

Special Town Meeting
Supplemental Information Handout
October 3, 2022

The following is a summary of proposed Special Town Meeting actions and balances in funds being proposed for utilization and how those actions relate to the Board of Selectmen's Overall Financial Management Policy. Not all articles are included in this handout since their Executive Summary provides sufficient explanation.

Board of Selectmen Overall Financial Management Policy after Free Cash Certification:

- At least \$600,000 will be set aside for potential snow and ice deficits (Funds are set aside and will remain in Free Cash).
- At least \$350,000 will be set aside to be transferred into the Other Post-Employment Benefits Trust Fund (Instead of transferring funds from Free Cash, funds were appropriated in the FY23 Budget. The General Fund Unclassified Budget has an appropriation in the amount of \$650,000 for OPEB. In addition, the Water Enterprise Fund appropriated \$163,947, Sewer Enterprise Fund appropriated \$38,785 and the Cable Enterprise Fund appropriated \$6,200 for a total Town funding of \$858,932).
- At least 25% of the remaining Certified Free Cash is recommended to fund the capital budget and one-time capital expenditures. (The remaining FY23 Free Cash is \$6,936,885 and 25% of that amount is \$1,734,221. The proposed Special Town Meeting expenditure for the capital budget and one-time capital expenditure is \$2,600,250 which meets and exceeds this goal).
- At least 25% of the remaining Certified Free Cash will be placed into the Stabilization Fund. (The remaining FY22 Free Cash is \$4,336,335 and 25% of that amount is \$1,084,159. In Article 6, \$4,336,335 is proposed to be transferred from Free Cash into the Stabilization Fund which will meet and exceed this goal).

Glossary of Terms

Town Meeting: A duly called meeting in which all Town of Tewksbury registered voters are eligible to participate to act upon fiscal issues, zoning changes, by-law amendments, and other matters affecting the Town. Each voter has one vote in the decision-making process.

The Annual Town Meeting is held each May to decide issues for the fiscal year starting July first. Special Town Meeting(s) may be called at other times, to address issues that cannot wait for the next Annual Town Meeting; a Special Town Meeting is called by the Board of Selectmen; or by a petition of 200 registered voters.

Warrant:

Public notice of business to be considered at the Town Meeting. It is publicly posted in each Precinct throughout the Town, on the Town's Website at <https://www.tewksbury-ma.gov/503/Town-Warrants> and describes all of the Articles which will be acted upon at the Town Meeting.

Article(s):

Individual subjects are described in the articles so that all voters are warned of potential action to be taken. The scope of each article sets the bounds of action that may be taken. Articles are submitted by the Town Departments or by voter petitions. Articles submitted by voter petitions require ten (10) or more registered voters' signatures for insertion in the Annual Town Meeting Warrant, and one hundred (100) or more registered voters' signatures for insertion in a Special Town Meeting Warrant.

General Information:

The Moderator presides at the Town Meeting and is responsible for the ruling on procedural matters, overseeing an orderly debate, announcing the result of all votes, and preserving decorum.

The proceedings are governed by Town Meeting Time, a handbook of parliamentary law prepared under the auspices of the Massachusetts Moderators Association. This guide may be simpler and easier to understand than the more widely known and consulted Robert's Rules of Order. Copies are available for reference at the Town Clerk's Office, Board of Selectmen's Office, and the Tewksbury Public Library.

Registered voters are entitled to attend, address, and vote at the Meeting. Visitors may attend the meeting and shall sit in the "reserved for visitors" section.

A voter desiring to speak should approach the microphone, await recognition by the Moderator, and identify him or herself when recognized by name and address.

Motions, Motions to Amend, and Votes Required: An Article in the Warrant states a question for the Town Meeting voters to answer. Separate issues are described in the Town Meeting Articles so that all voters are warned of potential action to be taken. The scope or intent of each Article set the bounds of action that may be taken.

Customarily the Finance Committee Chairman makes the first or Main Motion or if the Article relates to the Zoning By-Law the Planning Board Chairman will make the first or Main Motion. The sponsor or Petitioner of an article also may make the first or Main Motion. The Motion is then open for discussion by the assembly.

Motions to Amend the Main Motion, which is within the scope or intent of the Article, may be made on the Town Meeting floor.

Ordinarily, motions require a majority vote of the voters present and voting for an Article to pass. Certain motions require a 2/3, 4/5 or a 9/10 vote to pass because of the provisions of the Town By-Laws or Massachusetts General Laws. The Moderator will announce the voting requirement before each vote requiring more than a simple majority vote.

