

# FY19 Water and Sewer Enterprise Budgets CIP FY2019-FY2023

Board of Selectmen

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# Water and Sewer Enterprise Budgets and CIP Meeting

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# Water and Sewer Enterprise Budgets and CIP Meeting



## Definitions

- Enterprise Fund:
  - An enterprise fund, authorized by MGL Ch. 44 §53F<sup>1</sup>/<sub>2</sub>, 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
  - 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 and Water Enterprise Fund Adopted 5/2/05

# 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 3,508,491, Water Stabilization Fund with a balance of 1,799,834, Sewer Stabilization Fund with a balance of 3,690,357.
- 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 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 4,017,557, Sewer Retained Earning has a balance of 3,948,805.

# Water Enterprise Fund





# Water Enterprise Fund Budget

## Water Distribution Budget

	FY17 Expended	FY18 Approved	FY19 Recommended	Inc(Dec)
Salaries	513,133	557,006	568,619	11,613
Expenses	326,108	339,803	341,005	1,202
Capital Outlay	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Subtotal	839,241	911,809	909,624	(2,185)

### Major Budget Changes:

**Salaries:** Salary increases include, step increases and longevity changes. Other areas that changed as a 2,050 increase in overtime because of the increased number of water breaks each year.

**Operating:.** Utilities increased 4,900 based upon historic expenditures. Leases and Contracts increased 2,612 for various software license support. Other equipment decrease 5,000 since the repair/replacement of (1) Gateway Receiver was completed in FY18 and funding was not needed in FY19.

**Capital Outlay:** No change



# Water Enterprise Fund Budget

## Water Filtration Budget

	FY17 Expended	FY18 Approved	FY19 Recommended	Inc(Dec)
Salaries	846,747	940,042	867,428	(72,615)
Expenses	1,335,335	1,224,209	1,219,688	(4,521)
Capital Outlay	-	-	-	-
Subtotal	2,182,082	2,164,251	2,087,116	(77,136)

### Major Budget Changes:

**Salaries:** Salary includes step increases, longevity changes but overall decreased 72,615. The decrease is mainly due to a lower salary for a new employee compared to the employee who retired in FY18.

**Operating:** Operating overall decreased 4,521. Repairs and Maintenance had 11,313 increase even though many costs were reduced there was an increase of 34,000 to rebuild finished water pumps #2 and #3. Computer Equipment Increased 2,600 to replace a laptop and desktop computer. Chemicals decreased 8,675 based upon chemical favorable prices. All Other Supplies and Expenses decreased 5,155; items for the lab decreased 6,455 even though over all plant supplies increased 1,300. Residual Disposal decreased \$3,340 mainly since the hauling fee for disposal was reduced from \$505 per trip to \$455 per trip.

**Capital Outlay:** No change



# Water Enterprise Fund Budget

## Combined Water Enterprise Budgets

	FY17 Expended	FY18 Approved	FY19 Recommended	Inc(Dec)
Salaries	1,359,880	1,497,048	1,436,046	(61,002)
Expenses	1,661,443	1,539,012	1,535,693	(3,319)
Capital Outlay	-	15,000	-	(15,000)
Reserve Fund	-	25,000	25,000	-
Occupational Health	-	20,000	20,000	-
Other Post Employment Benefits	-	163,947	163,947	-
Debt	<u>2,846,639</u>	<u>2,867,276</u>	<u>2,578,515</u>	<u>(288,761)</u>
Subtotal	5,867,962	6,127,283	5,759,202	(368,081)

# Water Enterprise Fund Budget



- Future Capital Improvements  
Fiscal Year 2019 – Fiscal Year 2023: 12,361,000
  - **10,200,000** - Water Distribution Design and Improvement
  - **1,090,000** - Water Tanks Maintenance/Upgrades
  - **625,000** - Hydrants Replacement
  - **446,000** - 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: 4,017,557*

# Water Enterprise Fund Budget



- Capital Improvements Fiscal Year 2019: 2,328,500
  - **2,000,000** - Water Distribution Improvement (Water Retained Earnings)
  - **125,000** - Hydrants Replacement (Water Retained Earnings)
  - **90,000** - Water Tanks Maintenance/Upgrades (Water Retained Earnings)
  - **113,500** - Vehicle Replacement (Water Retained Earnings)

*Use of Retained Earnings: FY19: 2,238,500*

*Current Balance Retained Earnings: 4,017,557*



# Water Enterprise Fund Budget

Debt Service as percent of Water Budget:

