1,060,630	988,235	916,124	844,303	772,857
State and County Charges	1,625,949	1,788,544	1,967,398	2,164,138	2,380,552	2,618,607	2,880,468
<b>TOTAL USES OF FUNDING</b>	<b>107,978,752</b>	<b>112,485,822</b>	<b>115,095,004</b>	<b>117,909,229</b>	<b>121,078,421</b>	<b>124,188,583</b>	<b>127,772,639</b>
Sources of Funding:							
Total Property Taxes Levied:	82,392,297	86,095,137	88,673,703	91,163,078	93,934,651	96,612,637	99,692,768
State Estimated Revenues:	16,585,377	16,585,377	16,585,377	16,585,377	16,585,377	16,585,377	16,585,377
Local estimated Revenues:	8,586,719	9,458,687	9,789,741	10,132,382	10,487,015	10,854,061	11,233,953
Total Other Available Funds:	433,305	346,622	259,955	173,278	86,600	-	-
<b>TOTAL SOURCES OF FUNDING</b>	<b>107,997,698</b>	<b>112,485,822</b>	<b>115,308,776</b>	<b>118,054,114</b>	<b>121,093,643</b>	<b>124,052,075</b>	<b>127,512,097</b>
Surplus/(Deficit)	18,946	-	213,772	144,886	15,222	-136,509	-260,541

# FY2019 BUDGET PRESENTATION

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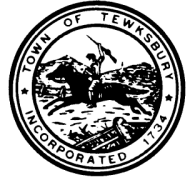


## FINANCIAL ITEMS TO MONITOR IN THE FUTURE:

- State Aid & State and County charges
- Federal Budget changes, potential repeal of Affordable Care Act, new tax reform, and overall budget cuts
- Shawsheen Tech Assessment
- Unfunded Liabilities: Retirement and OPEB
- Stabilization Fund Use and Replenishing: Current Balance is \$3,500,335 which is 3.3% of the total FY18 Budget. The goal is to have a fund balance 5% of the total Town Budget which would require approximately \$5.2 million.
- Compliance with new EPA Stormwater Permit
- Capital Improvements, roads, sidewalks and buildings
- Snow and Ice Deficit
- Bond Rating: Current Bond Rating is AA+ and the goal is to become AAA

# FY2019 BUDGET PRESENTATION

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Questions and Comments