

Annual and Special Town Meeting Supplemental Information Handout May 7 and 9, 2018

The following is a summary of proposed Annual and Special Town Meeting actions, balances in funds proposed for utilization during Town Meeting, Article amendments, Scrivener's Errors and supplemental information relative to certain Articles. Also included are the Town's Overall Financial Management Policies adopted by the Board of Selectmen.

ANNUAL TOWN MEETING ARTICLES THAT HAVE SCRIVENER'S ERRORS

Article 3-35: Delete the last sentence in the Executive Summary that read "This article is in addition to the article which establishes the Revolving Funds through a General Bylaw in accordance with recent changes to Massachusetts General Laws Chapter 44 Section 53E½ by the Act to Modernize Municipal Finance and Government". This sentence was carried over in error from the Executive Summary in last year's Warrant and is not needed again.

Article 12: 3 Harley Davidson motorcycles should read 2 Harley Davidson motorcycles.

Articles 14 and 15: F-450 Diesel Dump w/snow package should be F-450 Diesel Utility body w/snow package.

Article 17: add the word "bond" before the word "premium" in the first sentence.

Article 31: Delete the words "or transfer from available funds" in first sentence.

ANNUAL TOWN MEETING ARTICLES THAT WILL BE AMENDED

(Deleted language shown with strikethrough and added in bold)

Article 7

To see if the Town will vote to raise and appropriate the sum of ~~money~~ **\$90,834** needed to fund and implement the Collective Bargaining Agreement between the Town and the International Association of Firefighters AFL-CIO, Tewksbury Firefighters Local 1647 beginning July 1, 2018; or take any other action relative thereto.

Article 18

To see if the Town will vote to raise and appropriate, transfer from available funds, **or** borrow, ~~or otherwise provide~~ the sum of \$499,000, ~~or any other sum~~, for the purpose of funding the purchase of existing streetlights from National Grid and the conversion of existing streetlights to energy efficient and long lasting LED fixtures, same to be expended by the Town Manager, or to act in any other manner in relation thereto.

Article 29

To see if the Town will vote ~~to raise and appropriate or transfer a sum of money~~ regarding the construction, and reconstruction of sidewalks and roadways on a portion of South Street, Salem Road, and Main Street (Route 38) known as the Intersection Improvement Project, as shown on plans entitled "Massachusetts Department of Transportation Highway Division, Plan and Profile of South Street, Salem Road, & Route 38 (Main Street) in the Town of Tewksbury, Middlesex County" dated 1/12/2018, prepared by TEC, Inc.; such plans currently being at the 75% design level are subject to change through subsequent review and approval by the Massachusetts Department of Transportation Highway Division and the Town of Tewksbury Department of Public Works, ~~The Board of Selectmen is authorized to expend these sums on behalf of~~ **to authorize** the Town to acquire any fee, easement, or other interest in land by purchase, gift, eminent domain, or otherwise, and to authorize the Board of Selectmen to apply for, accept and expend any federal, state or other grants that may be

available for the project, or take any action relative thereto. A copy of the plans may be viewed at the Department of Public Works, Engineering Division, 999 Whipple Road, Tewksbury, MA 01876, and the Town Clerk's Office, Town Hall, 1009 Main Street, Tewksbury, MA 01876.

SPECIAL TOWN MEETING ARTICLES THAT HAVE SCRIVENER'S ERRORS

Article 1: FB Reserve Fund should read Finance Committee Reserve Fund.

BACKGROUND INFORMATION VARIOUS ARTICLES

Article 4

The following chart is a summary of expenditures and revenues for Fiscal Years 2017, 2018 and 2019. Within the Uses of Funding section, the appropriations include the budget and all other financial articles approved at previous Town Meetings and those being proposed. Cherry Sheet Offsets, Other Local Expenditures and State and County Charges are areas that need to be accounted for in addition to Town Meeting appropriations. The \$2,558,953 surplus in Fiscal Year 2017 became part of certified Free Cash and Water and Sewer Retained Earnings. A portion of each was spent at previous Town Meetings and a portion transferred into their respective Stabilization Funds. The \$112,308 projected surplus in Fiscal year 2019 is from Water and Sewer Enterprise Fund revenue.

<i>Summary Expenditures and Revenues</i>	Actual	Actual	Projection	Budget
	<u>Budget FY17</u>	<u>Budget FY18</u>	<u>Budget FY19</u>	<u>Inc/(Dec)</u>
<i>Uses of Funding (Amounts to be Raised)</i>				
Appropriations	102,944,703	105,026,751	109,446,628	4,419,877
Reserve Appropriation	-	-	80,755	80,755
Water, Sewer and Cable TV Enterprise Fund Budgets	12,696,468	13,828,102	13,393,250	(434,852)
Special Articles and Transfers	15,405,501	5,105,655	5,992,834	887,179
Cherry Sheet Offsets	36,135	36,597	36,597	-
Other Local Expenditures	1,314,758	1,289,456	1,133,298	(156,158)
State and County Charges	<u>1,481,964</u>	<u>1,625,949</u>	<u>1,788,544</u>	<u>162,595</u>
Total Use of Funding	133,879,529	126,912,510	131,871,906	4,959,396
<i>Sources of Funding</i>				
Property Taxes	70,129,206	74,363,094	77,035,771	2,672,677
Debt Exclusions	8,421,310	8,029,204	9,059,365	1,030,162
State Estimated Revenues	16,410,387	16,585,377	16,585,377	-
Local Estimated Revenues	12,715,636	8,586,719	9,458,687	871,968
Other Available Funds	<u>28,761,943</u>	<u>19,348,116</u>	<u>19,845,014</u>	<u>496,898</u>
Total Sources of Funding	136,438,482	126,912,510	131,984,214	5,071,704
<i>Surplus/(Deficit)</i>	2,558,953	-	112,308	112,308

