

FY20 Enterprise Budgets and CIP FY2020-FY2024

Board of Selectmen
February 26, 2019





Enterprise Budgets and CIP Meeting

- Definitions of Important Terms
- Enterprise Funds
 - Cable Enterprise Budget
 - Water Enterprise Budgets
 - Water Enterprise Capital
 - Water Rates Recommendation
 - Sewer Enterprise Budget
 - Sewer Enterprise Capital
 - Sewer Rate Recommendation
- Capital Improvement Plan FY2020-FY2024

Enterprise Budgets and CIP Meeting



Definitions

- Enterprise Fund:
 - An enterprise fund, authorized by MGL Ch. 44 §53F½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services.
 - It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any.
 - With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses.
 - Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end.
 - Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.
- Why Adopt an Enterprise Fund:
 - Identifies a total Service cost
 - Those who use the service pay
 - Provides useful management information
 - Retains investment income and surplus within Fund
 - Prevents deficits from impacting General Fund
 - Maintains Department of Revenue oversight
 - Maintains Town Meeting oversight for budgeting
- Town Established Enterprise Funds:
 - Sewer Enterprise Fund Adopted 10/1/02, Water Enterprise Fund Adopted 5/2/05, Cable Enterprise Fund Adopted 5/2/16



Water and Sewer Enterprise Budgets and CIP Meeting

Definitions (cont.):

- Property Tax Levy: Revenue a community can raise through real and personal property taxes. Proposition 2½ 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.
- Capital Outlay Expenditure Exclusion: Temporary increase in the tax levy to fund a capital project or make a capital acquisition. Exclusions require two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a community-wide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling.
- Debt Exclusion: An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

Water and Sewer Enterprise Budgets and CIP Meeting



Definitions (cont.):

- Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended.
- Capital Improvement Plan: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended.
- 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, 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. The town has a General Fund Stabilization with a balance of 4,740,967, Water Stabilization Fund with a balance of 1,855,165, Sewer Stabilization Fund with a balance of 3,808,962.
- General Fund: The fund used to account for most financial resources and activities governed by the normal town meeting/city council appropriation process.



Water and Sewer Enterprise Budgets and CIP Meeting

Definitions (cont.):

- Raise and Appropriate: A phrase used to identify a funding source for an expenditure or expenditures, which refers to money generated by the tax levy or other local receipt.
- Indirect Cost (Allocations): Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.
- 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 Director of Accounts. Current Certified Free Cash balance is 600,000.
- 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). Water Retained Earning has a balance of 2,356,468, Sewer Retained Earning has a balance of 5,107,493 Cable Retained Earnings has a balance of 1,200,094.

Cable Enterprise Fund



Cable Enterprise Fund Budget



Telemedia Department Budget

<u>Direct Expenses</u>	<u>FY18 Expended</u>	<u>FY19 Approved</u>	<u>FY20 Recommended</u>	<u>Inc(Dec)</u>
Salaries	-	350,000	156,307	(193,693)
Expenses	-	250,000	61,300	(188,700)
Capital Outlay	-	-	90,000	90,000
Reserve Fund	-	-	25,000	25,000
Occupational Health			-	-
Other Post Employment Benefits			6,200	6,200
Debt	-	-	-	-
Subtotal	-	600,000	338,807	(261,193)
<u>Indirect Expenses</u>				
Subtotal	-	-	17,512	17,512
Total	-	600,000	356,319	(243,681)
<u>Projected Cable TV Revenue</u>	<u>FY18 Collected</u>	<u>FY19 Projected</u>	<u>FY20 Projected</u>	<u>Inc(Dec)</u>
Cable Franchise Fees	766,556	600,000	600,000	
All Other Fees	-	-	-	-
Total	766,556	600,000	600,000	-
<i>Operating Deficit/Surplus</i>	<i>766,556</i>	<i>-</i>	<i>243,681</i>	<i>243,681</i>

Major Budget Changes:

Salaries: Salary increases include, 2.25% cost of living adjustment and step increases. There is an increase in Temporary part-time to hire staff to assist with broadcasting meetings or events.

Operating: Fund will be used to address equipment maintenance and operations as programs and broadcasting needs increase.

Capital Outlay: Funds will be used for upgrades to the High School Auditorium

Balance Cable Retained Earning : 1,200,094

Water Enterprise Fund





Water Enterprise Fund Budget

Water Distribution Budget

	FY18 Expended	FY19 Approved	FY20 Recommended	Inc(Dec)
Salaries	559,480	584,795	617,937	33,142
Expenses	297,889	341,005	362,445	21,440
Capital Outlay	<u>14,000</u>	<u>34,749</u>	<u>-</u>	<u>(34,749)</u>
Subtotal	871,368	960,549	980,382	19,833

Major Budget Changes:

Salaries: Salary increases include, 2.25% cost of living adjustment, step increases and longevity changes. Overtime increased 5,150 due to the number water breaks each year.

Operating:. Utilities increased 4,900 based upon historic expenditures. Leases and Contracts increased \$11,600 for permanent repair of water break trenches and leak detection. Water Meters increased 5,200 to cover the cost of eight (8) Commercial Meters.

Capital Outlay: This account decreased (34,749) since no purchases are requested in FY20.