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>Debt as a Percent of Budget</u>
• FY2018	2,867,276	38%
• FY2019 (Proj.)	2,578,515	37%
• FY2020 (Proj.)	2,291,946	34%
• FY2021 (Proj.)	2,428,146	35%
• FY2022 (Proj.)	2,536,807	35%
• FY2023 (Proj.)	2,638,725	35%
• FY2024 (Proj.)	2,795,475	36%
• FY2025 (Proj.)	2,575,475	33%
• FY2026 (Proj.)	2,329,080	30%
• FY2027 (Proj.)	2,232,180	29%
• FY2028 (Proj.)	1,746,181	24%

# Water Enterprise Fund Budget



## Projected Revenues

	FY17 Collected	FY18 Projected	FY19 Projected	Inc(Dec)
User Fees	7,314,318	6,717,061	6,415,534	(301,527)
Water Liens	565,554	650,000	450,000	(200,000)
All Other Fees	<u>282,558</u>	<u>200,000</u>	<u>100,000</u>	<u>(100,000)</u>
Total	8,162,431	7,567,061	6,965,534	(601,527)
				-
<i>Operating Deficit/Surplus</i>	<i>1,239,960</i>	<i>359,518</i>	<i>77,622</i>	<i>(281,896)</i>
				-
Capital Expenditures	-	357,500	-	(357,500)
<i>Net Deficit/Surplus After Capital</i>	<i>1,239,960</i>	<i>2,018</i>	<i>77,622</i>	<i>75,604</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>
FY10	5,711,691	4,686,966
FY11	6,058,981	7,366,234
FY12	5,805,016	7,079,266
FY13	5,961,130	7,033,685
FY14	5,913,590	7,429,011
FY15	6,386,848	7,485,872
FY16	6,111,090	8,162,431
FY17	6,870,820	8,162,431
FY18 (Projected)	7,565,043	7,567,061
FY19 (Projected)	6,887,912	6,965,534

# Water Rates





# Water Enterprise Fund: Water Rates

Recap FY18 Water Rates:

New Rate Structure Change:

Prior Tiers	New Tiers
0-34 gals	0-12 gals
35-70	13-24
71-140	25-46
140+	47+

- Usage will reset to zero each billing cycle and will not be cumulative annually.
- Residents and Businesses will not be penalized for high usage persisting into the next billing cycle.
- Lower usage bills should see no increase.
- Residents and Commercial Summer usage will be higher than normal but Fall and Winter bills will be less.
- New structure will allow for better revenue projections.
- Residents more easily can track and project billing cycle cost and use
- Shifted 344,109 of water debt from tax levy to Water Enterprise Budget saving 26.27 on the average tax bill.



# Water Enterprise Fund: Water Rates

## Impacts and Assumptions FY19 Water Rates:

- Rates are increasing 3.5%
- Water usage in FY18 was lower than projected and lower than FY17 due to a wet season
- New Rate tiers/structure allowed for lower water bills and revenue.
- Projected water usage for FY19 is 36.9 million gallons lower than FY18 projection
- Rates are based upon usage from April, Dec and August 2017 billing cycles



# Water Enterprise Fund: Water Rates

Proposed Water Rates: 3.5% Increase

Tiers	Current Rate (\$)
0-12 gals	7.29 per 1000
13-24	10.31 per 1000
25-46	13.71 per 1000
47+	17.13 per 1000

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+ 33.32 per 1000

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



# Water Enterprise Fund Budget

<b>Water FY19 Projected Annual Increase</b>				
<b>Usage</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>\$ Increase</b>	<b>% Increase</b>
10,000	72.90	75.50	2.60	3.6%
15,000	109.35	113.25	3.90	3.6%
20,000	145.80	151.00	5.20	3.6%
25,000	182.25	188.75	6.50	3.6%
35,000	255.15	264.25	9.10	3.6%
45,000	355.23	367.83	12.60	3.5%
50,000	406.78	421.18	14.40	3.5%
<b>55,000</b>	<b>458.33</b>	<b>474.53</b>	<b>16.20</b>	<b>3.5%</b>
60,000	509.88	527.88	18.00	3.5%
70,000	612.98	634.58	21.60	3.5%
75,000	674.73	698.49	23.76	3.5%
80,000	743.28	769.44	26.16	3.5%
<b>90,000</b>	<b>880.38</b>	<b>911.34</b>	<b>30.96</b>	<b>3.5%</b>
100,000	1,017.48	1,053.24	35.76	3.5%
140,000	1,572.72	1,627.92	55.20	3.5%
150,000	1,744.02	1,805.22	61.20	3.5%
200,000	2,600.52	2,691.72	91.20	3.5%
300,000	4,313.52	4,464.72	151.20	3.5%
400,000	6,026.52	6,237.72	211.20	3.5%
500,000	7,739.52	8,010.72	271.20	3.5%
700,000	11,165.52	11,556.72	391.20	3.5%
1,000,000	16,304.52	16,875.72	571.20	3.5%
1,500,000	24,869.52	25,740.72	871.20	3.5%
2,000,000	33,434.52	34,605.72	1,171.20	3.5%
3,000,000	50,564.52	52,335.72	1,771.20	3.5%
4,000,000	67,694.52	70,065.72	2,371.20	3.5%
5,000,000	84,824.52	87,795.72	2,971.20	3.5%
6,000,000	101,954.52	105,525.72	3,571.20	3.5%
7,100,000	120,797.52	125,028.72	4,231.20	3.5%
7,500,000	127,649.52	132,120.72	4,471.20	3.5%