Motions For Indefinite Postponement of an Article: A motion to Indefinitely Postpone an Article is equivalent to a motion to take no action on the Article. If the Motion to Indefinitely Postpone the Article is Adopted; the Article is defeated.

Reconsideration of an Article: No vote on a prior Article shall be Reconsidered except to correct a procedural defect, scrivener's error, or an oversight. Reconsideration for the above exceptions requires a majority vote.

Move the Question: The voters have heard all the discussion that they wish to hear on the pending Article and prefer to vote at once. The Moderator shall allow those presently standing, at the time of the motion, the opportunity to be heard and then he or she will take the vote to Move the Question.

Rules to Govern Speakers: No voter shall speak twice on any one subject, if any other voter who has not spoken already and is standing to be recognized by the moderator. No voter shall speak for more than five minutes at one time, except by vote of permission of the assembly.

Raise and Appropriate: A phrase used to identify a funding source for expenditure or expenditures, which refers to money generated by the tax levy or other local receipt. For Special Town Meeting additional funds were available to raise and appropriate since State Aid was higher than projected and New Growth (which is tax revenue generated by development and new construction in the community) was also higher than projected.

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 Department of Revenue's Director of Accounts.

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)

Other Post-Employment Benefits (OPEB): Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends. The most common type of these post-employment benefits is a pension. Post-employment benefits other than pensions generally take the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. They may also include some type of life insurance. As a group, these are referred to as OPEB. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service and fund the liability.

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 of \$5,637,921,800, 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 from the Stabilization Fund.

SPECIAL TOWN MEETING ARTICLES THAT HAVE SCRIVENER’S ERRORS

(Deleted language shown with strikethrough and added in bold)

SPECIAL TOWN MEETING ARTICLES THAT WILL BE AMENDED

Article 5: To see if the Town will vote to transfer the sum of ~~money~~ **\$4,336,635** from certified General Fund Free Cash to the Town Stabilization Fund; or take any other action relative thereto.

SPECIAL TOWN MEETING ARTICLE INFORMATION:

Article 1 To Fix the Salaries of Elected Officials:

This Article changes the salaries for elected officials who are paid a salary from what was originally approved at Annual Town Meeting in May 2022. The changes include restoring the 10% reduction in salaries that occurred in Fiscal Year 2009 and then adjusting the salaries of the Planning Board and Board of Health to equal that of the School Committee and increasing the Moderator salary by \$550. The cost for this adjustment is \$29,315 and is reflected in Article 3.

Article 2 Raise and Appropriate \$126,041.35 for Unpaid Bills:

This Article appropriates \$126,041.35 for unpaid invoices received after the Fiscal Year closed June 30, 2022.

Commonwealth of MA Department of Unemployment Assistance: \$119,548.69
During COVID-19, the Town had high Fiscal Year 2020 and Fiscal Year 2021 unemployment invoices due to fraudulent claims. Since there were a high number of fraudulent unemployment claims, we paid a minimal amount toward unemployment. After two years, the outstanding claims were finally reconciled. The Town recently received an updated invoice for the Town and School unemployment totaling \$119,548.69: Schools owe \$85,997.01 and Town owes \$33,551.68. When the Town and School first started disputing claims, the invoice was \$342,338.

Formax: \$450.00
Late invoice for repairs to folding machine in the Treasurer/Collector’s Office.

Badger Meter: \$282.13
Late invoice for Badger water meter software costs.

Ira Honda 128: \$524.63
Late invoice for repairs to a Police Department vehicle.

MHQ Inc.: \$5,235.90
Late invoice for installing equipment for Police Department cruisers.

Article 3 Raise and Appropriate \$2,134,335:

This Article will raise and appropriate funds into the FY23 budget to be used to address unfunded budget priorities as listed within the Article and explained further in this document. In addition to addressing Department priorities these appropriations will improve services to residents and address critical needs such as the DPW/School Facility, roadway improvements, and sidewalks.

Under this plan, funding of roads and sidewalks will be built into the DPW Engineering Budget, and for each year moving forward, there will be an annual budget appropriation available for these priorities without impacting reserve funds. This funding will be in addition to Chapter 90 funding currently the only source of funding for roadway improvements and as a supplement to sidewalk appropriations that traditionally have come from Free Cash or the Stabilization Fund.

Regarding the DPW/School Facility, funds within this Article will be added to the FY23 Non-Principal and Non-Interest line-items to pay for Debt Service on a \$26.5 million bond issue.

This additional funding results from two areas:

- 1) Net State Aid (State Aid minus State and County Assessments) is higher than projected for FY23. State Aid increased over projection in the amount of \$474,875. State and County Assessments are lower than projected in the amount of

\$266,910. The Town will need to appropriate an additional \$11,670 for the State Aid Offset for Public Library Aid. The net amount of State Aid available for appropriation is \$730,115.