<i>General Fund Budget Classification</i>	Expended	Budgeted	Projected	Budget
Budget Summary	<u>Budget FY17</u>	<u>Budget FY18</u>	<u>Budget FY19</u>	Inc(Dec)
Total Town Budget Net Allocations	34,583,276	35,654,305	36,717,630	1,063,325
Reserve Appropriation	-	-	80,755	80,755
Total Exempt Town Debt	5,104,242	4,981,076	6,106,524	1,125,449
Total School Budget Net Allocations	52,758,955	55,628,744	57,344,864	1,716,119
Total Exempt School Debt	3,144,086	3,071,245	2,982,702	(88,544)
Shawsheen Tech	5,646,988	5,566,567	6,201,732	635,165
Essex North Shore Agricultural and Tech. School District	76,384	76,384	56,968	(19,416)
Water Enterprise Fund	6,922,471	7,565,043	6,887,912	(677,131)
Sewer Enterprise Fund	5,621,009	5,663,059	5,905,338	242,279
Cable TV Enterprise Fund	-	600,000	600,000	-
Total Budget Net Allocations/Offsets	113,857,410	118,806,423	122,884,425	4,078,001

Note: FY19 Budget includes all action being proposed at Annual and Special Town Meeting

Raise and Appropriate General Fund

<u>Annual Town Meeting Article 4</u> : FY19 General Fund	\$109,103,395
<u>Annual Town Meeting Article 5</u> : FY19 General Fund	\$89,106
<u>Annual Town Meeting Article 6</u> : FY19 General Fund	\$53,774
<u>Annual Town Meeting Article 7</u> : FY19 General Fund	\$90,834
<u>Annual Town Meeting Article 31</u> : FY19 General Fund	\$109,519
Total Raise and Appropriate General Fund:	\$109,446,628

Raise and Appropriate Sewer Enterprise Fund

<u>Annual Town Meeting Article 9</u> : FY18 Sewer Enterprise Budget	\$5,905,338
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Raise and Appropriate Water Enterprise Fund

<u>Annual Town Meeting Article 10</u> : FY18 Water Enterprise Budget	\$6,887,912
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Raise and Appropriate Cable TV Enterprise Fund

<u>Annual Town Meeting Article 11</u> : FY18 Cable TV Enterprise Budget	\$600,000
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Transfers Stabilization Fund

Stabilization Fund Balance May 2018:	\$3,458,486
<u>Annual Town Meeting Article 12</u> : Town Vehicles and Equipment	(\$998,199)
<u>Annual Town Meeting Article 13</u> : School Vehicles, Building Maintenance and Security	(\$413,500)
Remaining Balance:	\$2,046,787

Transfer Retained Earning's Water Enterprise Fund

Water Enterprise Fund Retained Earnings Balance May 2018	\$4,017,557
<u>Annual Town Meeting Article 14</u> : Water Main Project, hydrants and vehicle purchases	(\$2,238,500)
Remaining Balance:	\$1,779,057

Transfer Retained Earning’s Sewer Enterprise Fund

Sewer Enterprise Fund Retained Earnings Balance May 2018	\$3,948,805
<u>Annual Town Meeting Article 9:</u> Transfer within sewer revenue to offset debt increase	(\$253,244)
<u>Annual Town Meeting Article 15:</u> Inflow/Infiltration, pump stations and vehicle purchases	(\$642,500)
Remaining Balance:	\$3,053,081

Water Stabilization Fund

No Transfers, Balance May 2018	\$1,809,766
Sewer Stabilization Fund	
No Transfers, Balance May 2018	\$3,709,566

Transfer Overlay Surplus

FY18 Overlay Surplus Balance:	\$125,000
<u>Town Meeting Article 19:</u> Real and Personal Property Revaluation	(\$100,000)
<u>Town Meeting Article 20:</u> Seniors and Veterans Tax Relief Program	(\$25,000)
Remaining Balance:	-

Community Preservation Act Fund

CPA Historic Reserve Balance:	-
CPA Housing Reserve Balance No Transfers:	\$363,299

Transfer CPA Undesignated

CPA Undesignated Fund Balance May 2018:

\$1,223,519

<u>Annual Town Meeting Article 23:</u> Improve/Expand Trails at Chandler Wellfields	(\$40,000)
<u>Annual Town Meeting Article 24:</u> Water Sprinkler Park at Saunders Recreation Area	(\$50,000)
<u>Annual Town Meeting Article 26:</u> Improvements to Long Pond	(\$60,380)
<u>Annual Town Meeting Article 27:</u> Restore “The Pines” historic State Hospital Cemetery	(\$39,000)
Remaining Balance:	\$1,034,139

Transfer CPA Open Space Reserve

CPA Open Reserve/Recreation Balance May 2018:	\$139,559
<u>Annual Town Meeting Article 25:</u> Fitness Court at Saunders Recreation Area	(\$115,000)
Remaining Balance:	\$24,559

Transfer Free Cash Special Town Meeting

FY18 Certified Free Cash Balance:	\$600,000
<u>Special Town Meeting Article 2:</u> Snow and Ice	(\$600,000)
Remaining Balance:	-

FURTHER DETAILED INFORMATION-CERTAIN ANNUAL TOWN MEETING ARTICLES

Article 5 Raise and Appropriate \$89,106:

This article is for the collective bargaining agreement that was settled between the Town and the Police Patrolman’s Union. The agreement is a 3 year contract that has a first year cost of \$89,106. The highlights include a 2.5% salary increase for year 1 and 2.25% for years 2 and 3. It also includes an increase in longevity, .25% in year 1; .75% for all increments except 5 year increment in year 2 and .75% for all

increments except 5 year increment in year 3. The projected second year contract will cost \$87,418 and the projected third year \$89,624 for a projected total three year cost of \$266,147.

Article 6 Raise and Appropriate \$53,774:

This article is for the collective bargaining agreement that was settled between the Town and the Police Superior Officer's Union. The agreement is a 3 year contract that has a first year cost of \$53,774. The highlights include a 2.5% salary increase for year 1 and 2.25% for years 2 and 3. It also includes an increase in longevity, .25% in year 1; .75% for all increments except 5 year increment in year 2 and .75% for all increments except 5 year increment in year 3. The projected second year contract will cost \$45,109 and the projected third year \$46,101 for a projected total three year cost of \$144,984.

Article 7 Raise and Appropriate \$90,834:

This article is for the collective bargaining agreement that was settled between the Town and the Firefighter's Union. The agreement is a 3 year contract that has a first year cost of \$126,733 of which \$90,834 is being appropriated within this article and the remainder to be funded with the Fire Department Budget. The highlights include a 2.5% salary increase for year 1 and 2.25% for years 2 and 3. It also includes an increase in longevity, .25% in year 1; .75% for all increments except 5 year increment in year 2 and .75% for all increments except 5 year increment in year 3. The projected second year contract will cost \$91,179 and the projected third year \$93,970 for a projected total three cost of \$311,882.

Article 12 transfer \$998,199 from Stabilization Fund:

(3) Liquid De-icing Saddle Tank Assemblies \$15,000:

Containing liquid solution of salt brine, which is sprayed onto the dry salt crystal as it is dispersed from the sander's spinner, the brine provides moisture to begin the process of dissolving the salt crystal. The process increases the effectiveness of the salting operation. The Town first began utilizing this process 12 years ago. Due to the corrosive nature of the salts, the equipment has been disabled and needs to be replaced.

Asphalt Spreader-Box and Trailer \$26,000:

This piece of equipment, and the cost to purchase, will be shared with the Water Enterprise Fund. The spreader box will give both divisions the ability to pave larger areas of roadway distresses and failures. The past practice has been to contract the paving of larger areas. Due to the higher cost of contractual services many of these sites are deferred or not addressed. The Highway Division will utilize the equipment to address failures of road pavement and trenches associated with drainage projects. The Water Division staff will be able to repair larger trenches resulting from water breaks.

Drainage Stormwater Assessment \$50,000:

The Town is required to comply with the NPDES Small Municipal Storm Sewer System (MS4) Permit requirements established by the U. S. EPA. The Town will contract with an engineering consultant to evaluate the overall costs of a Town-wide Stormwater Program designed to ensure compliance with the EPA permit. As part of the FY18 budget, the Town requested \$35,000 to be used in conjunction with a 319 grant. Unfortunately, the grant funding was not received, and as a result the DPW requests the remaining portion of the funds to complete the evaluation.

F-550 Forestry Body and Snow Package \$105,000:

This vehicle will replace Truck #9, a model year 2000, ¾ Ton, 2-wheel drive pickup truck. The current vehicle is used for the Supervisor's transportation and for temporary summer staff. The upgrade will provide the Division with a more functional vehicle for forestry and snow operations.

Bombardier Sidewalk Tractor w/ Blower \$160,000:

A dedicated tractor designed for sidewalk snow removal is needed to address the 16.5 miles of sidewalks the Town has identified for sidewalk clearing. The existing tractor can't address the scale of the operation and a second vehicle is needed. The tractor will be equipped with a v-blade plow and snow blower.

Two (2) 10-Wheel Dump w/Plow Package and Sander \$250,000:

Trucks #54 and #52 are scheduled to be replaced due to deteriorating body and mechanical systems. Both vehicles are 5-Ton Dump Trucks with plows and sanders, model year 1990 and 1994, respectively. Both existing vehicles need major modifications and repairs. The upgrade will provide greater hauling capacity, updated snow plowing package. In addition, both existing sanders have been discontinued and replacement parts are not available.