*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 596 (2017)
  - Tewksbury (current) 880
  - 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>FY17 Expended</u>	<u>FY18 Approved</u>	<u>FY19 Recommended</u>	<u>Inc(Dec)</u>
Salaries	285,898	358,248	359,948	1,700
Expenses	391,426	356,775	377,390	20,615
Capital Outlay	-	-	-	-
Lowell Sewer	1,350,000	1,472,000	1,412,434	(59,566)
Reserve Fund	-	60,000	60,000	-
Occupational Health	-	10,000	10,000	-
Other Post Employment Benefits	-	38,785	38,785	-
Debt	3,039,151	2,794,140	3,047,364	253,224
Indirect Expenses	554,534	573,111	599,417	26,306
Capital Expenditures	-	-	-	-
Total	5,621,009	5,663,059	5,905,338	265,973

### Major Budget Changes:

**Salaries:** Salaries increased 1,700 for annual step increases and other contractual benefits.

**Operating:** Operating increased 20,615 mainly in the areas of: Utilities increase 9,660 for electricity for the 47 pump stations; Leases and Contracts increased 5,000 mainly for generator maintenance. Other Equipment increased 5,000 for the maintenance of the two Vaccum/Rodder trucks. Lowell is decreasing by 50,000 since the allocable costs that Lowell uses to assess Tewksbury is estimated to be lower than FY18. Debt Service has increased 253,224.

**Capital Outlay:** No change

**Indirect Expenses:** Allocations increased 26,306 proportionally with the increases in those operating budgets



# Sewer Enterprise Fund Budget

- Future Capital Improvements  
Fiscal Year 2019 – Fiscal Year 2023: **2,990,000**
  - **2,150,000** - Inflow and Infiltration I/I control
  - **530,000** - Sewer Pump Station Improvements
  - **310,000** - Fleet/Equipment Replacement
- Capital Improvements Fiscal Year 2019: **642,500**
  - **350,000** - Inflow and Infiltration I/I control (Sewer Retained Earnings)
  - **205,000** - Sewer Pump Station Improvements (Sewer Retained Earnings)
  - **87,500** – Fleet/Equipment Replacement (Sewer Retained Earnings)

*All Capital is Projected to be funded by Sewer Retained Earnings. Sewer Retained Earnings Balance is 3,948,805 and will be utilized over the next five years to implement Sewer Capital.*



# Sewer Enterprise Fund Budget

Debt Service as percent of Sewer Budget:

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>Debt as a Percentage of Budget</u>
• FY2018	2,794,140	50%
• FY2019 (Proj.)	3,047,364	51%
• FY2020 (Proj.)	3,120,931	51%
• FY2021 (Proj.)	2,914,579	48%
• FY2022 (Proj.)	2,849,959	47%
• FY2023 (Proj.)	2,819,244	46%
• FY2024 (Proj.)	2,840,194	45%
• FY2025 (Proj.)	2,810,506	44%
• FY2026 (Proj.)	2,602,263	41%
• FY2027 (Proj.)	2,544,375	40%
• FY2028 (Proj.)	2,404,800	38%

# Sewer Enterprise Fund Budget



## Projected Revenues

	<u>FY17 Collected</u>	<u>FY18 Projected</u>	<u>FY19 Projected</u>	<u>Inc(Dec)</u>
User Fees	6,461,473	5,234,142	5,199,867	16,055
All Sewer Liens/Interest/Fees	392,100	450,000	300,000	(150,000)
Connection Fees	492,490	71,023	125,726	54,952
All Other	23,828	25,000	25,000	-
Retained Earnings	-	-	253,224	253,224
Transfer From General Fund	248,775	48,429	36,208	(12,221)
Total	7,618,667	5,828,594	5,940,024	162,010
				-
<i>Operating Deficit/Surplus</i>	<i>1,997,658</i>	<i>165,535</i>	<i>34,686</i>	<i>(130,848)</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	5,937,648	7,427,619
FY17	5,800,318	5,850,467
FY18 (Projected)	5,663,059	5,828,594
FY19 (Projected)	5,905,338	5,940,024