2) New Growth which generated additional funds. There were two major adjustments that contributed to this New Growth:

First, a consultant was hired to audit certain businesses' personal property and the results from the audit generated an additional \$834,226 in FY22, amending new growth and increasing the tax levy.

Second, FY23 New Growth is projected to be approximately \$1,350,315 higher than expected. The original projection was \$850,000 but it has since been updated to \$2,200,315. The FY23 projected growth is broken down as follows: \$533,152 from residential, \$828,057 from commercial and \$839,106 from personal property. This resulted in an increase to the total property taxes levied of \$2,205,438.

When adding the additional increase to State Aid and new Growth together, the total available funds are \$2,935,553. This was reduced by \$675,176 since Local Receipts have been reduced after reviewing actual revenues collected at the close of FY22. The reductions that were made to Local Receipts include Motor Vehicle Excise Tax \$452,391, Interest Earnings of \$183,918, Penalties and Interest \$30,298, Payment In-Lieu of Taxes (PILOT) \$8,131, and Other Excise \$438. The net total available is \$2,260,377, of which \$126,041.35 was appropriated in Article 2 and \$2,134,335 in Article 3.

The plan will be not to spend any of the reoccurring appropriations or/costs proposed (such as new hires) until the Town has a better understanding of the economy, the FY24 budget process is underway, and we are confident this funding can be sustained in the future without impacting current services.

In addition to the state of the economy, we need to better understand the impact on the FY24 Budget and future budgets in areas such as the Middlesex Retirement Assessment, a new solid waste and recycling contract, and health insurance. Until the budgetary impacts of these costs are finalized and better understood, any reoccurring funds appropriated in this Article will not be spent. If we cannot move forward with some or all of these proposed changes in the FY23 Budget, the funds appropriated will close as Free Cash at the end of the Fiscal Year.

Moderator Salary: \$550
Increase to reflect proposed salary increase in Article 1.

Board of Selectmen Elected Salaries: \$3,100
Increase to reflect proposed salary increase in Article 1.

Board of Health Elected Salaries: \$13,520
Increase to reflect proposed salary increase in Article 1.

Planning Board Elected Salaries: \$10,595
Increase to reflect proposed salary increase in Article 1.

School Committee Elected Salaries: \$1,550
Increase to reflect proposed salary increase in Article 1.

Police Regular Salaries: \$292,000
Funds will be used to hire four (4) Police Officers, which will add one patrol officer to each shift. Although the Department has added staffing over the past several years those positions were specialty units such as School Resource Officer, Drug Unit and Traffic Unit. The Department has not added to the patrol shift in over 20 years. Currently each patrol shift, except midnights (midnights have less) is staffed with six patrol officers, with a minimum of four per shift. We allow two patrol officers to be out on an approved day off at one time. This causes an increased workload for the Department's officers and a strain on our overtime budget. By adding patrol officers, it will increase coverage on each shift providing greater public safety and service for the residents. Additional staffing will also lessen the burden officers currently experience when filling overtime shifts and workload.

For a statistical comparison with regards to call volume, in 2021 we had 16,594 calls more than we had in 2010. The biggest difference from years ago until now is how we handle calls and the level of service that is now provided. We write reports for almost every call. We use our co-response clinicians to help on all mental health and substance use calls, and our family services resources for domestic violence calls, juvenile matters, and elder matters. We pride ourselves on providing a tremendous level of service to our community with thoroughness, caring and follow-up through either investigations or services. In addition to being short staffed, this level of service puts an increased demand on our officers for report writing and follow-up, causing more overtime. With additional staffing, this would be reduced by being able to spread out our call volume more evenly and reduce the need for officers to stay past their shift on overtime.

Police Professional Services: \$53,000

Funds will be used to hire a firm to conduct a Police Department Assessment Center for a promotional exams for the rank of Lieutenants, Sergeants, and Deputy Chief. These positions will be vacant due to retirement. This process is sanctioned by Massachusetts Civil Service, and the cost is based on how many officers sign up for the exam.