Water Enterprise Fund Budget



Water Filtration Budget

	FY18 Expended	FY19 Approved	FY20 Recommended	Inc(Dec)
Salaries	967,664	889,219	900,235	11,015
Expenses	1,251,069	1,219,688	1,257,484	37,796
Capital Outlay	-	-	-	-
Subtotal	2,218,733	2,108,907	2,157,719	48,811

Major Budget Changes:

Salaries: Salary includes cost of living increase of 2.25%, step increases, longevity changes.

Operating: Utilities decreased (16,500) based upon historic and projected usage and new efficient operations and equipment. Repairs and Maintenance increased 20,213 the main areas are purchase of a new spare pump 3,000, install electric at Ames Hill Tank to operate SolarBees 5,000, HVAC 5,000, Aeration blower maintenance. 2,500, Rebuild and purchase Flygt pumps 5,500. Communications increased 2,700, the CCTV Monitoring increased 4,900 but the Consumer Confidence Report decreased 2,500. All Other Supplies and Expenses increased 3,295. Computer Equipment decreased (1,900) since there are less purchases,. Chemicals increased 12,409 based upon chemical prices, use and delivery. Residual Disposal was increased 7,250 in anticipation of higher pricing when a new contract is bid. Staff Development/Training 9,000 for required training to maintain licenses.

Capital Outlay: No change



Water Enterprise Fund Budget

Combined Water Enterprise Budgets

FISCAL YEAR 2020 PROPOSED BUDGET				
<u>Direct Expenses</u>	<u>FY18 Expended</u>	<u>FY19 Approved</u>	<u>FY20 Recommended</u>	<u>Inc(Dec)</u>
Salaries	1,527,143	1,474,014	1,518,171	44,157
Expenses	1,548,958	1,535,693	1,594,929	59,236
Capital Outlay	14,000	34,749	-	(34,749)
Reserve Fund	-	25,000	25,000	-
Occupational Health	-	20,000	20,000	-
Other Post Employment Benefits	-	163,947	163,947	-
Debt	<u>2,867,276</u>	<u>2,578,515</u>	<u>2,520,696</u>	<u>(57,819)</u>
Subtotal	5,957,377	5,831,919	5,842,744	10,825
<u>Indirect Expenses</u>				
Subtotal	1,080,260	1,128,710	1,319,905	191,195
Total	7,037,637	6,960,629	7,162,649	202,020

Allocations increased 191,195 proportionally with the increases in related operating budgets. The largest increase was in health insurance allocation for retired Water Enterprise Employees and Middlesex Retirement Assessment.



Water Enterprise Fund Budget

- Future Capital Improvements

Fiscal Year 2020 – Fiscal Year 2024: 14,637,500

- **12,500,000** - Water Distribution Design and Improvement
- **1,090,000** - Water Tanks Maintenance/Upgrades
- **625,000** - Hydrants Replacement
- **422,500** - Vehicle Replacement

Over the next Five Years the Plan is to spend retained earnings and borrow funds to pay for Capital Projects.

Current Balance Retained Earnings: 2,356,468

Over the next 10 years \$2,100,000 is needed annually for water distribution upgrades.



Water Enterprise Fund Budget

- Capital Improvements Fiscal Year 2020: 4,335,000
 - **2,100,000** - Water Distribution Improvement (Water Retained Earnings)
 - **285,000** - Water Distribution Improvement (Debt Service \$2 million borrowing)
 - **125,000** - Hydrants Replacement (Water Retained Earnings)
 - **90,000** - Water Tanks Maintenance/Upgrades (Water Retained Earnings)
 - **20,000** - Vehicle Replacement (Water Retained Earnings)

Use of Retained Earnings: FY20: 2,335,000 (only seeking 2,120,000 at May 2019 Annual Town Meeting the remainder will be requested at October 2019 Special Town Meeting)

Current Balance Retained Earnings: 2,356,468

Over the next 10 years 2,100,000 per will be needed for water distribution upgrades.

Balance Water Stabilization 1,855,165



Water Enterprise Fund Budget

Debt Service as percent of Water Budget:

Fiscal Year	Debt Service	Debt as a Percent of Budget
FY2019	2,578,515	37%
FY2020	2,520,696	35%
FY2021	2,658,396	36%
FY2022	2,767,557	36%
FY2023	2,868,975	36%
FY2024	3,080,475	38%
FY2025	3,132,975	37%
FY2026	3,150,580	37%
FY2027	3,309,180	37%
FY2028	3,070,181	35%
FY2029	3,259,731	36%



Water Enterprise Fund Budget

Projected Revenues

<u>Projected Water Revenue</u>	<u>FY18 Collected</u>	<u>FY19 Projected</u>	<u>FY20 Projected</u>	<u>Inc(Dec)</u>
User Fees	7,314,318	6,413,624	6,841,522	427,898
Water Liens	565,554	450,000	400,000	(50,000)
All Other Fees	282,558	100,000	100,000	-
Total	8,162,431	6,963,624	7,341,522	377,898
				-
<i>Operating Deficit/Surplus</i>	<i>1,124,794</i>	<i>2,995</i>	<i>178,873</i>	<i>175,878</i>
				-
<u>Capital Expenditures</u>	357,500	-	-	-
<i>Net Deficit/Surplus After Capital</i>	<i>767,294</i>	<i>2,995</i>	<i>178,873</i>	<i>175,878</i>

Footnote: All Other Fees includes Connection Fees, Water Meter Fees, Demand Fees and Application Fees.



