

FY2018
BUDGET PRESENTATION
January 24, 2017



FY2018 BUDGET PRESENTATION



- Budget Process
- Review Revenues and Expenditures
 - Expenditures:
 - Overall Town Budget
 - Other Local Expenditures
 - State and County Charges
 - Revenues:
 - Tax Levy
 - State Aid
 - Local Receipts
 - Other Available Funds
- FY18 Town and School Budgets
- Future Financial Concerns

FY2018 BUDGET PRESENTATION



Budget Process

- Budget Message
 - Sent to Departments November 28
 - Budgets Due December 13
 - Budget Guidelines:
 - Adjust Salaries for Contractual Obligations
 - Level Service Operating Budgets
 - Provide two Priorities
- Budget Review
 - December 15-December 30
- Budget Development
- Future Budget Schedule
 - Finance Committee Starts Budget Review February 1

FY2018 BUDGET PRESENTATION



FY2018

SUMMARY REVENUES AND EXPENDITURES

FY2018 BUDGET PRESENTATION



Review Revenues and Expenditures

- Expenditures:
 - Overall Town Budget
 - Other Local Expenditures
 - State and County Charges

- Revenues:
 - Tax Levy
 - State Aid
 - Local Receipts
 - Other Available Funds

FY2018 BUDGET PRESENTATION



Expenditures

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	APPROVED	PROJECTED	FY18 INC/(DEC)
	<u>BUDGET FY12</u>	<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>OVER FY17</u>
APPROPRIATIONS:								
GENERAL FUND BUDGET (Includes all TM R&A and Transfers)	84,086,624	86,494,902	88,288,756	93,371,740	96,700,263	101,039,307	103,297,845	2,258,539
TRANSFER TO ENTERPRISE FUNDS	296,089	281,485	268,721	263,794	253,724	248,775	48,429	(200,346)
RESERVE FOR APPROPRIATION	-	-	-	-	-	-	-	-
WATER ENTERPRISE FUND BUDGETS (R&A and Transfers)	5,991,148	5,961,130	5,938,637	6,272,029	6,110,505	6,890,460	-	(6,890,460)
SEWER ENTERPRISE FUND BUDGETS (R&A and Transfers)	6,195,846	6,086,796	6,102,578	5,541,478	5,937,648	5,806,008	-	(5,806,008)
SPRING ATM ARTICLES, NON BUDGET R&A	36,600	34,987	38,776	-	74,825	43,926	-	(43,926)
SPRING ATM ARTICLES, TRANSFERS	171,252	1,748,255	2,980,713	3,079,163	2,250,275	72,000	-	(72,000)
SPRING STM ARTICLES, NON BUDGET R&A	-	-	-	-	-	-	-	-
SPRING STM ARTICLES, TRANSFERS	-	992,100	600,000	870,292	700,000	9,395,614	-	(9,395,614)
FALL STM ARTICLES, NON BUDGET R&A	1,300,000	275,292	265,326	271,521	30,215	1,300	-	(1,300)
FALL STM ARTICLES, TRANSFER	28,455	3,903,446	2,156,874	4,039,396	2,956,782	5,892,661	-	(5,892,661)
TOTAL APPROPRIATIONS	98,106,014	105,778,392	106,640,381	113,709,413	115,014,236	129,390,050	103,346,274	(26,043,776)

Note: Sewer Debt within Transfer to Enterprise Funds will end 2020

FY2018 BUDGET PRESENTATION



Expenditures

	ACTUAL BUDGET FY12	ACTUAL BUDGET FY13	ACTUAL BUDGET FY14	ACTUAL BUDGET FY15	ACTUAL BUDGET FY16	APPROVED BUDGET FY17	PROJECTED BUDGET FY18	FY18 INC/(DEC) OVER FY17
CHERRY SHEET OFFSETS	48,181	45,497	45,156	54,616	36,780	36,135	36,135	-
OTHER LOCAL EXPENDITURES								
OVERLAY RESERVE	629,408	809,814	878,401	865,819	1,139,073	664,160	770,000	105,840
OVERLAY DEFICITS	-	-	-	-	3,552	-	-	-
TAX TITLE	-	77,054	-	25,000	-	-	-	-
OTHER LOCAL EXPENDITURES / DEFICITS:	-	-	-	-	-	-	-	-
DEBT NOT APPROPRIATED	-	58,896	-	-	-	-	-	-
FINAL JUDGEMENTS	-	-	-	-	-	43,947	-	(43,947)
REVENUE DEFICIT	-	-	-	-	-	-	-	-
SNOW / ICE DEFICIT	690,459	-	466,995	-	359,459	-	-	-
PROJECTED SNOW / ICE REIMBURSEMENT		-	-	-	-	-	-	-
TEACHER SALARY DEFERRAL #1	-	-	-	-	-	-	-	-
TEACHER SALARY DEFERRAL #2	1,040,000	953,332	866,663	779,994	693,323	606,651	519,979	(86,672)
OTHER - MEDICARE/UNEMPLOYMENT	-	-	-	-	-	-	-	-
OTHER - UNFORESEEN CHARGES/ASSESSMENTS	-	-	-	-	-	-	-	-
TOTAL OTHER LOCAL EXPENDITURES	2,359,867	1,899,096	2,212,059	1,670,813	2,195,408	1,314,758	1,289,979	(24,779)

Notes: Cherry Sheet Offsets are earmarked for the Library. The Projection for the Overlay Reserve is based upon a 5 year average excluding FY16. The Teacher Salary Deferral will be completed in 2022.