Fire Regular Salaries: \$289,955

Funding will be used to hire four Firefighters/EMTs, adding one Firefighter to each shift, allowing the Fire Chief to operate a second full time ambulance (A-2) more often, without having to use overtime funds. Currently there are 13 members on each shift, and by increasing to 14 members on each shift it would allow the Department to have a second full time ambulance to be staffed without having to take Engine 3 out of service. The plan would be that when there is a full shift available (14 members), A-2 would be in service regardless of the day of the week or time. Monday through Friday 7:00am–7:00pm, the Department would fill as necessary to keep the staffing at 14. This flexibility will allow us to divide the town using A-1 out of the Center Station and A-2 out of the South Station as our primary ambulances, while still using A-3 out of the North Station as a third ambulance if needed. A major benefit of keeping Engine 3 in service is the growth in North Tewksbury. As the Town continues to grow, the call volume will continue to increase. The more frequently the Department keeps Engine 3 in service, the more efficiently they are able to operate. Over the past year, call volume has increased and this plan is the most sustainable way for the Department to have a second full time ambulance in service more often. As reference, in 2010 the Town had 2,723 ambulance responses and in 2021 there were 4,365. The breakdown of the appropriation is \$270,300 will fund the four new positions and the remaining \$19,655 will be used to fund a previous upgrade of a Lieutenant to Captain, education incentive for members of the Department, and an unforeseen upcoming retirement.

Fire Professional Services: \$12,300

Funds will be used to hire a firm to conduct a Fire Department Assessment Center for promotional exam for the rank of Lieutenant. These positions will be vacant due to retirement. This process is sanctioned by Massachusetts Civil Service and the cost is based on how many Firefighters sign up for the exam.

Fire Professional Services: \$9,290

With the opening of the New Center Fire Station, a preventative maintenance contract is needed for the HVAC system. This funding will pay for the annual contract.

Fire Uniforms: \$25,600

This funding is for turn out gear and equipment for the four new Firefighters. Turn out gear (protective coat and pants) \$16,580, uniforms - \$3,980, boots, gloves, helmet, hood - \$3,280.00, masks - \$1,400.00 and badges - \$360.

DPW Highway Regular Salaries: \$156,615

Three additional staff members will be hired to strengthen crew composition of each of the three major work functions of the Highway/Forestry Division, including: Drainage, Road Repair and Forestry. Doing so will provide greater flexibility in staff assignments and increase production in all major areas of work.

DPW Engineering: \$500,000

Funds will be used for resurfacing roadways as outlined in the Town's annual pavement management plan, which is currently being updated to reassess pavement conditions. Streets designated as a priority include, but are not limited to, those listed in the FY24 Resurfacing Plan.

DPW Engineering: \$250,000

A portion of the funds will be used as a contingency for construction of a new sidewalk on Fiske Street, for which the design has been completed and scheduled for bid the beginning of November. The balance of funds will be used for construction of a new sidewalk on Whipple Road, currently under design.

Accounting Munis Software: \$46,422

Funds would be utilized to implement and enhance the Town's Munis financial software system; provide training or other professional services related to current upgraded modules or future improvements. Funds will be utilized to implement Tyler Cash Management and Time Entry, and potentially enhance other current modules in the Munis financial software system, while also providing training and other professional services related to any identified upgrades.

Computer Services Professional Services: \$68,309

Funding will be used for a Managed Service Provider (MSP) contract for computer support services for the Town's IT Department. Delphi Technology Solutions will provide network and information technology support services as directed by the Town's Technology Manager. The MSP will assist with the continued growth of our IT environment while reducing overall costs. They will help maintain the IT infrastructure for the Town and assist with providing a reliable and secure network for all users. This partnership will provide the ability for System Administrators and Engineers to work with the Town's Technology Manager. Utilizing an MSP will also provide the Technology Manager with 24/7 engineering support outside normal business hours for emergencies and coverage whenever the Town's Technology staff is not available.

Treasurer Unclassified Principal Maturing Debt: \$80,000

This Funding will be added to the current Treasurer Unclassified Principal Maturing Debt line-item to pay for the principal on debt service for a \$26.5 million Bond issue, if approved in Article 5 and authorized in the future by the Board of Selectmen. There is \$1,245,000 in this line-item for the FY23, but additional funds are needed. There is a more detailed explanation in Article 5 regarding the DPW/School Facility project.

Treasurer Unclassified Interest Maturing Debt: \$321,529

This Funding will be added to the current Treasurer Unclassified Interest Maturing Debt line-item to pay for the interest on debt service for a \$26.5 million Bond issue if approved in Article 5 and authorized in the future by the Board of Selectmen. There is \$554,997 in this line-item for the FY23, but additional funds are needed. There is a more detailed explanation in Article 5 regarding the DPW/School Facility project.