Water Enterprise Fund Budget

Water Budget/Revenue:

	<u>Budget</u>	<u>Revenue</u>
FY2010	5,711,691	4,686,966
FY2011	6,058,981	7,366,234
FY2012	5,805,016	7,079,266
FY2013	5,961,130	7,033,685
FY2014	5,913,590	7,429,011
FY2015	6,386,848	7,485,872
FY2016	6,675,586	8,162,431
FY2017	6,870,921	8,455,267
FY2018	7,037,637	8,162,431
FY2019 (Projected)	6,960,629	6,963,624
FY2020 (Projected)	7,162,649	7,341,522

Water Rates





Water Enterprise Fund: Water Rates

Impacts and Assumptions FY20 Water Rates:

- Rates are not increasing.
- Water usage for revenue projections was based upon Actual usage in April 2018, August 2018 and December 2018 billing cycles.
- Water usage is projected 674,955,000 gallons.
- Rate projections include annually borrowing 2,000,000 for water distribution upgrades for 10 years.



Water Enterprise Fund: Water Rates

Proposed Water Rates: 0% Increase

Tiers	Proposed Rate (\$)
0-12 gals	7.55 per 1000
13-24	10.67 per 1000
25-46	14.19 per 1000
47+	17.73 per 1000

Proposed Secondary Meter Rates are the same as above except

47+ 33.17 per 1000

This tier and rate for secondary meters has a conservation charge added



Water Enterprise Fund Budget

Water FY20 Projected Annual Increase				
Usage	Current Annual Bill	Proposed Annual Bill	\$ Increase	% Increase
10,000	75.50	75.50	-	0.0%
15,000	113.25	113.25	-	0.0%
20,000	151.00	151.00	-	0.0%
25,000	188.75	188.75	-	0.0%
35,000	264.25	264.25	-	0.0%
45,000	367.83	367.83	-	0.0%
50,000	421.18	421.18	-	0.0%
55,000	474.53	474.53	-	0.0%
60,000	527.88	527.88	-	0.0%
70,000	634.58	634.58	-	0.0%
75,000	698.49	698.49	-	0.0%
80,000	769.44	769.44	-	0.0%
90,000	911.34	911.34	-	0.0%
100,000	1,053.24	1,053.24	-	0.0%
140,000	1,627.92	1,627.92	-	0.0%
150,000	1,805.22	1,805.22	-	0.0%
200,000	2,691.72	2,691.72	-	0.0%
300,000	4,464.72	4,464.72	-	0.0%
400,000	6,237.72	6,237.72	-	0.0%
500,000	8,010.72	8,010.72	-	0.0%
700,000	11,556.72	11,556.72	-	0.0%
1,000,000	16,875.72	16,875.72	-	0.0%
1,500,000	25,740.72	25,740.72	-	0.0%
2,000,000	34,605.72	34,605.72	-	0.0%
3,000,000	52,335.72	52,335.72	-	0.0%
4,000,000	70,065.72	70,065.72	-	0.0%
5,000,000	87,795.72	87,795.72	-	0.0%
6,000,000	105,525.72	105,525.72	-	0.0%
7,100,000	125,028.72	125,028.72	-	0.0%
7,500,000	132,120.72	132,120.72	-	0.0%

Approximately 50,000-55,000 gallons is the Town average use and approximately 90,000 gallons per year is the State average use.



Water Enterprise Fund Budget

Rate Comparison

- Based on 90,000 Gallons per year
 - State Average 595 (2017)
 - State Low and State High 123- 2,025 (2017)
 - State Median 568 (2017)
 - MWRA Average 616 (2018)
 - Tewksbury (current) 911
 - Tewksbury (proposed) 911

Comments Water Enterprise Fund and Rates



- Impact of Water Distribution Improvements
- Projection of future years
- Improving Rate Projections
- Retained Earnings
- Capital Projects

Sewer Enterprise Fund



Sewer Enterprise Fund Budget



Sewer Enterprise Budget

<u>Direct Expenses</u>	<u>FY18 Expended</u>	<u>FY19 Approved</u>	<u>FY20 Recommended</u>	<u>Inc(Dec)</u>
Salaries	309,006	368,107	379,170	11,063
Expenses	305,409	377,390	404,520	27,130
Capital Outlay	-	-	-	-
Lowell Sewer	1,210,000	1,412,434	1,303,100	(109,334)
Reserve Fund	-	60,000	60,000	-
Occupational Health	10,000	10,000	10,000	-
Other Post Employment Benefits	38,785	38,785	38,785	-
Debt	2,794,140	3,047,364	3,860,931	813,567
Subtotal	4,667,340	5,314,080	6,056,506	742,425
				-
<u>Indirect Expenses</u>				
Subtotal	573,111	599,417	647,057	47,640
Total	5,240,451	5,913,497	6,703,563	790,065

Major Budget Changes:

Salaries: Salary includes cost of living increase of 2.25%, step increases, longevity changes.