Response/Administrative Vehicle (Car 1) \$40,000:

Replace Fire Chief's response and administrative vehicle (Car 1) with a Ford AWD or equivalent vehicle through the State, Plymouth County Cooperative, or Metropolitan Area Planning Council bid process. Purchase would include new emergency and safety lighting, two-way radios, and related fire officer operational equipment. The vehicle will be used by the Fire Chief to support his job functions and 24-hour response to emergencies. The current vehicle used by the Chief is a 2013 Ford Interceptor and the vehicle will be turned over to the Deputy Fire Chief for the same use. The Deputy Chief's vehicle, a 2006 Ford Explorer and will be turned over to the Fire Investigator for Departmental use and response. The Fire Investigator's current vehicle is a 2006 Ford Explorer in poor condition mechanically and will be taken out of service.

Two (2) Harley Davidson Motorcycles \$38,222:

The funds provided in this account will provide the Department's Motor Unit with two new police motorcycles with the latest safety features (radio, lights, radar unit, sirens). The cost is attributed to the price of the two new motorcycles and the purchase/transfer of all necessary equipment. The 38,222 budget was for 2 new motorcycles (trade-in 1 of our current 2014's) and to retain one of our current 2014's to make a total of 3 Department motorcycles.

Police Sergeant and Lieutenant Assessment Center \$25,700:

The funds in this account will provide for a Civil Service delegated sole assessment center examination for up to 10 Lieutenant Candidates and 25 Sergeant Candidates.

Ford F-150 pickup truck \$38,277:

This vehicle will be used by an additional employee added to the Town Facilities Department to work between various town buildings and grounds throughout the year.

Article 13 transfer \$413,500 from Stabilization Fund:

Carpeting/VCT at Center School and Ryan School \$25,000:

Replace VCT and carpeting at portions of the Center School and the Ryan School. Tiles have started to come up over the years and the carpets are fraying and stained.

Districtwide roof repairs \$250,000:

Due to the age of the current roofs of the older school buildings, there is a constant need to provide repairs in weak areas.

Forge Steamer with Kettle - Ryan School \$25,000:

The boiler and the steamer with kettle have reached their usage life. They were purchased in 1999. They need to be replaced as they have not been able to be used for months.

Ryan School Teacher Presentation Laptops \$53,500:

Fund will be used to supply the Ryan School teachers with laptops to use with their presentation software.

Technology upgrades to switches \$60,000:

As a continued effort to stay on top of the technology in the district, we have phased in upgrading of our switches.

Article 14 transfer \$2,238,500 from Water Retained Earnings:

Asphalt Spreader-Box and Trailer \$26,000:

The cost and use of this equipment will be shared with the Highway Division. The spreader box will allow Water Division staff to repair larger water trenches as a result of water main breaks.

763 Bobcat \$40,000:

This piece of equipment replaces the existing Water Division bobcat, which is a 1995 low-flow model. The replacement will be equipped with high-flow hydraulics enabling it to be fitted with updated attachments. The drive-chain casing, which is integral to the body of the equipment, is rusted and leaking gear fluids. Funds to purchase the new model will be shared with the Sewer Enterprise Fund.

F-450 Diesel Utility Body w/ Snow Package \$47,500:

This vehicle will replace Truck #8, which is a model year 2011, F-350 Pickup. The vehicle is assigned to the Water/Sewer Supervisor. The truck has experienced continued problems with the transmission and the under-body has excessive rot, which will make repairs ongoing. The pickup style body is to be replaced with a Utility styled body, more appropriate for the work of the Supervisor. Funds to purchase the new vehicle will be shared with the Sewer Enterprise Fund.

Hydrant Replacement/Install \$125,000:

Replace 25 hydrants as part of the ongoing hydrant replacement program. This annual program is intended to replace aging, malfunctioning, and/or out-of-service fire hydrants and to implement the standardization of hydrants throughout Town. The project began in 2006 and was reinstated in 2010 to address a large number of out-of-service hydrants. Since 2010 over 350 hydrants have been replaced.

Water Main Replacement \$2,000,000:

This project requests funds to replace water mains associated with two MassDOT paving and road reconstruction projects along Main St (Route 38). Water mains that are undersized and /or made from cement-like materials will be replaced with lined ductile iron. The work must be completed prior to road reconstruction. Water mains to be replaced include those within the work limits of the South/Salem/Main St. intersections; and on Main St. from North St. to Old Boston Rd.

Article 15 transfer \$642,500 from Sewer Retained Earnings:

763 Bobcat \$40,000:

Purchase costs will be shared with the Water Enterprise (see explanation above for Article 14)

F-450 Diesel Utility Body w/ Snow Package \$47,500:

Purchase costs will be shared with the Water Enterprise (see explanation above for Article 14)

Pump Station Improvements \$205,000:

This request funds two projects within the Sewer Enterprise account. The first is to design the installation of an in-line grinder for the Heath Row Pump Station. The installation of a grinder will alleviate the number of station alarms caused by binding and clogging of the pumps. The second project will be to fund non-participating improvements to the 12 pump stations to be modified through the Hazard Mitigation Program Grant, funded as a matching grant through FEMA.