Article 4 Transfer \$2,600,250 from Free Cash:

This article transfers fund from certified free cash for the following one-time expenditures list below. Free Cash was certified as of July 1, 2022, in the amount of \$7,536,885. The amount was generated from local receipts exceeding projections by \$2,925,442 and a breakdown is in a chart further in this document. In addition, the FY22 Town Budget turn back of unspent funds totaled \$2,573,544 which included \$1,010,318 Debt Service for the DPW/School Maintenance Facility, \$227,045 Health Insurance, \$12,856 Medicare, \$51,047 Property and Liability Insurance, \$24,466 Finance Committee Reserve Fund, and \$47,838 Town Counsel Budget. The remaining \$1,199,974 is from Department Salaries and Operating budgets of which the major drivers are \$153,662 from Veterans Benefits and Medical, \$412,139 from DPW Budgets, \$74,422 from Fire and \$105,853 from Police. The FY22 School Budget turn back of unspent funds totaled \$628,160 of which \$219,014 was from School Health Insurance, \$148,460 School Unemployment, \$55,555 School Medicare, \$61,478 Capital Outlay and \$143,652 was from Salaries and Operating. Tax revenue was \$1,100,093 higher since Real Estate and Personal Property collections were greater than anticipated due to fewer abatements issued. Also, prior year property tax receivables were collected in FY22, Supplemental Tax Bills totaled \$140,866 and Tax Title Redemptions totaled \$178,179. State Aid was \$414,866 higher than projected mainly because Charter School reimbursement was higher as well as reimbursement for Exemptions for Veterans and Blind. End of Year Adjustments Closing Out FY22 totaled \$982,453 and this is accounting adjustments/transfers made at the end of the Fiscal Year to the General Fund that are closed to the Fund Balance which makes up Free Cash. Finally, there were Massachusetts Department of Revenue adjustments for any deficit balances in other Funds. The total adjustment was (\$1,195,978) for deficits mainly from grants or reimbursements not received at the close of the FY22, but will be reimbursed in FY23.

Increase Cost of previously approved DPW Vehicles: \$75,000

The Town's order for two F-550 Utility Body Trucks has not been fulfilled due to delays in the supply-chain, vehicle production delays, overall reductions in manufacturing production, and cost increases on vehicle components. If the manufacturer's actual production numbers fall lower than anticipated, orders are canceled. Order fulfillment, for the Town, has been pushed back from last year requiring newer models to be purchased in the queue. Purchase of these vehicles are now based on newly released FY23 pricing.

Fuel Storage Upgrade: \$75,000

The Fuel System requires replacement of fuel dispensers, fuel management software, fuel access cards, conversion to enhanced vapor recovery (EVR) approved fittings for state mandated compliance, island concrete repairs and incidental work including, but not limited to wiring and conduit installation.

The Fuel System has had increased service failures in its electrical and mechanical systems causing outages. The time and duration are unpredictable and replacement parts for a system this old are getting harder to find. The Town needs to rely on constant access to fuel for its fleet, especially for emergency services, and DPW emergency response which run 24/7 all year round. This need increases dramatically as winter approaches and alternatives such as commercial gas stations close overnight.

6 Ton Asphalt Hot Box: \$70,000

The DPW requests the replacement of its (14) year old, 2009 Falcon Asphalt Hot Box. As the asphalt cools it hardens becoming unworkable. The hot box is used to maintain the temperature of asphalt prior to its application for road repairs. This is especially critical for winter operations. The unit's burner has failed, requiring its disassembly and reassembly at an expense not worth the investment given its age, replacement cycle, loss of oven efficiency and the cost of replacement parts associated with the repair. With the winter approaching it is important that a hot box is available to handle road repairs from snow and ice and water breaks of sufficient size.

Prisoner Transport Van for Police Department: \$94,847

Currently, we use a prisoner transport van when we have multiple prisoners, usually when we are transporting them to court. Each police cruiser can only transport one prisoner at a time. The transport van we are using is a 2007 model, which was converted from a surveillance van to a prisoner transport vehicle several years ago. The recommendation is to purchase a new transport van to ensure the safety of those we are responsible for, by having the most current monitoring and safety equipment.

UTV Vehicle for Police and Fire: \$40,000

We have been consistently patrolling Livingston Street Park and have used the all-terrain vehicles (ATV) that we purchased in 2016. However, the use of a utility terrain vehicle (UTV) would be much more beneficial to the Town. This vehicle can transport people if they are lost on a trail, be used in a medical emergency, transport equipment in areas where vehicles cannot access, allows officers to better interact with community members and respond to emergencies during special events.

Police Station Repairs/Upgrades: \$85,360

Police Station Repairs/Upgrades includes the building's chiller piping/pumps and plumbing fixture upgrades for one cell.