*In FY11 1,437,375 was used from Sewer Retained Earnings to balance the budget*

# Sewer Rates



# Sewer Enterprise Fund: Sewer Rates



## Recap FY18 Sewer Rates

## New Rate Structure Change:

Prior Tiers	New Tiers
0-34 gals	0-12 gals
35-70	13-24
71-140	25-46
140+	47+

- Maintained 740,000 shift of sewer debt in addition to the 50% shift voted by the residents as a debt exclusion. Without these shifts the average sewer bill for a user of 90,000 gallons would have been 1,670 instead of 833.
- If the Board of Selectmen had not shifted the 740,000 the average sewer bill for a user of 90,000 gallons would have been 957 instead of 833.
- Property Tax impact of the 740,000 shift to the average home owner is projected to be 52.52

# Sewer Enterprise Fund: Sewer Rates



## Impacts and Assumptions FY19 Sewer Rates:

- Rates are not increasing
- Sewer usage in FY18 was lower than projected and lower than FY17
- New Rate tiers/structure allowed for lower sewer bills and revenue.
- Projected sewer usage for FY19 is 1.6 million gallons lower than FY18 projection
- Rates are based upon usage from April, Dec and August 2017 billing cycles
- Rates Maintains 740,000 shift of sewer debt in addition to the to 50% shift voted by the residents as a debt exclusion. Without these shifts the average sewer bill for a user of 90,000 gallons would have been 1,738 instead of 833.
- If the Board of Selectmen does not shifted the 740,000 the average sewer bill for a user of 90,000 gallons would have been 974 instead of 833.
- Property Tax impact of the 740,000 shift to the average home owner is projected to be 52.52
- Debt Service increased 253,224, to avoid a spike in rates 843,794 Sewer Retained Earnings will be used to smooth the debt service out over seven (7) years. 253,224 will be used in FY19. Without use of Retained Earnings the average sewer bill for a user of 90,000 gallons would have been 991 instead of 841.



# Sewer Enterprise Fund Budget

## Proposed Sewer Rate - In-Town: 0% Increase

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

## Proposed Sewer Rate - Out of Town and Exempt Property: 5% Increase

Tiers	Current Rate (\$)	Tiers	Proposed Rate (\$)
0-12 gals	14.65 per 1000	0-12 gals	15.24 per 1000
13-24	18.87 per 1000	25-46	19.62 per 1000
47+	25.81 per 1000	13-24	26.84 per 1000
25-46	30.19 per 1000	47+	31.40 per 1000



# Sewer Enterprise Fund Budget

Sewer FY19 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 1,005 (2017)
    - Tewksbury (current) 833
    - Tewksbury (proposed) 833

## Comments Sewer Rates

- Impact of the new Tiers
- 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