Infiltration and Inflow (I/I) Control \$350,000:

This project is an on-going request to rehabilitate sewer manholes, pipe segments and services that have been found to be sources of Infiltration and Inflow. As part of a five-year remediation plan required by the DEP, investigative efforts which identify manholes and pipe defects need to be repaired.

Article 16 Bond Premium

Bond Proceeds from a July 2016 Bond refinancing must be used to reduce the bonds that were refinanced. As required by State Statute, this article uses a portion of those proceeds (\$66,068) to reduce existing Town Exempt Debt Principal.

Article 17 Bond Premium Water Treatment Plant:

This \$557,433.26 is the amount of premium received by the Town in connection with \$12,500,000 of bonds issued for the Project as part of the Town's 2015 bond issue and can be appropriated by a majority vote of the Town for the Project under MGL Ch.44, §20.

Article 18 Authorize the Borrowing of \$499,000 for Streetlights:

The Town has undertaken an initiative regarding streetlights, which includes purchasing them from National Grid and changing them over to LED lighting to save electricity costs. After a cost analysis and inventory, the Town has agreed to purchase the streetlight fixtures from National Grid for \$1 for 1,711 luminaires, 36 non-distribution poles and designated supporting equipment. In addition the Town has entered into an agreement with Merrimac Municipal Light Department to maintain the Streetlight Fixtures since National Grid will no longer be responsible. The cost savings is approximately \$80,855 per year. The savings are generated from not having to pay a facility charge per fixture per month to NGRID. The projected cost for maintenance is included in the savings.

Converting all streetlights to LED lights would allow an additional cost savings to the Town in the area of electricity supply. The savings would be approximately \$94,631 per year. The cost to convert to LED lights would be \$686,897, which would include a streetlight inventory audit, design and installation, plus wireless controls to monitor when the lights turn on/off and their brightness. The project cost will be defrayed by a grant from the Department of Energy Resources of \$111,577 and a utility incentive of \$102,639, bringing the cost of the project down to \$472,681. The project will be funded through a short term borrowing, and it will be paid back using the savings in streetlight costs. The project payback will be less than 3 years, and the work should be completed by December 31, 2018.

Article 23 transfer \$40,000 from CPA Undesignated Reserve

Expand/Improvements to existing trail network at the former Chandler Street Wellfields \$40,000:

To design and install three code compliant pedestrian boardwalks with handrails as necessary that will create a two mile loop trail at the Chandler Well Fields. The lengths of these three boardwalks are approximately 60', 100', and 170'. A portion of the loop trail is located along the proposed Bay Circuit Trail in Tewksbury. This loop trail overlooks the expansive well field wetlands which provide some of the nicest views in Tewksbury, while offering great wildlife observation points and educational opportunities for those interested in the outdoors.

Article 24 transfer \$50,000 from CPA Undesignated Reserve

Water Sprinkler Park at Saunders Recreation Area on Livingston Street \$50,000:

Funds will be used to install children's recreation type water sprinklers in an area close to the playground at Saunders Recreation Area on Livingston Street to be used during summer months as an added attraction for parents and children.

Article 25 transfer \$115,000 from CPA Open Space Reserve

Fitness court at Saunders Recreation Area on Livingston Street \$115,000:

The Town received a \$10,000 grant from National Fitness campaign to install an outdoor fitness court near the children’s playground at Saunders Recreation Area on Livingston Street. The fitness court is a bodyweight circuit training system for a full body workout designed for adults of all ages and abilities. It features 30 individual pieces of equipment, a shock-resistant sports flooring, and is comprised of exercise stations that allow for up to 28 individuals to use the Court at the same time. The fitness court is installed on 35'x32' space. Below are two pictures depicting what the Fitness Court will look like.



Article 26 transfer \$60,380 from CPA Undesignated Reserve

Chemically treat Long Pond and clear weeds, brush and other growth along Whipple Road and Mahoney Park \$60,380:

The proposed project has three components: 1) Continue the hydro raking efforts that began in 2017 at Mahoney Park. Hydro raking has substantially increased the viewshed of Long Pond from Mahoney Park as well as its recreational potential for Tewksbury residents. This additional hydro raking effort will create a permanent recreational park area for residents in Tewksbury to enjoy for kayaking, bird watching, fishing and picnicking. 2) Continue chemical treatment of the pond to restore its overall health. 3) Treat any invasive species that return after the hydro raking occurs to ensure that the view shed at Mahoney Park is permanent as well as to plant native species on the shoreline of Mahoney Park after hydro raking has occurred.

Article 27 transfer \$39,000 from CPA Undesignated Reserve

Restore “The Pines” State Hospital Historic Cemetery \$39,000:

The goal of this project is to enhance the use of the cemetery and its surroundings by removing fallen, broken, and dead trees from the pine banks that encapsulate the cemetery. This will prevent future damage

to grave markers. The removal of dead or dying trees will make the cemetery favorable for continued restoration and create a welcoming space for those with family and friends buried at the cemetery.