FY2018 BUDGET PRESENTATION



Expenditures

	ACTUAL BUDGET FY12	ACTUAL BUDGET FY13	ACTUAL BUDGET FY14	ACTUAL BUDGET FY15	ACTUAL BUDGET FY16	APPROVED BUDGET FY17	PROJECTED BUDGET FY18	FY18 INC/(DEC) OVER FY17
STATE AND COUNTY CHARGES								
RETIREE EMPLOYEES HEALTH INSURANCE	-	-	-	-	-	-	-	-
RETIREE TEACHERS HEALTH INSURANCE	-	-	-	-	-	-	-	-
MOSQUITO CONTROL PROJECTS	56,200	60,180	63,132	64,207	61,240	71,074	78,181	7,107
AIR POLLUTION DISTRICTS	8,626	8,621	8,963	9,005	9,145	9,374	10,311	937
RMV NON-RENEWAL SURCHARGE	22,240	24,360	24,020	27,760	27,760	27,760	30,536	2,776
REGIONAL TRANSIT	228,268	233,976	239,825	245,821	251,967	258,266	284,093	25,827
SPECIAL EDUCATION	6,069	-	-	-	1,145	-	-	-
SCHOOL CHOICE SENDING TUITION	5,000	14,900	5,000	15,000	32,671	33,800	37,180	3,380
CHARTER SCHOOL ASSESSMENT	819,992	993,590	1,123,245	1,286,521	1,170,098	1,081,690	1,189,859	108,169
ESSEX COUNTY TECH. INSTITUTE SENDING TUITION	61,359	87,325	100,425	-	-	-	-	-
ADDITIONAL COUNTY ASSESSMENT	-	-	-	-	-	-	-	-
TOTAL STATE AND COUNTY CHARGES	1,207,754	1,422,952	1,564,610	1,648,314	1,554,026	1,481,964	1,630,160	148,196
TOTAL USES OF FUNDING	101,721,816	109,145,937	110,462,206	117,083,156	118,800,449	132,222,907	106,302,549	(25,920,359)

Notes: The Projection for all State and County Charges is based upon a 10% increase over FY17.

FY2018 BUDGET PRESENTATION



Revenues

Revenue Assumptions Property Taxes and State Aid:

- Property Tax Levy is projected to increase 2.5% above the previous Fiscal Year's Property Tax Levy Limit as allowed under Proposition 2 1/2.
- 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 FY18 is based on new construction, etc. that occurred between January and December 2016. In the fall of 2017, when new growth is being determined to set the FY18 levy limit, the FY17 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.
- 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 FY18 is level funded to the amount received for FY17. This is a revenue area that will be watched closely since State Revenues are not as strong as projected for FY17 and that could impact FY18 allocations.

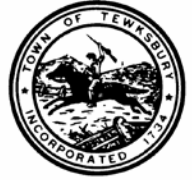
FY2018 BUDGET PRESENTATION



Revenues

	ACTUAL BUDGET FY12	ACTUAL BUDGET FY13	ACTUAL BUDGET FY14	ACTUAL BUDGET FY15	ACTUAL BUDGET FY16	APPROVED BUDGET FY17	PROJECTED BUDGET FY18	FY18 INC/(DEC) OVER FY17
PROPERTY TAXES								
PROPERTY TAXES 2 1/2 LEVY LIMIT	54,107,392	56,363,352	58,640,236	60,933,539	63,555,127	66,844,115	70,189,395	3,345,280
ADD 2.5% GROWTH	1,352,685	1,409,084	1,466,006	1,523,338	1,588,878	1,671,103	1,754,735	83,632
NEW GROWTH	903,276	867,800	827,297	1,098,249	1,700,110	1,674,177	850,000	(824,177)
TOTAL PROPERTY TAXES	56,363,352	58,640,236	60,933,539	63,555,127	66,844,115	70,189,395	72,794,130	2,604,735
ADD DEBT EXCLUSION	7,370,321	7,730,981	7,611,775	7,891,361	8,245,844	8,496,963	8,065,952	(431,011)
AMORTIZATION OF BOND PREMIUM	-	-	-	-	-	(75,653)	(71,545)	4,108
TOTAL PROPERTY TAXES - LEVY LIMIT	63,733,673	66,371,217	68,545,315	71,446,488	75,089,959	78,610,704	80,788,536	2,177,831
TOTAL PROPERTY TAXES - LEVIED	63,705,636	66,234,396	68,530,647	71,444,252	75,017,836	78,550,516	80,788,536	2,238,020
EXCESS LEVY CAPACITY	28,037	136,822	14,668	2,235	72,123	60,188	-	(60,188)
STATE ESTIMATED REVENUES:								
CHAPTER 70 - SCHOOL AID	12,317,499	12,472,939	12,566,614	12,727,415	12,818,290	13,012,055	13,012,055	-
CHARTER TUITION ASSESSMENT REIMBURSEMENT	208,012	215,539	284,374	70,522	212,059	74,119	74,119	-
CHAPTER 71 - SCHOOL TRANSPORTATION	-	4,433	16,164	-	-	-	-	-
SCHOOL LUNCH - OFFSET	19,621	19,060	18,674	18,421	-	-	-	-
UNRESTRICTED GENERAL FUND AID	2,183,935	2,354,150	2,409,797	2,476,625	2,565,783	2,676,112	2,676,112	-
VETERANS' BENEFITS	140,668	150,029	218,427	246,846	294,278	288,557	288,557	-
STATE OWNED LAND	144,597	144,644	147,504	184,578	184,578	182,381	182,381	-
EXEMPTIONS, VETERANS, BLIND AND SURVIVING SPOUSES	180,656	15,060	103,736	99,570	99,570	105,144	105,144	-
PUBLIC LIBRARIES - OFFSET	28,560	26,437	26,482	36,195	36,780	36,135	36,135	-
STATE FISCAL STABILIZATION FUND (ONE TIME)	170,215	-	-	-	-	-	-	-
TOTAL STATE ESTIMATED REVENUES	15,393,763	15,402,291	15,791,772	15,860,172	16,211,338	16,374,503	16,374,503	-

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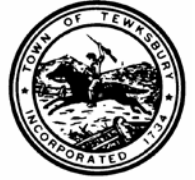


Revenues

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 FY18 projection for Motor Vehicle excise tax is based upon a 5 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 FY18 projection for Meals Tax revenue was based upon a 4 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 FY18 projection was based upon a 4 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 FY18 projection was based upon a 5 year average of Boat Excise.