# Capital Improvement Plan FY2019-FY2023



**TOWN OF TEWKSBURY  
CAPITAL PLANNING PROGRAM  
FISCAL YEARS 2019-2023**

**SUMMARY**

DEPARTMENT	PROJECT/PROGRAM	FUNDING SOURCE	FY2019	FY2020	FY2021	FY2022	FY2023	Total
<b>Facilities and Grounds</b>								
	Vehicles and Equipment	R&A/Stab. Fund/CPA Funds/Free Cash	38,277	-	-	-	-	38,277
	Police Station	R&A/Stab. Fund/CPA Funds/Free Cash	-	25,000	75,000	-	-	100,000
	Library	R&A/Stab. Fund/CPA Funds/Free Cash	-	150,000	25,000	150,000	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
	Recreation Fields and Facilities	R&A/Stab. Fund/CPA Funds/Free Cash	-	300,000	150,000	150,000	150,000	750,000
<b>Total Facilities and Grounds</b>			<b>38,277</b>	<b>500,000</b>	<b>320,000</b>	<b>375,000</b>	<b>575,000</b>	<b>1,808,277</b>
<b>Fire Department</b>								
	New Ambulance and Equipment	R&A/Stab. Fund/Free Cash	-	240,000	-	240,000	-	480,000
	New Rescue Truck	R&A/Stab. Fund/Free Cash	-	-	90,000	-	-	90,000
	Response/Administrative Vehicle (Car 1)	R&A/Stab. Fund/Free Cash	40,000	-	-	-	-	40,000
	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	-	40,000	-	-	50,000	90,000
	Refurbish 2010 Seagrave Fire Engine	R&A/Stab. Fund/Free Cash	-	-	-	-	75,000	75,000
<b>Total Fire Department</b>			<b>40,000</b>	<b>280,000</b>	<b>90,000</b>	<b>1,490,000</b>	<b>125,000</b>	<b>2,025,000</b>
<b>Public Works Department</b>								
<b>Storm water and Drainage</b>								
Public Works (General Fund)	Stormwater and Drainage Repair and Maintenance	R&A/Stab. Fund/FC/Borrowing/CH90	390,000	940,000	220,000	230,000	230,000	2,010,000
Public Works (General Fund)	Stormwater Compliance	R&A/Stab. Fund/FC/Borrowing/CH90	50,000	300,000	300,000	300,000	250,000	1,200,000
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	50,000	20,000	35,000	35,000	35,000	175,000
<b>Total Stormwater and Drainage</b>			<b>490,000</b>	<b>1,260,000</b>	<b>555,000</b>	<b>565,000</b>	<b>515,000</b>	<b>3,385,000</b>
<b>Public Works Department</b>								
<b>Transportation</b>								
Public Works (General Fund)	Pavement Management Preventative Maintenance	R&A/Stab. Fund/FC/Borrowing/CH90	50,000	30,000	350,000	350,000	350,000	1,130,000
Public Works (General Fund)	Pavement Management Reconstruction/Resurfacing	R&A/Stab. Fund/FC/Borrowing/CH90	800,000	400,000	445,000	445,000	445,000	2,535,000
Public Works (General Fund)	Sidewalks	R&A/Stab. Fund/FC/Borrowing/CH90	650,000	250,000	650,000	650,000	250,000	2,450,000
Public Works (General Fund)	Improvement Projects	R&A/Stab. Fund/FC/Borrowing/CH90	135,000	235,000	200,000	-	-	570,000
Public Works (General Fund)	Project Development	R&A/Stab. Fund/FC/Borrowing/CH90	58,000	200,000	50,000	-	50,000	358,000
<b>Total Transportation</b>			<b>1,693,000</b>	<b>1,115,000</b>	<b>1,695,000</b>	<b>1,445,000</b>	<b>1,095,000</b>	<b>7,043,000</b>
<b>DPW Facilities/Misc.</b>								
Public Works (General Fund)	DPW Facility Renovations and Upgrades	R&A/Stab. Fund/FC/Borrowing	7,042,000	-	-	-	-	7,042,000
<b>Total DPW Facilities/Misc.</b>			<b>7,042,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,042,000</b>
<b>Public Works Department</b>								
<b>Fleet and Equipment</b>								
Public Works (General Fund)	Vehicles and Equipment	R&A/Stab. Fund/Free Cash	806,000	510,000	430,000	375,000	535,000	2,656,000
<b>Total Fleet and Equipment</b>			<b>806,000</b>	<b>510,000</b>	<b>430,000</b>	<b>375,000</b>	<b>535,000</b>	<b>2,656,000</b>
<b>Grand Total DPW</b>			<b>10,031,000</b>	<b>2,885,000</b>	<b>2,680,000</b>	<b>2,385,000</b>	<b>2,145,000</b>	<b>20,126,000</b>
<b>Grand Total General Fund</b>			<b>10,109,277</b>	<b>3,665,000</b>	<b>3,090,000</b>	<b>4,250,000</b>	<b>2,845,000</b>	<b>23,959,277</b>

**TOWN OF TEWKSBURY  
CAPITAL PLANNING PROGRAM  
FISCAL YEARS 2019-2023  
SUMMARY**

<b>DEPARTMENT</b>	<b>PROJECT/PROGRAM</b>	<b>FUNDING SOURCE</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
<b>Sewer Enterprise Fund</b>								
Public Works (Sewer)	Inflow and Infiltration I/I control	Borrowing/R&A/Retained Earnings	350,000	350,000	350,000	550,000	550,000	<b>2,150,000</b>
Public Works (Sewer)	Sewer Pump Station Improvements	Borrowing/R&A/Retained Earnings	205,000	125,000	150,000	50,000	-	<b>530,000</b>
Public Works (Sewer)	Collections System Upgrades	Borrowing/R&A/Retained Earnings	-	-	-	-	-	<b>-</b>
Public Works (Sewer)	Fleet and Equipment Replacement Program	R&A/Ent. Fund	-	-	-	-	-	<b>-</b>
<b>Total Sewer Enterprise Fund</b>			<b>555,000</b>	<b>475,000</b>	<b>500,000</b>	<b>600,000</b>	<b>550,000</b>	<b>2,680,000</b>
<b>Water Enterprise Fund</b>								
Public Works (Water)	Hydrant Replacement Program	R&A Ent. Fund/Retained Earnings	125,000	125,000	125,000	125,000	125,000	<b>625,000</b>
Public Works (Water)	Water Distribution System Improvements	Borrowing/R&A/Retained Earnings	2,000,000	2,100,000	2,000,000	2,100,000	2,000,000	<b>10,200,000</b>
Public Works (Water)	Water Tank Maint. And Upgrades	Borrowing/R&A/Retained Earnings	90,000	1,000,000	-	-	-	<b>1,090,000</b>
Public Works (Water)	Fleet and Equipment Replacement Program	R&A Ent. Fund/Retained Earnings	26,000	-	55,000	-	55,000	<b>136,000</b>
<b>Total Water Enterprise Fund</b>			<b>2,241,000</b>	<b>3,225,000</b>	<b>2,180,000</b>	<b>2,225,000</b>	<b>2,180,000</b>	<b>12,051,000</b>
<b>Public Works Water/Sewer</b>	Fleet and Equipment Replacement Program	<b>R&amp;A/Ent. Fund</b>	<b>175,000</b>	<b>150,000</b>	<b>85,000</b>	<b>210,000</b>	<b>-</b>	<b>620,000</b>
<b>Grand Total All Capital Projects Per Year</b>			<b>13,080,277</b>	<b>7,515,000</b>	<b>5,855,000</b>	<b>7,285,000</b>	<b>5,575,000</b>	
<b>Grand Total All Projects All Years</b>								<b>39,310,277</b>