Animal Control Vehicle: \$85,043

Funds will allow for the purchase of a new vehicle for the Animal Control Officers. The current vehicle is a transit van which offers very limited kennel space and does not drive well in inclement weather. Due to the size of the van, limited space creates a safety issue. In addition, there is no separate ventilation system within the van when transporting animals and equipment that has been soiled. The design for the new vehicle would allow for safer transportation of large and/or aggressive dogs. It will have more storage capacity for equipment and animals. It will provide a more sanitary environment for Animal Control Officers and domestic pets, and allow for wildlife to be transported in a separate area.

Library Carpet for Second floor: \$75,000

Funds will be used for carpeting on the second floor of the Library and Community Room. The first-floor entry and offices were completed this past year and the next phase in the Capital Plan is the second floor.

Additional Funding for Bayberry Lane Culvert:

\$500,000

Funds will be used for the replacement of the culvert over the Heath Brook on Bayberry Lane. The Heath Brook culvert crossing on Bayberry Lane consists of four culverts. Two of the four culverts have collapsed and are inoperable. The other two culverts have been temporarily repaired until they can be replaced. The project cost is \$1.3 million dollars of which \$500,000 will come from a Small Bridge Grant the Town received from MassDOT, as well as a portion from the Stormwater Enterprise Fund. This Funding will reduce the amount needed from the Stormwater Enterprise Fund allowing funding to be used on other drainage projects such as the Pringle Street Culvert. This Funding will also reduce the amount needed from Chapter 90 funding allowing those funds to be used on other roadway repairs throughout Town.

DPW/School Maintenance Facility:

\$1,500,000

Funds will be used for the new DPW/School Facility and will reduce the amount needed to be borrowed for this project. Funds will be used for the completion of design, engineering, construction services and project management when the project is undertaken. There is a more detailed explanation in Article 5 regarding the DPW/School Facility project.

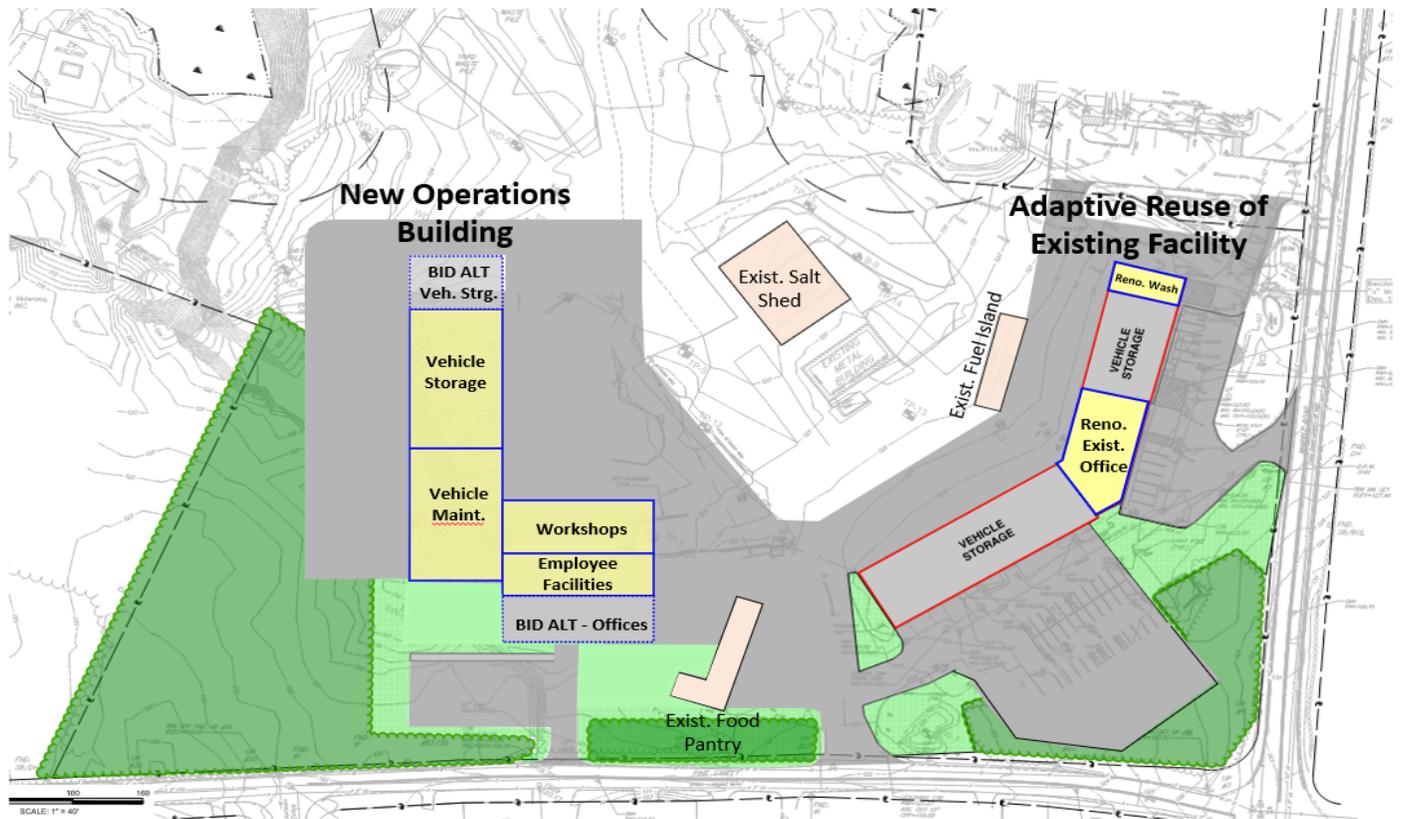
Article 5 Authorize the borrowing of \$26,500,000:

This Article authorizes the Board of Selectmen to borrow \$26.5 million to be used for the cost of design, engineering, project management, construction, and furnishing of a new combined DPW and School Maintenance Facility at the current site of the DPW Facility on Whipple Road. The original DPW facility was built in 1962 and was 8,400 SF. In 1980, additions were added increasing the total square footage to 25,900. These structures are still being utilized by DPW Highway, Water, Sewer, Fleet Maintenance, Engineering and Administration Divisions for operations, equipment and vehicle storage and offices. The current facility lacks sufficient space, is inefficient, unsafe and does not comply with the current Building Code. There is no sprinkler system, there is inadequate egress, it is not ADA accessible, there is no fire separation, restrooms do not meet current Plumbing Code, and the building does not meet current Mechanical Code. In addition, School Maintenance will be located at the new facility since the current School Maintenance structure/facility was demolished when the new Elementary School was built.

The plan is to build a new 32,550 square foot operations building to support DPW and School Maintenance employee facilities, workshops, vehicle maintenance, and vehicle storage on the current site of the DPW on Whipple Road. In addition, the existing 25,700 square foot building will be renovated for adaptive reuse for DPW and School Maintenance vehicle/equipment storage, town-wide vehicle wash bay, and DPW administration and engineering operations. The proposed facility will meet the current and future needs of the DPW and School Maintenance Department while providing more efficient and safe working conditions for the staff.

Originally there was a plan to relocate the Food Pantry to the existing DPW building but that has changed, and the Food Pantry will remain in its current location.

The new proposed facility will allow for proper storage of equipment, vehicles and materials, improved office space and employee work areas, locker rooms, meeting areas, state of the art fleet maintenance garage, and a vehicle wash bay. The total facility including both new and renovated building space will be 58,250+/- SF. The plan is to have two bid alternates for the project if pricing is favorable and within budget. The first alternative bid would be to add office space to the new building for Administration and Engineering and the second would add additional vehicle storage to the new building. Below is a conceptual plan.



The project costs are as follows: Sitework - \$4,380,000, current Building Renovation and Wash Bay - \$1,505,000, New Building- \$17,383,000 (includes landfill cap), and Soft Costs - \$4,732,000 (soft costs included items such as contingency, design and project management fees, testing fees and furnishings and technology) for a total cost of \$28 million. Depending upon the final costs we may need to adjust the contingency budget.

The plan to fund the construction would be to utilize existing General Fund and Water and Sewer Enterprise Fund accounts to pay for debt service and \$1.5 million transfer from Certified Free Cash as proposed in Article 4. If Article 2 passes, there will be \$2,202,526 in the General Fund Budget for Debt Service. There is \$146,877 in the FY23 Water Enterprise Budget and \$146,877 in the FY23 Sewer Enterprise Budget for their share of Debt Service. The entire project will be funded within the current Property Tax Levy and without needing a Debt Exclusion Override, which would increase taxes above the normal Proposition 2 ½ Levy Limit Requirements. Since this Article authorizes the borrowing of funds, a determination to move forward with this project will be made once we have a better understanding of the overall economic situation, construction prices and the bidding climate. If the economic forecast indicates the project cannot be afforded within the Town budget or will impact current Town services, it will not move forward. If the cost of the project exceeds the \$28 million estimate, it will not move forward.

Article 6 Transfer \$4,336,635 from Certified General Fund Free Cash to the Town Stabilization Fund:

Funds are being transferred into the Stabilization Fund to increase the fund balance to be used for future one-time capital expenditures or emergencies that the Town may encounter. Both the Town and Schools have future capital needs, and this fund will assist in addressing them. The current balance in the Stabilization Fund is \$9,690,721 and by adding \$4,336,635 from Free Cash the new balance will be \$14,027,356.