FY2018 BUDGET PRESENTATION

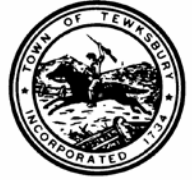


Revenues

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 FY18 projection was based upon a 4 year average after removing the highest revenue year which was FY12 since FY13-FY16 collection 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 the amounts owed within 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 FY18 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's/Report request fees, to name a few. The FY18 projection is based upon a 5 year average after removing Cable 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.

FY2018 BUDGET PRESENTATION



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 actual amounts to be collected in FY17 based upon agreements with Wireless Communication Carriers.
- Other Departmental Revenue - No projection for FY18 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 FY18 projection is based upon a 4 year Building Permits and a 5 year average of the remaining License and Permit revenue. The highest collection year for Building Permits was excluded from the calculation of the average since it was not a typical year
- Fines and Forfeits – Court Fines, Parking Fines, Library Fines and Zoning Fines. The FY18 projection based upon a 5 year average.

FY2018 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

- Interest Earnings – Interest earned on cash that the Town Treasurer has in the General Fund. The projection 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 MassHealth-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 5 Year average of Medicaid amounts received.
- Recurring Revenue – No Revenue projection for FY18. 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.

FY2018 BUDGET PRESENTATION



Revenues

	ACTUAL BUDGET FY12	ACTUAL BUDGET FY13	ACTUAL BUDGET FY14	ACTUAL BUDGET FY15	ACTUAL BUDGET FY16	APPROVED BUDGET FY17	PROJECTED BUDGET FY18	FY18 INC/(DEC) OVER FY17
LOCAL ESTIMATED REVENUES:								
MOTOR VEHICLE EXCISE	3,819,982	3,920,582	4,237,760	4,310,321	4,633,789	3,922,305	4,184,487	262,182
MEALS TAX	252,800	499,179	573,001	526,124	581,319	526,124	544,906	18,782
HOTEL/MOTEL	734,151	687,085	841,798	1,014,019	1,099,717	822,230	910,655	88,425
OTHER EXCISE	5,925	2,929	-	2,535	2,868	-	2,852	2,852
PENALTIES & INTEREST ON TAXES AND EXCISES	512,937	438,807	463,913	456,830	423,944	361,779	445,874	84,095
P.I.L.O.T.	23,582	7,952	22,176	30,211	16,011	8,000	8,000	-
CHARGES FOR SERVICES - AMBULANCE	830,305	930,656	922,608	1,273,075	1,202,681	963,457	1,031,865	68,408
FEES	619,416	632,755	922,936	711,229	1,444,220	498,502	254,486	(244,016)
RENTALS	533,125	480,608	452,418	387,195	420,383	387,195	387,195	-
OTHER DEPARTMENTAL REVENUE	214,374	66,618	353,669	29,060	24,460	-	-	-
LICENSES & PERMITS	644,841	663,299	759,883	769,052	1,178,083	680,916	720,812	39,896
FINES & FORFEITS	139,233	110,599	101,338	80,646	122,514	68,605	110,866	42,261
INTEREST EARNINGS	71,061	97,932	36,031	414,604	105,476	32,428	52,656	20,228
MISC. STATE AND OTHER REVENUE	-	-	-	-	-	-	-	-
MEDICAID REIMBURSEMENT	-	94,263	136,345	46,466	-	-	51,553	51,553
RECURRING REVENUE	576,997	309,554	274,147	424,924	369,965	370,806	-	(370,806)
NON RECURRING REVENUE	175,822	250,638	196,032	31,108	600,166	34,893	-	(34,893)
TOTAL LOCAL ESTIMATED REVENUES	9,154,552	9,193,456	10,294,055	10,507,399	12,225,596	8,677,240	8,706,205	28,965