**TOWN OF TEWKSBURY  
CAPITAL PLANNING PROGRAM  
FISCAL YEARS 2019-2023**

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

<b>DEPARTMENT</b>	<b>PROJECT/PROGRAM</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
<b>Facilities and Grounds</b>							
	Vehicles and Equipment	38,277	-	-	-	-	38,277
	Police Station	-	25,000	75,000	-	-	100,000
	Library	-	150,000	25,000	150,000	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
	Recreation Fields and Facilities	-	300,000	150,000	150,000	150,000	750,000
<b>Total Facilities and Grounds</b>		<b>38,277</b>	<b>500,000</b>	<b>320,000</b>	<b>375,000</b>	<b>575,000</b>	<b>1,808,277</b>
<b>Fire Department</b>							
	New Ambulance and Equipment	-	240,000	-	240,000	-	<b>480,000</b>
	New Rescue Truck	-	-	90,000	-	-	<b>90,000</b>
	Response/Administrative Vehicle (Car 1)	40,000	-	-	-	-	
	North Fire Station Renovation	-	-	-	1,250,000	-	
	South Fire Station Renovations	-	40,000	-	-	50,000	
	Refurbish 2010 Seagrave Fire Engine	-	-	-	-	75,000	
<b>Total Fire Department</b>		<b>40,000</b>	<b>240,000</b>	<b>90,000</b>	<b>1,490,000</b>	<b>-</b>	<b>1,860,000</b>
<b>Public Works Department</b>							
<b>Stormwater and Drainage</b>							
Public Works (General Fund)	Stormwater and Drainage Repair and Maintenance	-	-	-	-	-	-
Public Works (General Fund)	Stormwater Compliance	50,000	300,000	300,000	300,000	250,000	<b>1,200,000</b>
Public Works (General Fund)	Stormwater and Drainage Improvement Projects	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Project Development	-	-	-	-	-	-
<b>Total Stormwater and Drainage</b>		<b>50,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>250,000</b>	<b>1,200,000</b>
<b>Public Works Department</b>							
<b>Transportation</b>							
Public Works (General Fund)	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	<b>1,250,000</b>
Public Works (General Fund)	Improvement Projects	35,000	35,000	-	-	-	<b>70,000</b>
Public Works (General Fund)	Project Development	-	-	-	-	-	-
<b>Total Transportation</b>		<b>285,000</b>	<b>285,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>1,320,000</b>
<b>DPW Facilities/Misc.</b>							
Public Works (General Fund)	DPW Facility Renovations and Upgrades	7,042,000	-	-	-	-	<b>7,042,000</b>
<b>Total DPW Facilities/Misc.</b>		<b>7,042,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,042,000</b>
<b>Public Works Department</b>							
<b>Fleet and Equipment</b>							
Public Works (General Fund)	Vehicles and Equipment	806,000	510,000	430,000	375,000	535,000	<b>2,656,000</b>
<b>Total Fleet and Equipment</b>		<b>806,000</b>	<b>510,000</b>	<b>430,000</b>	<b>375,000</b>	<b>535,000</b>	<b>2,656,000</b>
<b>Total DPW</b>		<b>8,183,000</b>	<b>1,095,000</b>	<b>980,000</b>	<b>925,000</b>	<b>1,035,000</b>	<b>12,218,000</b>
<b>Grand Total General Fund</b>		<b>8,261,277</b>	<b>1,835,000</b>	<b>1,390,000</b>	<b>2,790,000</b>	<b>1,610,000</b>	<b>15,886,277</b>