Operating: Operating increased 27,130 mainly in the areas of: Utilities increase 10,140 includes gas for nine (9) generators and for electricity for the 47 pump stations based upon historic and projected usage; Repairs and Maintenance increased 12,050 for normal cost adjustments for goods and services, manhole repairs and maintenance for nine (9) generators. Leases and Contracts decreased (4,500) since generator maintenance was moved to Repairs and Maintenance. Grinder Pumps is increasing 4,050 since units are projected to increase 5%. Professional Service increased 2,300 for printing, stuffing and postage bills. All Other Supplies and Expenses increased 3,500 for 5% cost of materials and supplies and the purchase of protective gear. Lowell Sewer is decreasing 109,334 since the allocable costs that Lowell uses to assess Tewksbury is estimated to be lower than FY19. Debt Service has increased 73,567.

Capital Outlay: No change

Indirect Expenses: Allocations increased 47,640 proportionally with the increases in related operating budgets..



Sewer Enterprise Fund Budget

- Future Capital Improvements
Fiscal Year 2020 – Fiscal Year 2024: **2,782,500**
 - **1,750,000** - Inflow and Infiltration I/I control
 - **650,000** - Sewer Pump Station Improvements
 - **382,500** - Fleet/Equipment Replacement
- Capital Improvements Fiscal Year 2020: **495,000**
 - **350,000** - Inflow and Infiltration I/I control (Pulte Gift Account)
 - **125,000** - Sewer Pump Station Improvements (Sewer Retained Earnings)
 - **20,000** – Fleet/Equipment Replacement (Sewer Retained Earnings)

All Capital is Projected to be funded by the Pulte Gift Account and Sewer Retained Earnings. Sewer Retained Earnings Balance is 5,107,493 and will be utilized over the next five years to implement Sewer Capital and offset Debt Service costs.

Balance Pulte Gift Account 962,445

Balance Sewer Stabilization Fund 3,808,962



Sewer Enterprise Fund Budget

Debt Service as percent of Sewer Budget:

Fiscal Year	Debt Service	Debt as a Percent of Budget
FY2019	4,527,364	52%
FY2020	3,860,931	58%
FY2021	3,654,579	55%
FY2022	3,589,959	54%
FY2023	3,559,244	53%
FY2024	3,580,194	52%
FY2025	3,550,506	51%
FY2026	3,342,263	49%
FY2027	3,284,375	47%
FY2028	2,404,800	39%
FY2029	1,532,150	28%
FY2030	873,525	18%



Sewer Enterprise Fund Budget

Projected Revenues

<u>Projected Sewer Revenue</u>	<u>FY18 Collected</u>	<u>FY19 Projected</u>	<u>FY20 Projected</u>	<u>Inc(Dec)</u>
User Fees	5,870,806	5,199,867	5,272,159	72,292
All Sewer Liens/Interest/Fees	311,929	300,000	250,000	(50,000)
Connection Fees	848,650	125,726	125,566	(160)
All Other	26,384	25,000	25,000	-
Retained Earnings	-	253,224	1,026,790	773,567
Transfer From General Fund	48,429	36,208	14,749	(21,459)
Total	7,106,197	5,940,024	6,714,265	774,240
<i>Operating Deficit/Surplus</i>	<i>1,865,746</i>	<i>26,527</i>	<i>10,702</i>	<i>(15,825)</i>
<u>Capital Expenditures</u>	-	-	-	-
<i>Net Deficit/Surplus After Capital</i>	<i>1,865,746</i>	<i>26,527</i>	<i>10,702</i>	<i>(15,825)</i>

Footnote: All Other Fees includes Demand Fees and Application Fees.



Sewer Enterprise Fund Budget

Sewer Budget/Revenue:

	<u>Budget</u>	<u>Revenue</u>
FY10	8,036,304	7,182,548
FY11	8,123,336	8,808,391
FY12	5,801,543	8,197,199
FY13	6,086,796	6,760,895
FY14	6,103,578	7,294,650
FY15	5,541,476	6,921,874
FY16	6,111,090	7,434,103
FY17	5,800,318	7,618,667
FY18	5,240,451	7,106,197
FY19 (Projected)	5,913,497	5,940,024
FY20 (Projected)	6,703,563	6,714,264

In FY11 1,437,375 was used from Sewer Retained Earnings to balance the budget. Sewer Retained Earnings will be utilized over the next eight years to offset Debt Service costs and allow 740,000 to be shifted from the Property Tax Levy to the Sewer Enterprise Budget. 253,224 was used in FY19 and 1,026,790 in FY20.

Sewer Rates





Sewer Enterprise Fund: Sewer Rates

Impacts and Assumptions FY20 Sewer Rates:

- Rates are not increasing
- Sewer usage for revenue projections was based upon Actual usage in April 2018, August 2018 and December 2018 billing cycles
- Projected sewer usage for FY20 is 517,832,000 gallons.
- Rates incorporate shifting 740,000 of sewer debt from the Property Tax Levy to the Sewer Enterprise Fund.
- Property Tax impact of the 740,000 shift is a 52.65 saving per average home value of 404,963 or a reduction in the tax rate of (0.13) per/1000 for Residential values and (0.23) per/1000 value for Commercial, Industrial and Personal (CIP) Property values. This tax impact is based upon current Town property values and percentages (current FY19) and the split at 1.55 the tax.