Article 28 Authorize Board of Selectmen to acquire land for the Center Fire Station:

As the Town continues to design and plan the construction of a new Center Fire Station, there may be a possibility of swapping, purchasing or leasing land to improve that project. This Article gives the Board of Selectmen the authority to move forward if an opportunity is presented.

Article 29 Authorize Board of Selectmen to acquire any fee, easement, or other interest land for:

This article authorizes the Board of Selectmen to obtain the necessary easements for the sidewalk and roadway reconstruction of South Street, Salem Road, and Main Street (Route 38), known as the Intersection Improvement Project. Any funds needed to acquire these easements will be paid from the Town Chapter 90 Funds.

Article 30 Street and/or Project Name and Numbering Requirements:

This article reorganizes and clarifies the street naming; project naming and address numbering requirements for projects based upon recommendations from public safety officials and established standards. The authority for street and/ or project name and address numbering is vested with the Board of Selectmen. Past practices have led to housing developments in one section of Town having the same name as a street in another section of Town. Attempts have been made by project proponents in the past to establish their own internal unit number system that does not meet with the standards of public safety officials.

Article 31 Raise and Appropriate \$109,519:

This article funds the first year of three years cost of living increases for non-union employees covered by the Personnel Bylaw. The first year cost is \$109,519; the projected second year cost is \$98,567 and the projected third year \$100,785 for a projected total three year cost of \$309,267. The highlights include a 2.5% salary increase for year 1 and 2.25% for years 2 and 3.

FURTHER DETAILED INFORMATION-CERTAIN SPECIAL TOWN MEETING ARTICLES

Special Town Meeting Article 1

The following is a breakdown of the Line-Item funds will be transferred to:

Finance Committee Reserve Fund \$31,700:

Each year the Finance Committee has a Reserve Fund Budget of \$75,000 to fund any budget short-fall that occur due to emergencies and unforeseen circumstances. The Finance Committee has expended \$59,069.85 so far from the Reserve Fund and has a balance of \$15,930.15 for the remainder of the Fiscal Year. This amount replenishes the Reserve Fund to allow the Finance Committee to address any issues that may arise during the remaining two months of the Fiscal Year.

Town Hall-Utilities \$15,000:

The cost of electric utilities is projected to exceed the budget. This budget funds utilities for the Town Hall, Center Fire Station and Town Hall Annex.

Town Hall-Non Energy Utilities \$8,300:

This Budget funds phone service for all Town Departments and is projected to be in deficit since unexpected wiring for the new phone system needed to be undertaken at the North Station.

Police-Capital Outlay \$56,100:

Funds will be used to purchase 58 Stop The Bleed Trauma & Bleeding Kits to be installed in all public buildings and schools to ensure prompt access to life-saving, easy-to-use hemorrhage control resources in

case of a critical incident. In addition, funds will purchase combat bandages and tourniquets for all Police Officers to have available in case of a critical incident.

Schools Capital Outlay \$75,000:

Funding will be used to hire an outside agency to complete a security audit on the seven (7) schools.

DPW Highway –Overtime \$30,000:

The anticipated deficit in Highway/Forestry Division Overtime is due to the number of late winter storms that caused many trees and tree limbs to fall within the Town's Right-of-Way. The extent of damage has resulted in higher emergency response time and time associated with on-going cleanup.

DPW Fleet – Overtime \$25,550:

The Fleet Division's work load was impacted by the vacancy of (1) mechanic. The lack of staffing resulted in greater demand on the remaining staff. Staff could not keep pace with the work to ready seasonal equipment, make repairs and complete planned maintenance activities. Overtime was necessary to keep up with the demand for Police, Fire, DPW and Facilities and Grounds equipment.

Street Lighting-Utilities \$20,000:

The cost of operating street lights is projected to exceed the budget.

Street Lighting-Professional Services \$60,000:

The Metropolitan Area Planning Council (MAPC) is administering the audit, design and construction process as well as the grant program for cities and towns, and it is very competitive. To move this project along, an audit of the streetlights is needed that will cost \$25,665 and design that will cost \$35,931.

Community Events-All Other \$7,500:

Funding was spent on various events throughout the Fiscal Year and additional funds are needed for the Memorial Day Parade and other Community Events that may take place prior to the End of the Fiscal Year.

Unclassified-Town Medicare \$5,000:

This account was not funded properly and this funding will address a projected deficit.

Water Distribution-Overtime \$16,000:

To cover a deficit in Water Distribution Overtime due to the number and timing of emergency response to water breaks.

Water Treatment Plant -Overtime \$27,500:

Due to the extended periods of medical leave for several employees, shift coverage resulted in a deficit in Overtime.

Water Treatment Plant –Sick Leave Buyback \$7,500:

To cover costs associated with Terminal Pay benefits for the retirement of the Chief Operating Engineer at the Water Treatment Plant.

The following is a breakdown of the Line-Item funds will be transferred from:

Accounting -Salaries \$2,800:

Funding is available since an Intern was not utilized in FY18 but instead an individual from the Senior Tax Relief Program.