FY2018 BUDGET PRESENTATION



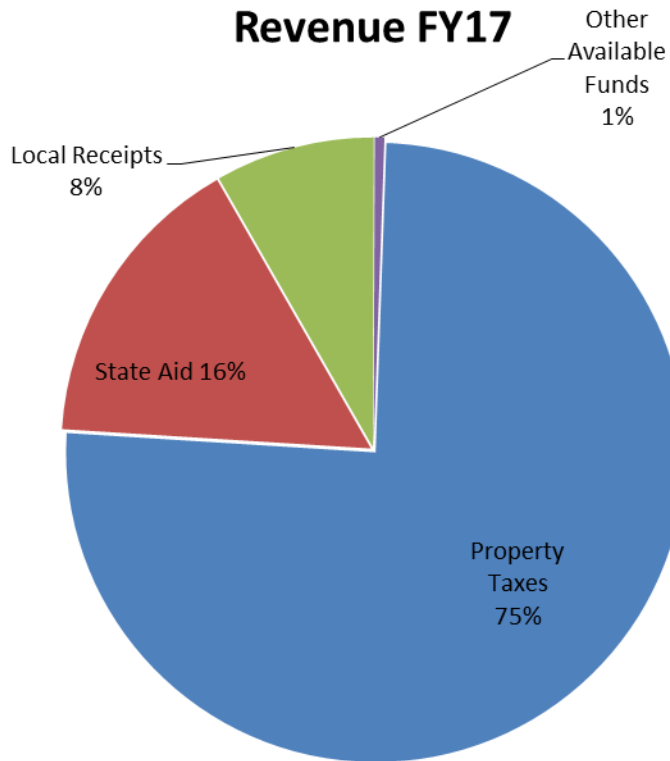
Revenues

	ACTUAL BUDGET FY12	ACTUAL BUDGET FY13	ACTUAL BUDGET FY14	ACTUAL BUDGET FY15	ACTUAL BUDGET FY16	APPROVED BUDGET FY17	PROJECTED BUDGET FY18	FY18 INC/(DEC) OVER FY17
OTHER AVAILABLE FUNDS:								
SEWER RATE RELIEF	-	-	-	-	-	-	-	-
LICENSING & KEEPING OF DOGS	-	-	-	-	-	-	-	-
WETLAND PROTECTION FUND	-	-	-	-	-	-	-	-
FREE CASH SPRNG TOWN MEETINGS	-	2,163,059	-	600,000	600,000	599,999	-	(599,999)
FREE CASH FALL TOWN MEETING	-	3,028,466	1,683,494	4,039,396	2,424,657	4,316,361	-	(4,316,361)
FREE CASH TO REDUCE THE TAX LEVY	1,366,000	-	466,995	-	-	-	-	-
TEACHER SALARY DEFERRAL #1	-	-	-	-	-	-	-	-
TEACHER SALARY DEFERRAL #2	953,331	866,663	779,994	693,323	606,646	519,979	433,305	(86,674)
OVERLAY SURPLUS	-	125,000	35,000	25,000	25,000	25,000	-	(25,000)
STABILIZATION FUND	500,000	-	1,343,713	1,775,455	1,728,775	2,075,000	-	(2,075,000)
WATER ENTERPRISE REVENUE	7,079,266	7,012,514	7,429,011	7,310,956	8,162,431	7,009,030	-	(7,009,030)
SEWER ENTERPRISE REVENUE	8,197,199	6,756,716	7,025,929	6,923,364	7,427,619	5,828,734	-	(5,828,734)
WATER ENTERPRISE RETAINED EARNINGS	-	742,365	1,250,000	875,000	465,000	3,064,615	-	(3,064,615)
SEWER ENTERPRISE RETAINED EARNINGS	-	236,931	155,000	329,000	185,000	4,328,000	-	(4,328,000)
COMMUNITY PRESERVATION FUND	36,600	684,987	1,279,656	985,305	525,667	270,226	-	(270,226)
OTHER AVAILABLE FUNDS	378,707	-	29,500	-	-	725,000	-	(725,000)
MISC. REVENUE FUNDS	-	-	-	-	-	-	-	-
BUDGET/ARTICLE TRANSFERS	-	-	-	-	-	-	-	-
TOTAL OTHER AVAILABLE FUNDS	18,511,104	21,616,702	21,478,292	23,556,798	22,150,794	28,761,943	433,305	(28,328,638)
TOTAL SOURCES OF FUNDING	106,765,054	112,446,845	116,094,766	121,368,622	125,605,563	132,364,202	106,302,549	(26,061,654)
SURPLUS (DEFICIT)	5,043,239	3,300,908	5,632,560	4,285,465	6,805,113	141,295	-	(141,295)

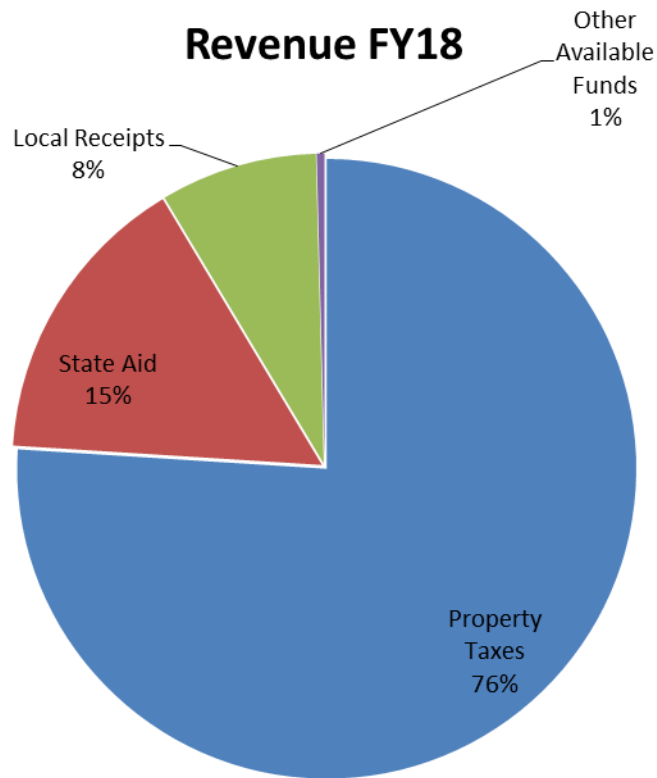
FY2018 BUDGET PRESENTATION



Revenue FY17



Revenue FY18



FY2018 BUDGET PRESENTATION



Summary

Summary Expenditures and Revenues	Actual <u>Budget FY13</u>	Actual <u>Budget FY14</u>	ACTUAL <u>Budget FY15</u>	Actual <u>Budget FY16</u>	Actual <u>Budget FY17</u>	Projection <u>Budget FY18</u>	Budget <u>Inc/(Dec)</u>
<i>Uses of Funding (Amounts to be Raised)</i>							
Appropriations	86,776,387	88,557,477	93,635,534	96,953,987	101,288,081	103,346,274	2,058,193
Water and Sewer Enterprise Fund Budgets	12,047,925	12,041,215	11,813,507	12,048,152	12,696,468	-	(12,696,468)
Special Articles and Transfers	6,954,080	6,041,689	8,260,372	6,012,097	15,405,501	-	(15,405,501)
Cherry Sheet Offsets	45,497	45,156	54,616	36,780	36,135	36,135	-
Other Local Expenditures	1,899,096	2,212,059	1,670,813	2,195,408	1,314,758	1,289,979	(24,779)
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>1,630,160</u>	<u>148,196</u>
Total Use of Funding	109,145,937	110,462,206	117,083,156	118,800,449	132,222,907	106,302,549	(25,920,359)
<i>Sources of Funding</i>							
Property Taxes	58,503,414	60,918,872	63,552,891	66,771,992	70,053,553	72,722,584	2,669,031
Debt Exclusions	7,730,981	7,611,775	7,891,361	8,245,844	8,496,963	8,065,952	(431,011)
State Estimated Revenues	15,402,291	15,791,772	15,860,172	16,211,338	16,374,503	16,374,503	-
Local Estimated Revenues	9,193,456	10,294,055	10,507,399	12,225,596	8,677,240	8,706,205	28,965
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>433,305</u>	<u>(28,328,638)</u>
Total Sources of Funding	112,446,845	116,094,766	121,368,622	125,605,563	132,364,202	106,302,549	(26,061,654)
<i>Surplus/(Deficit)</i>	3,300,908	5,632,560	4,285,465	6,805,113	141,295	-	(141,295)