**TOWN OF TEWKSBURY  
CAPITAL PLANNING PROGRAM**

**FISCAL YEARS 2019-2023**

**PROJECTS FUNDED BY CHAPTER 90, OTHER MA HIGHWAY PROGRAMS AND GRANTS**

<b>DEPARTMENT</b>	<b>PROJECT/PROGRAM</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
<b>Public Works Department</b>							
<b>Stormwater and Drainage</b>							
Public Works (General Fund)	Stormwater and Drainage Repair and Maintenance	390,000	940,000	220,000	230,000	230,000	<b>2,010,000</b>
Public Works (General Fund)	Stormwater Compliance	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Improvement Projects	-	-	-	-	-	-
Public Works (General Fund)	Stormwater and Drainage Project Development	50,000	20,000	35,000	35,000	35,000	<b>175,000</b>
<b>Total Stormwater and Drainage</b>		<b>440,000</b>	<b>960,000</b>	<b>255,000</b>	<b>265,000</b>	<b>265,000</b>	<b>2,185,000</b>
<b>Public Works Department</b>							
<b>Transportation</b>							
Public Works (General Fund)	Pavement Management Preventative Maintenance	50,000	30,000	350,000	350,000	350,000	<b>1,130,000</b>
Public Works (General Fund)	Pavement Management Reconstruction/Resurfacing	800,000	400,000	445,000	445,000	445,000	<b>2,535,000</b>
Public Works (General Fund)	Sidewalks	400,000	-	400,000	400,000	-	<b>1,200,000</b>
Public Works (General Fund)	Improvement Projects	100,000	200,000	200,000	-	-	<b>500,000</b>
Public Works (General Fund)	Project Development	58,000	200,000	50,000	-	50,000	<b>358,000</b>
<b>Total Transportation</b>		<b>1,408,000</b>	<b>830,000</b>	<b>1,445,000</b>	<b>1,195,000</b>	<b>845,000</b>	<b>5,723,000</b>
<b>Total DPW</b>		<b>1,848,000</b>	<b>1,790,000</b>	<b>1,700,000</b>	<b>1,460,000</b>	<b>1,110,000</b>	<b>7,908,000</b>

**CAPITAL PLANNING PROGRAM**

**FISCAL YEAR 2019-2023**

**ENTERPRISE FUND PROJECTS THAT WILL BE FUNDED BY RAISE AND APPROPRIATE OR TRANSFER FROM RETAINED EARNINGS**

<b>DEPARTMENT</b>	<b>PROJECT/PROGRAM</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
<b>Public Works Department</b>							
Public Works (Sewer)	Inflow and Infiltration I/I control	350,000	350,000	350,000	550,000	550,000	<b>2,150,000</b>
Public Works (Sewer)	Sewer Pump Station Improvements	205,000	125,000	150,000	50,000	-	<b>530,000</b>
Public Works (Sewer)	Collections System Upgrades	-	-	-	-	-	<b>-</b>
Public Works (Sewer)	Fleet and Equipment Replacement Program	-	-	-	-	-	<b>-</b>
<b>Total Sewer Enterprise Fund</b>		<b>555,000</b>	<b>475,000</b>	<b>500,000</b>	<b>600,000</b>	<b>550,000</b>	<b>2,680,000</b>
Public Works (Water)	Hydrant Replacement Program	125,000	125,000	125,000	125,000	125,000	<b>625,000</b>
Public Works (Water)	Water Distribution System Improvements	2,000,000	100,000	-	100,000	-	<b>2,200,000</b>
Public Works (Water)	Water Tank Maint. And Upgrades	90,000	1,000,000	-	-	-	<b>1,090,000</b>
Public Works (Water)	Fleet and Equipment Replacement Program	26,000	-	55,000	-	55,000	<b>136,000</b>
<b>Total Water Enterprise Fund</b>		<b>2,241,000</b>	<b>1,225,000</b>	<b>180,000</b>	<b>225,000</b>	<b>180,000</b>	<b>4,051,000</b>
<b>Public Works Water/Sewer</b>	Fleet and Equipment Replacement Program	<b>175,000</b>	<b>150,000</b>	<b>85,000</b>	<b>210,000</b>	<b>-</b>	<b>620,000</b>
<b>Grand Total Per Year</b>		<b>2,971,000</b>	<b>1,850,000</b>	<b>765,000</b>	<b>1,035,000</b>	<b>730,000</b>	
<b>Grand Total All Projects All Years</b>							<b>7,351,000</b>