Sewer Enterprise Fund Budget

Proposed Sewer Rate - In-Town: 0% Increase

Tiers	Proposed Rate (\$)
0-12 gals	7.23 per 1000
13-24	9.31 per 1000
47+	13.20 per 1000
25-46	15.44 per 1000

Proposed Sewer Rate - Out of Town and Exempt Property: 0% Increase

Tiers	Proposed Rate (\$)
0-12 gals	15.24 per 1000
13-24	19.62 per 1000
47+	26.84 per 1000
25-46	31.40 per 1000



Sewer Enterprise Fund Budget

Sewer FY20 Projected Annual Increase				
Usage	Current Annual Bill	Proposed Annual Bill	\$ Increase	% Increase
10,000	72.30	72.30	-	0%
15,000	108.45	108.45	-	0%
20,000	144.60	144.60	-	0%
25,000	180.75	180.75	-	0%
35,000	253.05	253.05	-	0%
45,000	344.07	344.07	-	0%
50,000	390.62	390.62	-	0%
55,000	437.17	437.17	-	0%
60,000	483.72	483.72	-	0%
70,000	576.82	576.82	-	0%
75,000	635.04	635.04	-	0%
80,000	701.04	701.04	-	0%
90,000	833.04	833.04	-	0%
100,000	965.04	965.04	-	0%
140,000	1,497.52	1,497.52	-	0%
150,000	1,651.92	1,651.92	-	0%
200,000	2,423.92	2,423.92	-	0%
300,000	3,967.92	3,967.92	-	0%
400,000	5,511.92	5,511.92	-	0%
500,000	7,055.92	7,055.92	-	0%
700,000	10,143.92	10,143.92	-	0%
1,000,000	14,775.92	14,775.92	-	0%
1,500,000	22,495.92	22,495.92	-	0%
2,000,000	30,215.92	30,215.92	-	0%
3,000,000	45,655.92	45,655.92	-	0%
4,000,000	61,095.92	61,095.92	-	0%
5,000,000	76,535.92	76,535.92	-	0%
6,000,000	91,975.92	91,975.92	-	0%
7,100,000	108,959.92	108,959.92	-	0%
7,500,000	115,135.92	115,135.92	-	0%

Approximately 50,000 -55,000 gallons is the Town average use and approximately 90,000 gallons per year is the State average use.



Sewer Enterprise Fund Budget

- Comparison Other Communities
 - Based on 90,000 Gallons per year
 - State Average 862 (2017)
 - State Low and State High 229-2,316 (2017)
 - State Median 838 (2017)
 - MWRA Average 1,035 (2018)
 - Tewksbury (current) 833
 - Tewksbury (proposed) 833

Comments Sewer Rates

- 73% of the potential users are connected (FY11 there were 62%)
- Future Debt Service
- Projection of future years
- Improving Rate Projections
- Retained Earnings
- Out of Town users
- State Hospital use