Note: The FY17 Special Articles and Transfers includes \$5,501,615 transferred from Water and Sewer Retained Earnings into Water and Sewer Stabilization Funds.

FY2018 BUDGET PRESENTATION



FY2018 BUDGET

FY2018 BUDGET PRESENTATION

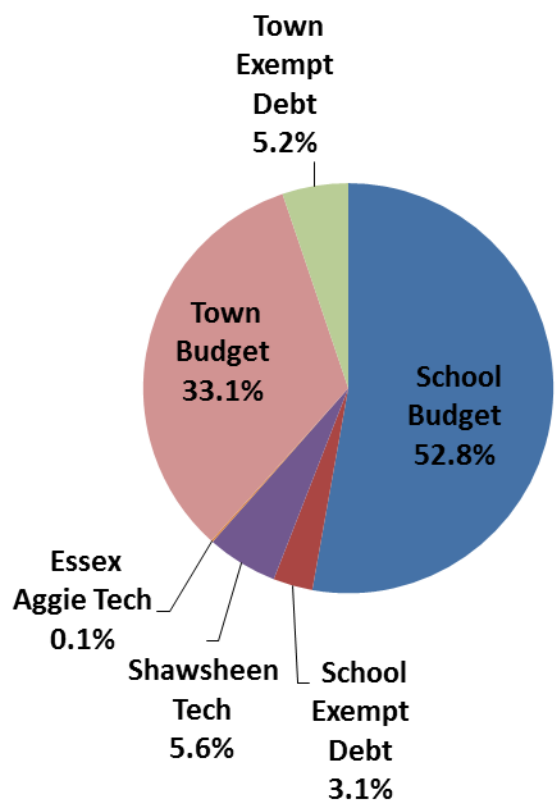


General Fund Budget Summary	FY2014	FY2015	FY2016	FY2017	FY2018	BUDGET
	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>BUDGETED</u>	<u>TM REC</u>	<u>INC/DEC</u>
Total Town Budget Net Allocations and w/o Exempt Debt	29,288,899	31,098,814	31,863,502	33,493,066	34,573,866	1,080,800
Total Exempt Town Debt	4,254,029	4,609,268	4,775,021	5,253,244	4,946,277	(306,967)
Total School Budget Net Allocations	44,021,118	48,325,450	50,805,467	53,361,883	54,983,084	1,621,201
Total Exempt School Debt	3,087,786	3,032,174	3,211,396	3,144,086	3,071,245	(72,841)
Shawsheen Tech	5,970,959	5,838,185	5,671,070	5,646,988	5,646,988	-
Essex North Shore Agricultural and Tech. School District	-	168,574	124,086	140,039	76,384	(63,655)
Total Budget Net Allocations/Offsets	86,622,790	93,072,465	96,450,541	101,039,307	103,297,845	2,258,539