Accounting-Munis Software \$7,375:

Since a module was removed Fixed Asset Application from the Town's financial software it saved the amount listed above.

Assessors-Salaries \$10,800:

Funds are available since a position was vacant for part of the Fiscal Year.

Assessors-Professional Services \$4,000:

Funds are available since Appraisal Services during the Fiscal Year cost less than budgeted.

Treasurer-Office Supplies \$3,000:

Funds are available since forms and supplies during the Fiscal Year cost less than budgeted.

Treasurer-Capital (Printer) \$1,950:

A new printer purchased during the Fiscal Year cost less than budgeted allowing fund to be available.

Town Clerk-Capital (Voting Tabulators) \$3,968:

Funds are available since new voting tabulators purchased during the Fiscal Year cost less than budgeted.

Town Clerk-Capital (Dog License Software) \$2,000:

Funds are available since a Dog License Software that was budgeted but not purchased.

Fire-Communications \$8,300:

A Town Meeting Article funded Communications Upgrades and the funds within the budget were not needed, which allowed them to become available for transfer.

Emergency Management-Part Time Salary \$1,653:

We have not hired an Emergency Management Director, which allowed for the surplus of funds.

Emergency Management -Professional Services \$3,850:

After funding the maintenance contracts with this line-item, surplus funds are projected to be available.

Emergency Management -Communications \$500:

We have not hired an Emergency Management Director, which allowed for the surplus of funds.

Emergency Management -All Other \$500:

We have not hired an Emergency Management Director, which allowed for the surplus of funds.

Emergency Management -Maintenance Supplies \$1,000:

We have not hired an Emergency Management Director, which allowed for the surplus of funds.

Emergency Management -Other Supplies \$1,200:

We have not hired an Emergency Management Director, which allowed for the surplus of funds.

DPW Engineering-Regular Salaries \$10,000:

Since we have had employee turnover within the Department and a Project Manager position not filled immediately, surplus funds are projected to be available.

DPW Highway-Regular Salaries \$20,000:

Since we have had employee turnover within the Department and positions were not filled immediately, as well as an employee on unpaid leave, surplus funds are projected to be available.

DPW Fleet-Regular Salaries \$20,550:

Since we have had employee turnover within the Department and a Motor Equipment Repairman vacancy not filled immediately, surplus funds are projected to be available.

DPW Fleet-Gas/Diesel \$5,000:

Funds are available since fuel prices and usages were lower than anticipated.

Essex North Shore Agricultural & Tech. School \$21,600:

Funding is available since fewer students attend the school and the assessment was less than projected in the FY18 budget.

Unclassified-Town Unemployment \$13,000:

There is a projected surplus since there are no employees collecting unemployment benefits.

Unclassified-Property & Liability Insurance \$32,786:

There is a surplus since the actual insurance premium was less than projected due to premium credits.

Unclassified-Town Health Insurance \$81,000:

There is a projected surplus since the estimated number of employees to enroll into certain plans was less than anticipated.

Unclassified-School Health Insurance \$75,000:

There is a projected surplus since the estimated number of employees to enroll into certain plans was less than anticipated.

5/4/16 STM (Article #6)-Constellation Energy \$2,318:

Funds are available since there was a saving in the amount settled upon for an outstanding invoice.

Water Distribution-Regular Salaries \$6,000:

Since we have had employee turnover within the Department and the Assistant DPW Director's vacancy (which is partially paid from this line-item) was not filled immediately, surplus funds are projected to be available.

Water Distribution-Leases & Contracts \$10,000:

Funds are available since there was a savings from hiring private contractors and paying Police details

Water Treatment Plant-Regular Salary \$15,000:

Since we have had employee turnover within the Department, the Assistant DPW Director's vacancy (which is partially paid from this line-item) was not filled immediately, and the new Chief Operator's salary is less than the employee who recently retired, surplus funds are projected to be available.

Water Treatment Plant-Energy Utilities \$10,000:

Funds are available since utility costs and usages were lower than anticipated.

Water Treatment Plant-Chemicals \$10,000:

Funds are available since chemical costs and needs were lower than anticipated.

Article 2 Snow and Ice

The following is a breakdown of the Line-Item funds will be transferred to:

DPW Snow & Ice-Salaries \$88,000 and DPW Snow & Ice-Operating Various Accounts \$631,000:

Funds are needed to cover the cost of snow and ice operations for Fiscal Year 2018 which is in deficit due to the number of events this year.

The following is a breakdown of the Line-Item funds will be transferred from:

July 1, 2017 Certified Free Cash (Surplus Revenue) \$600,000:

In accordance with the Financial Policy of the Board of Selectmen \$600,000 from Certified Free Cash is set aside each year for a potential snow and ice deficit. This funding represents the Free Cash set aside.

Unclassified-Town Health Insurance \$119,000:

There is a projected surplus since the estimated number of employees to enroll into certain plans was less than anticipated.