Capital Improvement Plan FY2020-FY2024



**TOWN OF TEWKSBURY
CAPITAL PLANNING PROGRAM
FISCAL YEARS 2020-2024
SUMMARY**

DEPARTMENT	PROJECT/PROGRAM	FUNDING SOURCE	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Facilities and Grounds								
	Police Station	R&A/Stab. Fund/CPA Funds/Free Cash	88,500	25,000	75,000	-	-	188,500
	Library	R&A/Stab. Fund/CPA Funds/Free Cash	150,000	150,000	25,000	400,000	-	725,000
	Town Hall and Town Hall Annex	R&A/Stab. Fund/CPA Funds/Free Cash	-	-	25,000	25,000	-	50,000
	Senior Center	R&A/Stab. Fund/CPA Funds/Free Cash	25,000	70,000	50,000	-	-	145,000
	Facilities and Grounds Vehicles and Equipment	R&A/Stab. Fund/CPA Funds/Free Cash	85,915	-	-	-	-	85,915
	Recreation Fields and Facilities Improvements	R&A/Stab. Fund/CPA Funds/Free Cash	-	150,000	150,000	150,000	150,000	600,000
Total Facilities and Grounds			349,415	395,000	325,000	575,000	150,000	1,794,415
Fire Department								
	New Ambulance and Equipment	R&A/Stab. Fund/Free Cash	165,000	-	240,000	-	240,000	645,000
	New Rescue Truck	R&A/Stab. Fund/Free Cash	95,000	-	-	-	-	95,000
	North Fire Station Renovation	R&A/Stab. Fund/Free Cash	-	-	1,250,000	-	-	1,250,000
	South Fire Station Renovations	R&A/Stab. Fund/Free Cash	-	50,000	-	-	-	50,000
	Refurbish 2010 Seagrave Fire Engine	R&A/Stab. Fund/Free Cash	-	-	-	75,000	-	75,000
Total Fire Department			260,000	50,000	1,490,000	75,000	240,000	2,115,000
Public Works Department								
Storm water and Drainage								
Public Works (General Fund)	Stormwater and Drainage Repair and Maintenance	R&A/Stab. Fund/FC/Borrowing/CH90	925,000	450,000	435,000	400,000	150,000	2,360,000
Public Works (General Fund)	Stormwater Compliance	R&A/Stab. Fund/FC/Borrowing/CH90	100,000	200,000	100,000	100,000	100,000	600,000
Public Works (General Fund)	Stormwater and Drainage Improvement Projects	R&A/Stab. Fund/FC/Borrowing/CH90	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Project Development	R&A/Stab. Fund/FC/Borrowing/CH90	115,000	55,000	35,000	35,000	35,000	275,000
Total Stormwater and Drainage			1,140,000	705,000	570,000	535,000	285,000	3,235,000
Public Works Department								
Transportation								
Public Works (General Fund)	Pavement Management Preventative Maintenance	R&A/Stab. Fund/FC/Borrowing/CH90	30,000	350,000	350,000	350,000	350,000	1,430,000
Public Works (General Fund)	Pavement Management Reconstruction/Resurfacing	R&A/Stab. Fund/FC/Borrowing/CH90	400,000	445,000	445,000	445,000	445,000	2,180,000
Public Works (General Fund)	Sidewalks	R&A/Stab. Fund/FC/Borrowing/CH90	250,000	650,000	650,000	250,000	250,000	2,050,000
Public Works (General Fund)	Improvement Projects	R&A/Stab. Fund/FC/Borrowing/CH90	235,000	200,000	200,000	80,000	65,000	780,000
Public Works (General Fund)	Project Development	R&A/Stab. Fund/FC/Borrowing/CH90	300,000	115,000	100,000	100,000	50,000	665,000
Total Transportation			1,215,000	1,760,000	1,745,000	1,225,000	1,160,000	7,105,000
DPW Facilities/Misc.								
Public Works (General Fund)	DPW Facility Renovations and Upgrades	R&A/Stab. Fund/FC/Borrowing	-	7,042,000	-	-	-	7,042,000
Total DPW Facilities/Misc.			-	7,042,000	-	-	-	7,042,000
Public Works Department								
Fleet and Equipment								
Public Works (General Fund)	Vehicles and Equipment	R&A/Stab. Fund/Free Cash	520,000	535,000	510,000	405,000	515,000	2,485,000
Total Fleet and Equipment			520,000	535,000	510,000	405,000	515,000	2,485,000
Grand Total DPW			2,875,000	10,042,000	2,825,000	2,165,000	1,960,000	19,867,000
Grand Total General Fund			3,484,415	10,487,000	4,640,000	2,815,000	2,350,000	23,776,415

**TOWN OF TEWKSBURY
CAPITAL PLANNING PROGRAM
FISCAL YEARS 2020-2024
SUMMARY**

DEPARTMENT	PROJECT/PROGRAM	FUNDING SOURCE	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Sewer Enterprise Fund								
Public Works (Sewer)	Inflow and Infiltration I/I control	Borrowing/R&A/Retained Earnings	350,000	350,000	350,000	350,000	350,000	1,750,000
Public Works (Sewer)	Sewer Pump Station Improvements	Borrowing/R&A/Retained Earnings	125,000	50,000	150,000	75,000	250,000	650,000
Public Works (Sewer)	Collections System Upgrades	Borrowing/R&A/Retained Earnings	-	-	-	-	-	-
Public Works (Sewer)	Fleet and Equipment Replacement Program	R&A/Ent. Fund	20,000	50,000	105,000	97,500	110,000	382,500
Total Sewer Enterprise Fund			495,000	450,000	605,000	522,500	710,000	2,782,500
Water Enterprise Fund								
Public Works (Water)	Hydrant Replacement Program	R&A Ent. Fund/Retained Earnings	125,000	125,000	125,000	125,000	125,000	625,000
Public Works (Water)	Water Distribution System Improvements	Borrowing/R&A/Retained Earnings	4,100,000	2,100,000	2,100,000	2,100,000	2,100,000	12,500,000
Public Works (Water)	Water Tank Maint. And Upgrades	Borrowing/R&A/Retained Earnings	90,000	1,000,000	-	-	-	1,090,000
Public Works (Water)	Fleet and Equipment Replacement Program	R&A Ent. Fund/Retained Earnings	20,000	50,000	145,000	97,500	110,000	422,500
Total Water Enterprise Fund			4,335,000	3,275,000	2,370,000	2,322,500	2,335,000	14,637,500
Grand Total All Capital Projects Per Year			8,294,415	14,252,000	7,615,000	5,660,000	5,155,000	
Grand Total All Projects All Years								40,976,415

**TOWN OF TEWKSBURY
CAPITAL PLANNING PROGRAM
FISCAL YEARS 2020-2024**

GENERAL FUND PROJECTS THAT WILL BE FUNDED BY RAISE AND APPROPRIATE, TRANSFER FROM STABILIZATION FUND, CPA FUNDS OR FREE CASH