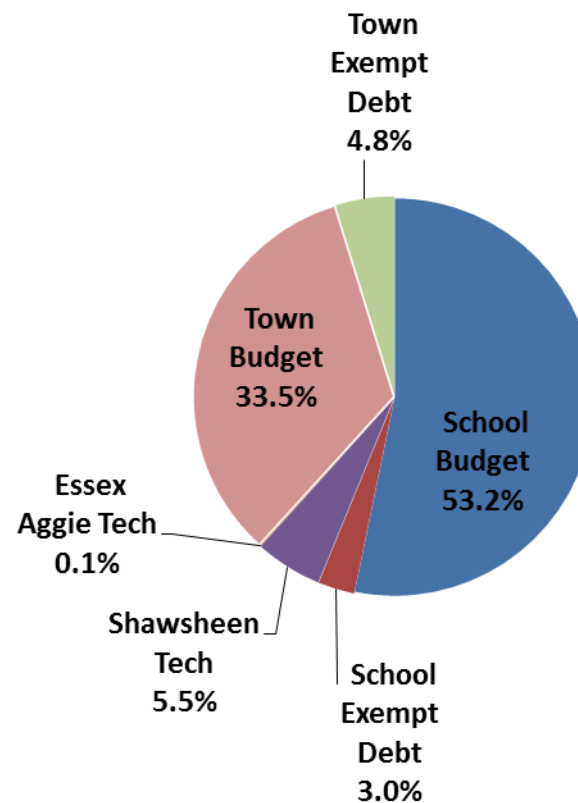


FY2018 BUDGET PRESENTATION

FY17 General Fund Budget



FY18 General Fund Budget



FY2018 BUDGET PRESENTATION



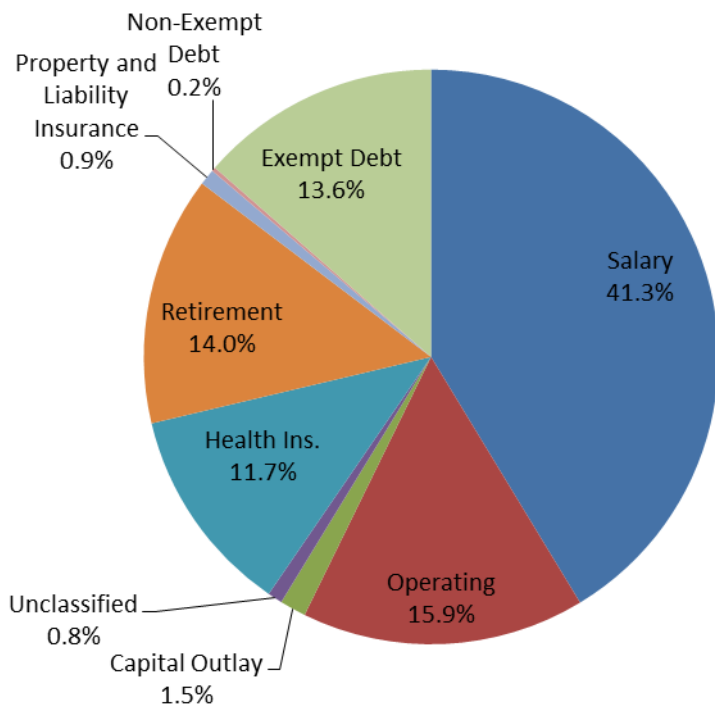
Town Budget Increase with Exempt Debt: 773,883

Budget Summary	FY2014 EXPENDED	FY2015 EXPENDED	FY2016 EXPENDED	FY2017 BUDGETED	FY2018 TM REC	BUDGET INC/DEC
Total General Government	1,067,324	1,082,882	1,202,922	1,375,608	1,355,483	(20,125)
Total General Government Net Allocations	1,047,784	1,062,816	1,182,344	1,354,274	1,333,639	(20,635)
Total Finance Department	1,092,257	1,136,237	1,082,363	1,111,833	1,149,879	38,045
Total Finance Department Net Allocations	1,015,811	1,039,745	983,621	1,026,395	1,061,665	35,269
Total Community Services	416,922	425,928	453,444	459,719	460,474	755
Total Council on Aging Budget	249,144	230,467	289,015	329,598	370,786	41,188
Total Facilities	233,645	208,396	303,959	344,755	496,087	151,332
Total Library Budget	939,394	963,695	1,028,415	1,128,900	1,255,822	126,922
Total Planning and Development	726,106	742,405	830,371	887,857	803,914	(83,943)
Total Planning and Development Net Allocations	720,717	736,992	830,371	887,857	803,914	(83,943)
Total Public Safety Budget	10,825,508	11,032,377	11,467,108	12,400,411	12,642,806	242,395
Total DPW Budget	5,233,241	5,867,048	5,473,898	5,480,578	5,356,660	(123,919)
Total DPW Budget Net Allocations	4,765,954	5,417,444	4,872,473	4,825,081	4,713,961	(111,121)
Town Unclassified Budget Minus Exempt Debt	9,777,631	10,725,011	11,200,253	11,582,847	12,335,327	752,479
Town Unclassified Budget Net Allocations Minus Exempt Debt	9,037,564	9,940,872	10,452,752	10,736,074	11,434,713	698,638
Town Exempt Principal Debt	2,292,643	2,718,005	2,960,043	3,540,343	2,531,338	(1,009,006)
Town Exempt Interest Debt	1,961,386	1,891,263	1,814,978	1,712,901	2,414,940	702,039
Total Town Budget	34,815,200	37,023,712	38,106,769	40,355,352	41,173,514	818,162
Total Town Budget net Allocations	33,506,471	35,667,998	36,638,523	38,746,310	39,520,143	773,833