Town of Tewksbury Overall Financial Management Policies

Introduction

The following financial principles set forth the broad framework for overall fiscal planning and management of the Town of Tewksbury's resources. In addition, these principles address both current activities and long-term planning. The principles are intended to be advisory in nature and serve as a point of reference for all policy-makers, managers and advisors. It is fully understood that Town Meeting retains the full right to appropriate funds and incur debt at levels it deems appropriate, subject of course to statutory limits such as Proposition 2 ½. The principles outlined in this policy are designed to ensure the Town's sound financial condition now and in the future. Sound Financial Condition may be defined as:

- Cash Solvency - the ability to pay bills in a timely fashion
- Budgetary Solvency - the ability to annually balance the budget
- Long Term Solvency - the ability to pay future costs
- Service Level Solvency - the ability to provide needed and desired services

It is equally important that the Town maintain flexibility in its finances to ensure that the Town is in a position to react and respond to changes in the economy and new service challenges without measurable financial stress.

Definitions

Fund Balance – The difference between assets and liabilities reported in a governmental fund. Also known as fund equity.

Undesignated Fund Balance – Monies in the various government funds as of June 30 that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

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.

Free Cash (Also Budgetary Fund Balance) – Remaining, unrestricted funds from operations of Policy Statements 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.

Overlay Surplus – Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within ten days of a written request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer, if any. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue; in other words, it becomes a part of free cash.

Net Assets Unrestricted (formerly 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).

Recurring Revenue Source – A source of money used to support municipal expenditures, which by its nature can be relied upon, at some level, in future years.

Non-Recurring Revenue Source – A one-time source of money available to a city or town. By its nature, a non-recurring revenue source cannot be relied upon in future years. Therefore, such funds should not be used for operating or other expenses that continue from year-to-year.

Policy Statements:

1. The Town Manager shall annually prepare a balanced budget and comprehensive Budget Message as required by state law town charter and by-laws.
2. Budgets will be established, and funds managed, using “generally accepted” accounting principles.
3. Finances will be managed to maintain financial stability over the long term.
4. Maintain facilities and provide services at a level that will ensure the public well-being and the safety of residents.
5. The town will avoid budgetary procedures that balance current expenditures at the expense of meeting future year's expenses, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.
6. Ongoing operating costs will be funded by ongoing operating revenue sources. This protects the Town from fluctuating service levels and avoids concern when one-time revenues are reduced or removed. In addition:
 - a. Fund Balances such as Certified Free Cash, Stabilization Fund, Overlay Surplus and Water and Sewer Net Assets Unrestricted (formerly Retained Earnings) should be used only for one-time expenditures such as capital improvements, capital equipment and unexpected or extraordinary expenses. In all cases, use of Fund Balances should be avoided for routine and recurring operational expenses.
 - b. Annually, after Free Cash Certification:
 - At least \$600,000 will be set aside for potential snow and ice deficit;

- At least \$350,000 will be set aside to be transferred into the Other Post-Employment Benefits Trust Fund;
 - At least 25% of the remaining certified free cash will be used to fund the capital budget and one-time capital expenditures;
 - At least 25% of the remaining certified free cash will be placed in to the Stabilization Fund;
- c. New operating costs associated with capital projects should be funded through the operating budget but reflected in the capital improvement plan.

Fiscal conditions may affect the implementation of this policy. The allocations stated in this policy do not mean that additional funds cannot be allocated to the Stabilization Fund from Free Cash. It means that these are minimum amounts recommended for the certified Free Cash.

7. The Town will maintain a Stabilization Fund as its main financial reserve in the event of an emergency or extraordinary need and to be used to fund on-time expenses, capital projects or capital equipment. It shall be the goal of the town to achieve and maintain a balance in the Stabilization Fund of 3% to 5% of its operating budget.
8. Enterprise Funds pursuant to MGL Chapter 40, Section 39, shall be designed to generate sufficient revenues to support the full cost (direct and indirect) of operations and debt and provide debt service coverage, if applicable, and to ensure adequate and appropriate levels of working capital. Fees should be reviewed annually in relation to the cost of providing the service. Ongoing routine, preventive maintenance should be funded on a pay-as-you go basis. The term of debt for enterprise funds generally shall not exceed the useful life of the asset and in no case shall the term exceed thirty years. All enterprise funds shall maintain a reserve of Net Assets Unrestricted which is at a minimum from 3% to 5% of its operating budget.
9. Debt service payable, when taking into consideration debt, exempt from Proposition 2 ½ and financed directly with additional taxes, on an annual basis should be no more than 10% or less than 2% of the annual operating budget. The Town should strive to issue debt for shorter periods than the maximum allowable when the statutory limit exceeds 10 years. The requirements for debt financing shall be an expenditure of at least \$25,000 and a useful life in excess of five (5) years. The term of long-term debt generally shall not exceed the expected useful life of the capital asset being financed and, in no case, shall it exceed twenty years. Long-term debt should not be incurred without a clear identification of its financing sources. The General Fund Non-exempt Debt Service shall not exceed 10 percent of General Fund Revenues. Excess appropriated bond issues shall remain in the Capital Projects Fund at the end of a project completion until appropriated out by Town Meeting vote. Betterments may be assessed on all capital projects where applicable. The Town will attempt to maintain a long-term debt schedule so that at least 50 percent of outstanding principal will be paid within ten years.