DEPARTMENT	PROJECT/PROGRAM	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Facilities and Grounds							
	Police Station	88,500	25,000	75,000	-	-	188,500
	Library	150,000	150,000	25,000	400,000	-	725,000
	Town Hall and Town Hall Annex	-	-	25,000	25,000	-	50,000
	Senior Center	25,000	70,000	50,000	-	-	145,000
	Facilities and Grounds Vehicles and Equipment	85,915	-	-	-	-	85,915
	Recreation Fields and Facilities Improvements	-	150,000	150,000	150,000	150,000	600,000
Total Facilities and Grounds		349,415	395,000	325,000	575,000	150,000	1,794,415
Fire Department							
	New Ambulance and Equipment	165,000	-	240,000	-	240,000	645,000
	New Rescue Truck	95,000	-	-	-	-	95,000
	North Fire Station Renovation			1,250,000			1,250,000
	South Fire Station Renovations		50,000				50,000
	Refurbish 2010 Seagrave Fire Engine				75,000	75,000	150,000
		260,000	-	240,000	-	240,000	740,000
Total Fire Department							
Public Works Department							
Stormwater and Drainage	Stormwater and Drainage Repair and Maintenance	-	-	200,000	-	-	200,000
Public Works (General Fund)	Stormwater Compliance	100,000	200,000	100,000	100,000	100,000	600,000
Public Works (General Fund)	Stormwater and Drainage Improvement Projects	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Project Development	20,000	55,000	35,000	35,000	35,000	180,000
Public Works (General Fund)		120,000	255,000	335,000	135,000	135,000	980,000
Total Stormwater and Drainage							
Public Works Department							
Transportation	Pavement Management Preventative Maintenance	-	-	-	-	-	-
Public Works (General Fund)	Pavement Management Reconstruction/Resurfacing	-	-	-	-	-	-
Public Works (General Fund)	Sidewalks	250,000	250,000	250,000	250,000	250,000	1,250,000
Public Works (General Fund)	Improvement Projects	35,000	-	-	-	-	35,000
Public Works (General Fund)	Project Development	-	-	-	-	-	-
Public Works (General Fund)		285,000	250,000	250,000	250,000	250,000	1,285,000
Total Transportation							
DPW Facilities/Misc.	DPW Facility Renovations and Upgrades	-	7,042,000	-	-	-	7,042,000
Public Works (General Fund)		-	7,042,000	-	-	-	7,042,000
Total DPW Facilities/Misc.							
Public Works Department							
Fleet and Equipment	Vehicles and Equipment	520,000	535,000	510,000	405,000	515,000	2,485,000
Public Works (General Fund)		520,000	535,000	510,000	405,000	515,000	2,485,000
Total Fleet and Equipment							
Total DPW		925,000	8,082,000	1,095,000	790,000	900,000	11,792,000
Grand Total General Fund		1,534,415	8,477,000	1,660,000	1,365,000	1,290,000	14,326,415

**TOWN OF TEWKSBURY
CAPITAL PLANNING PROGRAM**

FISCAL YEARS 2020 -2024

PROJECTS FUNDED BY CHAPTER 90, OTHER MA HIGHWAY PROGRAMS AND VARIOUS STATE AND PRIVATE GRANTS

DEPARTMENT	PROJECT/PROGRAM	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Public Works Department							
Stormwater and Drainage							
Public Works (General Fund)	Stormwater and Drainage Repair and Maintenance	925,000	450,000	235,000	400,000	150,000	2,160,000
Public Works (General Fund)	Stormwater Compliance	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Improvement Projects	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Project Development	95,000	-	-	-	-	95,000
Total Stormwater and Drainage		1,020,000	450,000	235,000	400,000	150,000	2,255,000
Public Works Department							
Transportation							
Public Works (General Fund)	Pavement Management Preventative Maintenance	30,000	350,000	350,000	350,000	350,000	1,430,000
Public Works (General Fund)	Pavement Management Reconstruction/Resurfacing	400,000	445,000	445,000	445,000	445,000	2,180,000
Public Works (General Fund)	Sidewalks	-	400,000	400,000	-	-	800,000
Public Works (General Fund)	Improvement Projects	200,000	200,000	200,000	80,000	65,000	745,000
Public Works (General Fund)	Project Development	300,000	115,000	100,000	100,000	50,000	665,000
Total Transportation		930,000	1,510,000	1,495,000	975,000	910,000	5,820,000
Total DPW		1,950,000	1,960,000	1,730,000	1,375,000	1,060,000	8,075,000

**TOWN OF TEWKSBURY
CAPITAL PLANNING PROGRAM**

FISCAL YEAR 2020-2024

ENTERPRISE FUND PROJECTS THAT WILL BE FUNDED BY RAISE AND APPROPRIATE, RETAINED EARNINGS OR ENTERPRISE STABILIZATION FUND

DEPARTMENT	PROJECT/PROGRAM	FY2020	FY2021	FY2022	FY2023	FY2024	Total
Public Works Department							
Public Works (Sewer)	Inflow and Infiltration I/I control	<i>350,000</i>	<i>350,000</i>	350,000	350,000	350,000	1,750,000
Public Works (Sewer)	Sewer Pump Station Improvements	125,000	50,000	150,000	75,000	250,000	650,000
Public Works (Sewer)	Collections System Upgrades	-	-	-	-	-	-
Public Works (Sewer)	Fleet and Equipment Replacement Program	20,000	50,000	105,000	97,500	110,000	382,500
Total Sewer Enterprise Fund		495,000	450,000	605,000	522,500	710,000	2,782,500
Public Works (Water)	Hydrant Replacement Program	125,000	125,000	125,000	125,000	125,000	625,000
Public Works (Water)	Water Distribution System Improvements	2,100,000	<i>100,000</i>	100,000	100,000	100,000	2,500,000
Public Works (Water)	Water Tank Maint. And Upgrades	90,000	<i>1,000,000</i>	-	-	-	1,090,000
Public Works (Water)	Fleet and Equipment Replacement Program	20,000	50,000	145,000	97,500	110,000	422,500
Total Water Enterprise Fund		2,335,000	1,275,000	370,000	322,500	335,000	4,637,500
Grand Total Per Year		2,830,000	1,725,000	975,000	845,000	1,045,000	
Grand Total All Projects All Years							7,420,000

Bold and Italics in Sewer for Inflow and Infiltration I/I Control FY20 Pulte Gift Account.