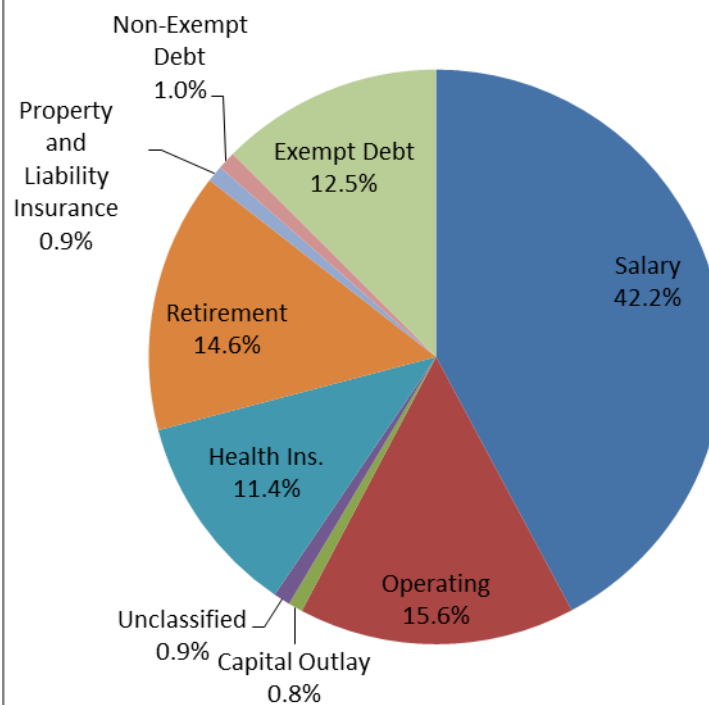


FY2018 BUDGET PRESENTATION

Cost as a Percentage of FY17 Town General Fund Budget



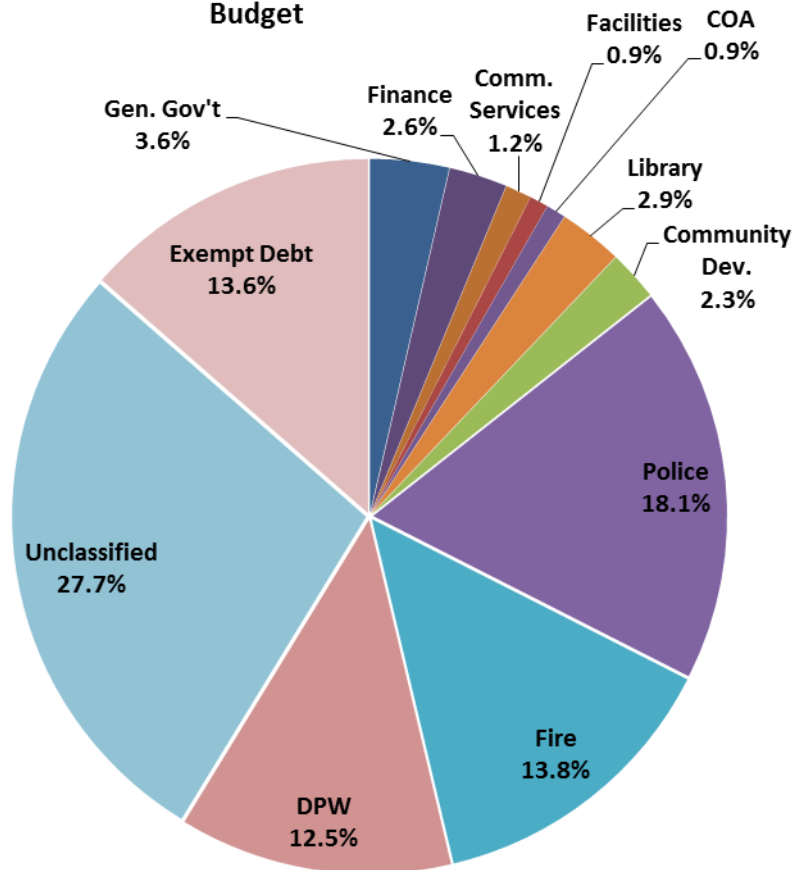
Cost as a Percentage of FY18 Town General Fund Budget



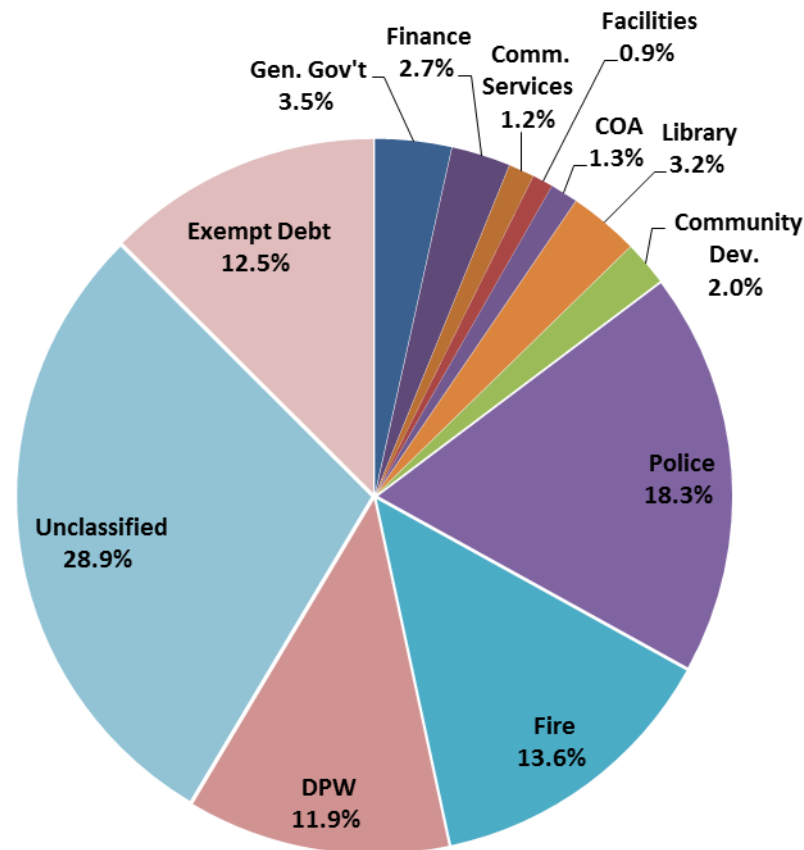
FY2018 BUDGET PRESENTATION



Town Dept. As a Percent of FY17 General Fund Budget



Town Dept. As a Percent of FY18 General Fund Budget



FY2018 BUDGET PRESENTATION



Town Budget Increase without Exempt Debt: 1,080,800

Summary General Government Major Changes/Increases:

Salary Increase: New Staff, Longevity and Step Increases - Cost Increase: 658,181

- COA Activities Coordinator: 32,680
- COA Clerical Upgrade: 3,027
- Professional Librarian Technology: 53,492
- Building Department Local Inspector: 36,485
- DPW Part-time Clerk: 18,350
- Assistant Assessor : 2,627
- Assessors Part-Time Property Reviewer: 10,800
- Police Overtime: 37,763
- Police Terminal Leave: 37,160
- Fire Training Officer: 86,280
- Fire Overtime 15,000
- Fire Terminal Leave: (124,521)

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

FY2018 BUDGET PRESENTATION



General Government Budget Increase: 1,080,800

Summary General Government Major Changes/Increases:

Operating Increase: (24,550)

- General Government Departments: (25,918)
- Finance Departments: (4,674)
- Facilities Departments: 78,742
- COA: (5,163)
- Library: 33,425
- Planning and Development Departments: 12,045
- Police: 32,427
- Fire: (9,684)
- DPW: 32,084
- Street Lights 20,000
- Solid Waste Collection and Disposal: (188,874)



FY2018 BUDGET PRESENTATION

General Government Budget Increase: 1,080,800

Summary General Government Major Changes/Increases:

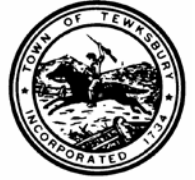
Unclassified Budgets Increase: 698,638

- Health Insurance 0% increase, 11% increase Medex and 6% Dental: Increase: (34,235)
- Debt Service – Sutton Brook Landfill: 313,740
- Retirement - 6.5% Increase: 352,120
- Property/Liability Insurance - 5% Increase: 17,495
- Medicare Tax: 49,519