**TOWN OF TEWKSBURY  
CAPITAL PLANNING PROGRAM  
FISCAL YEARS 2019-2023  
SUMMARY**

<b>Capital Plan Summary</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
General Fund	10,109,277	3,665,000	3,090,000	4,250,000	2,845,000	23,959,277
Sewer Enterprise Fund	555,000	475,000	500,000	600,000	550,000	2,680,000
Water Enterprise Fund	2,241,000	3,225,000	2,180,000	2,225,000	2,180,000	12,051,000
Water/Sewer Enterprise Fund	175,000	150,000	85,000	210,000	-	620,000
<b>Total Capital Plan Funded</b>	<b>13,080,277</b>	<b>7,515,000</b>	<b>5,855,000</b>	<b>7,285,000</b>	<b>5,575,000</b>	<b>39,310,277</b>
<b>Annual Capital Improvement Plan Cost</b>						
R&A or Transfer from Stabilization Fund or Free Cash	8,261,277	1,835,000	1,390,000	2,790,000	1,610,000	15,886,277
Chapter 90	1,848,000	1,790,000	1,700,000	1,460,000	1,110,000	7,908,000
General Fund Debt Service	-	-	-	-	-	-
R&A or Transfer from Sewer Enterprise Fund	555,000	475,000	500,000	600,000	550,000	2,680,000
R&A or Transfer from Water Enterprise Fund	2,241,000	1,225,000	180,000	225,000	180,000	4,051,000
R&A or Transfer Sewer/Water Enterprise Fund	175,000	150,000	85,000	210,000	-	620,000
Water Enterprise Funds Debt Service	-	56,250	331,250	598,750	858,750	1,845,000
<b>Total Fiscal Year Cost</b>	<b>13,080,277</b>	<b>5,531,250</b>	<b>4,186,250</b>	<b>5,883,750</b>	<b>4,308,750</b>	<b>32,990,277</b>



# Capital Plan FY19: Proposed Expenditures

<b>Stabilization Fund Balance</b>	<b>3,508,491</b>
<b>Schools</b>	
Carpeting/VCT at Center School and Ryan School	25,000
Districtwide roof repairs	250,000
Forge steamer with kettle - Ryan School	25,000
Ryan School Teacher presentation laptops	53,500
Technology upgrades to switches	60,000
<b>Total Schools</b>	<b>413,500</b>
<b>Town</b>	
<b>DPW</b>	
(3) Liquid deicing saddle tank assemblies	15,000
Asphalt spreader box and trailer	26,000
Drainage/Stormwater Assessment	50,000
F-550 forestry body and snow package	105,000
Bombardier sidewalk tractor w/blower	160,000
10-Wheel Dump w/Plow package and sander	250,000
10-Wheel Dump w/Plow package and sander	250,000
<b>Total DPW</b>	<b>856,000</b>
<b>Fire</b>	
Response/Administrative vehicle (Car 1)	40,000
<b>Total Fire</b>	<b>40,000</b>
<b>Police</b>	
3 Harley Davidson motorcycles	38,222
Police Sergeant and Lieutenant Assessment Center	25,700
<b>Total Police</b>	<b>63,922</b>
<b>Parks</b>	
Ford F-150 pickup truck	38,277
<b>Total Parks</b>	<b>38,277</b>
<b>Total Town</b>	<b>998,199</b>
<b>Grand Total Town and School</b>	<b>1,411,699</b>
<b>Balance Stabilization Fund After Transfer</b>	<b>2,096,792</b>



# Capital Plan FY19: Proposed Expenditures

<b>Water Enterprise Fund</b>		
<b>Water Retained Earning Balance</b>	<b>4,017,557</b>	
<b>Transfer Retained Earnings</b>		
Asphalt Spreader-Box and Trailer	26,000	Split 50% with General Fund
763 Bobcat	40,000	Split 50% with Sewer
F-450 Diesel Dump w/snow package	47,500	Split 50% with Sewer
Hydrant Replacement	125,000	
Water Main Replacement	2,000,000	
<b>Total</b>	<b>2,238,500</b>	
<b>Balance Retained Earnings</b>	<b>1,779,057</b>	
<b>Sewer Enterprise Fund</b>		
<b>Sewer Retained Earning Balance</b>	<b>3,948,805</b>	
<b>Transfer Sewer Retained Earnings</b>		
763 Bobcat	40,000	Split 50% with Water
F-450 Diesel Dump w/snow package	47,500	Split 50% with Water
Pump Station Improvements	205,000	
Infiltration and Inflow (I/I) Control	350,000	
<b>Total</b>	<b>642,500</b>	
<b>Balance Retained Earnings</b>	<b>3,306,305</b>	

# Comments on Capital Plan

- DPW Equipment
- Pavement Management
- Stormwater Permit
- Facilities
- Sidewalks

# Future needs to be addressed at October Special Town Meeting

Use of Free Cash and other available funds or new revenue

- Address FY19 Town and School budget needs/priorities that were not funded during the budget process or that may occur after May Town Meetings. Areas include Public Safety overtime, DPW staffing, ongoing infrastructure and facility maintenance.
- Set aside 600,000 from Free Cash for possible FY19 snow ice deficit
- Use Certified Free Cash to replenish Stabilization Fund of the 1,411,699 with a priority of transferring in more than that amount.
- Use available funds for DPW Facility Upgrades and Improvements.
- Use available funds for continued sidewalk improvements.
- Use available funds to address Facility and Infrastructure needs that may occur after May Town Meetings.
- Available Water Retained Earnings will be used for the design of improvements for the Astle Street Water Tank.