Bold and Italics in Water Distribution System Improvements \$100,000 and \$1,000,000 Water Tank Maint. And Upgrades will come from Water Stabilization unless all or part can be funded by Water Retained Earnings.

**TOWN OF TEWKSBURY
CAPITAL PLANNING PROGRAM
FISCAL YEARS 2020 -2024
SUMMARY**

Capital Plan Summary	FY2020	FY2021	FY2022	FY2023	FY2024	Total
General Fund	3,464,415	10,527,000	4,640,000	2,815,000	2,110,000	23,556,415
Sewer Enterprise Fund	495,000	450,000	605,000	522,500	710,000	2,782,500
Water Enterprise Fund	4,335,000	3,275,000	2,370,000	2,322,500	2,335,000	14,637,500
Total Capital Plan Funded	8,294,415	14,252,000	7,615,000	5,660,000	5,155,000	40,976,415
Annual Capital Improvement Plan Cost						
R&A or Transfer from Stabilization Fund or Free Cash	1,514,415	8,567,000	1,660,000	1,365,000	1,050,000	14,156,415
Chapter 90, Other MA Highway Programs and Grants	1,950,000	1,960,000	1,730,000	1,375,000	1,060,000	8,075,000
General Fund Debt Service	-	-	-	-	-	-
R&A or Transfer from Sewer Enterprise Fund	495,000	450,000	605,000	522,500	710,000	2,782,500
R&A or Transfer from Water Enterprise Fund	2,335,000	1,275,000	370,000	322,500	335,000	4,637,500
Water Enterprise Funds Debt Service	285,000	561,500	829,500	1,089,000	1,340,000	4,105,000
Total Fiscal Year Cost	6,579,415	12,813,500	5,194,500	4,674,000	4,495,000	33,756,415



Capital Plan FY20: Proposed Expenditures

Stabilization Fund Balance	4,740,968
DPW	
Stromwater Detention Basin Rehabilitation	100,000
Vernon at Water St Drain Design	20,000
Sidewalks Improvements	250,000
Traffic Sign Install and upgrade	35,000
(2) F-550 dump w/plow package and wings	200,000
(2) 3-yard slide-in sanders for F-550's	30,000
Modify Body and Plow package	50,000
Loader	180,000
Tow-behind stump grinder	60,000
Total DPW	925,000
Fire	
New Rescue Truck	95,000
Ambulance Rechassie	165,000
Total Fire	165,000
Police	
HVAC System Controller	88,500
Total Police	88,500
Parks	
Trash Hopper Vehicle	38,523
Ventrac Winter machine with Attachments	47,393
Total Parks	85,916
Total Town	1,264,416
Balance Stabilization Fund After Transfer	3,476,552



Capital Plan FY20: Proposed Expenditures

Projects and Equipment to be funded from Water and Sewer Retained Earnings			
Water Enterprise Fund			
Water Retained Earning Balance	2,356,467		
Transfer Retained Earnings			
Ford Transit Cargo Van	20,000	Split 50% with Sewer	
Water Distribution Upgrades	2,100,000		
Total	2,120,000		
Balance Retained Earnings	236,467		
Sewer Enterprise Fund			
Sewer Retained Earning Balance	5,107,493		
Transfer Sewer Retained Earnings			
Ford Transit Cargo Van	20,000	Split 50% with Water	
Total	20,000		
Balance Retained Earnings	5,087,493		

Comments on Capital Plan

- DPW Equipment
- Pavement Management
- Stormwater Permit Compliance
- Town and Schools Facilities
- Sidewalks

Future needs to be addressed at October Special Town Meeting

Use of Free Cash and other available funds or new revenue

- Address FY20 Town and School operating budget needs/priorities that were not funded during the budget process or that may occur after May Town Meetings. Areas include School staffing and operating, Public Safety overtime and staffing, DPW staffing, ongoing infrastructure and facility maintenance.
- Fund Capital Improvements not addressed in May specifically carpeting at the Library and Senior Center and improvements to the South Fire station which was pushed back to FY2021. School needs will include buildings and technology upgrades with priority being window and HVAC upgrades at Heath Brook Elementary School
- Set aside 600,000 from Free Cash for possible FY20 snow ice deficit
- Use Certified Free Cash to replenish Stabilization Fund of the 1,264,416 with a priority of transferring in more than that amount.
- Use available funds for DPW Facility Upgrades and Improvements.
- Use available funds to address Town and School Facility, Equipment and Infrastructure needs that may occur or identified after May Town Meetings.
- Available Water Retained Earnings will be used for the design of improvements for the Astle Street Water Tank and Hydrant Replacement.