Capital Outlay: (251,470)

Allocations Increase: 44,329

FY2018 BUDGET PRESENTATION



School Budget Increase: 1,621,201

Summary Changes/Increases:

Salary: 1,550,799

Operating Increase: 71,373

Capital Outlay No Increase

Fixed Costs: (971)

- Health Insurance 0% increase, 11% increase Medex and 6% Dental - Increase: (206,692)
- Retirement – 11.8% Increase: 138,579
- Property/Liability Insurance - 5% Increase: 9,397
- Medicare Tax: 57,944
- Debt Principal and Interest: (198.50)

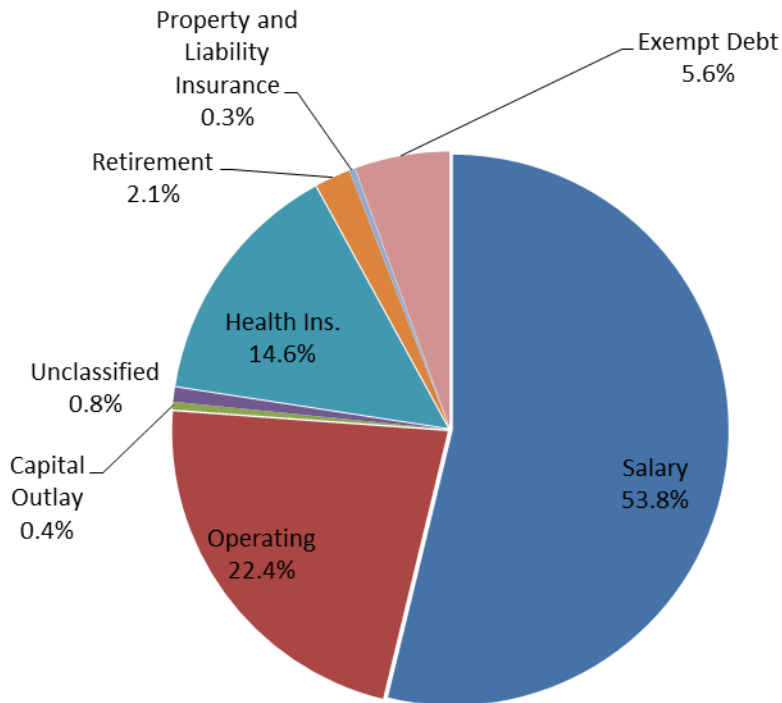
Shawsheen Regional Vocational School No Increase Projected to the FY18 Assessment

Essex North Shore Agricultural and Tech. School District: (63,655)

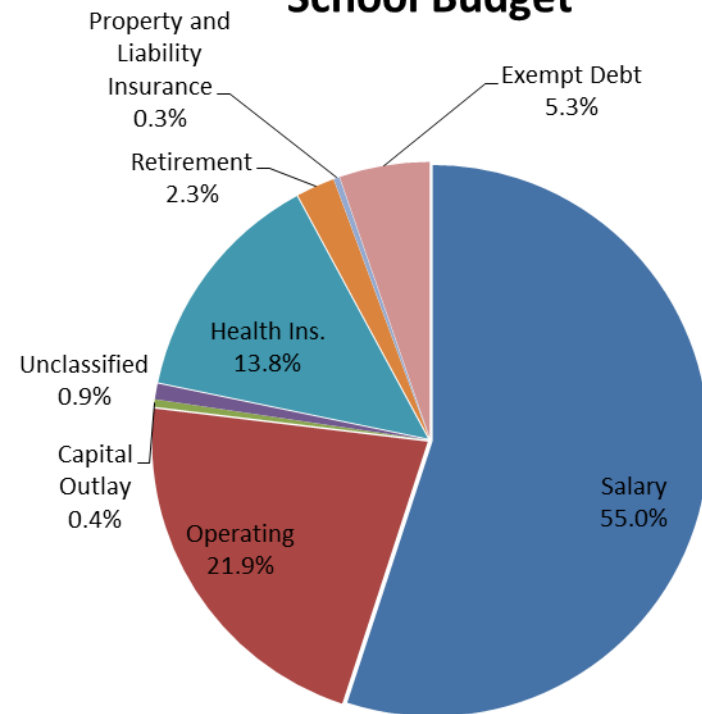
FY2018 BUDGET PRESENTATION



Costs As Percentage of FY17 School Budget



Costs As Percentage of FY18 School Budget



FY2018 BUDGET PRESENTATION



Review FY2017:

- Library Open on Sundays
- Staff Added DPW
- Capital Outlay's Funded
- COA Staff addition
- Assistant Town Manager Position Funded
- Facilities Manager Position Funded
- Local Building Inspector Funded
- Additional Staffing School Department
- All Day Kindergarten

FY2018 BUDGET PRESENTATION



FY2018 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
- OPEB Liability

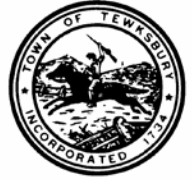
FY2018 BUDGET PRESENTATION



FUTURE CONCERNS:

- State Aid & State and County charges
- Federal Budget changes, Repeal of Affordable Care Act
- Shawsheen Tech Assessment
- Need for new revenue
- Unfunded Liabilities: Retirement and OPEB
- Stabilization Fund Use and Replenishing: Current Balance is \$3,766,068 which is 3.7% of the total FY17 Budget. The goal is to have a fund balance 5% of the total Town Budget which would require approximately \$5.1 million.
- Capital Improvements
- Snow and Ice Deficit
- Bond Rating: Current Bond Rating is AA+ and the goal is to become AAA

FY2018 BUDGET PRESENTATION



Questions and Comments