Article 7 Transfer \$25,000 from CPA Undesignated Reserve

At Annual Town Meeting in May, \$157,000 was transferred from the CPA Undesignated Reserve to fund upgrades and new equipment at the Skateboard Park located at the Saunder Recreation Complex on Livingston Street. Since that time, the costs of equipment and paving have increased. This Article will cover the increased cost. The project would enhance the current area and improve safety by adding new ramps and equipment, new pavement, and sealcoating of pavement.

Article 8 General ByLaw Change:

This article would strike the existing ban on retail marijuana sales in the Town’s General Bylaws and replace it with a Select Board licensing process. Marijuana has an extensive State licensing process through the Cannabis Control Commission (CCC). The local license requirements closely mirror the State requirements found in 935 CMR 500. These requirements include, but are not limited to, security plans, operational requirements, record keeping, and access to the site. With a local licensing process, the Select Board will have the ability to review and renew each license on an annual basis. The Town will have the ability to issue three retail marijuana establishment licenses, a number based on 20% of the total package store licenses rounded up to the nearest whole number.

Article 9 Zoning ByLaw Change:

This article would make four changes to the Zoning Bylaw to allow for retail marijuana sales. The first change would remove retail marijuana sales from the list of prohibited uses. The second change would allow for retail marijuana sales in the Interstate Overlay District. The current Interstate Overlay Districts includes the Route 38/ I-495 interchange, the Dascomb Road/East Street and I-93 interchange and the Woburn Street/ I-495 interchange. The third change would add provisions to Section 8.7 Marijuana Establishments. This change refers requirements for retail marijuana establishments to the General Bylaw Section 5.10 which is found in Article 8. The final change would allow for retail marijuana establishments in the General Business District (Lowell Line to 655 Main Street and the Andover Street/ River Road intersection), Industrial 2 District (Hillman/Rockland and East/Carter), and South Village Business District (1900 Main Street to Wilmington Line).

Article 10 Retail Marijuana Local Excise Tax:

This article would approve a local excise tax of 3% on retail marijuana sales in Town. This revenue would be in addition to any funds the Town would receive from the Community Host Agreement and licensing fees.

The following is a summary of Financial Article and Fund Balances:

FY2022 Certified Free Cash Balance:

Balance as of 7/1/2022	\$7,536,885
Article 4 Transfer-Out	(\$2,600,250)
Article 6 Transfer-Out	<u>(\$4,336,635)</u>
Revised Balance	\$600,000

General Fund Stabilization:

Balance as of 7/1/2022	\$9,690,721
Article 6, Transfer-In	<u>\$4,336,635</u>
Revised Balance	\$14,027,356

FY2022 Water Retained Earnings Balance:

Amount certified 7/1/2022	\$1,567,763
No Transfers at this Town Meeting	

Water Fund Stabilization:

Balance as of 9/1/2022	\$1,899,402
No Transfers at this Town Meeting	

FY2022 Sewer Retained Earnings Balance:

Amount certified 7/1/2022	\$6,164,107
No Transfers at this Town Meeting	

Sewer Fund Stabilization:

Balance as of 9/1/2022	\$3,870,766
No Transfers at this Town Meeting	

FY2022 Stormwater Retained Earnings Balance:	
Amount certified 7/1/2022	\$294,674
No Transfers at this Town Meeting	
FY2022 Cable Retained Earnings Balance:	
Amount certified 7/1/2022	\$2,425,977
No Transfers at this Town Meeting	
OPEB Trust Fund:	
Balance as of 9/1/2021	\$8,864,146
No Transfers at this Town Meeting	
CPA Undesignated Reserve:	
Balance as of 9/1/2022	\$1,982,610
Article 7, Transfer-Out	<u>(\$25,000)</u>
Revised Balance	\$1,957,610
CPA Open Space Reserve:	
Balance as of 9/1/2022	\$537,613
No Transfers at this Town Meeting	
CPA Housing Reserve:	
Balance as of 9/1/202	\$920,553
No Transfers at this Town Meeting	
CPA Historic Reserve:	
Balance as of 9/1/2022	\$328,900
No Transfers at this Town Meeting	

General Financial Information:

The following chart is a summary of expenditures and revenues for Fiscal Years 2021, 2022 and 2023. 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 surplus in Fiscal Year 2021 and Fiscal year 2022 became part of certified Free Cash and Water, Sewer Stormwater and Cable TV Retained Earnings. A portion of each was spent at previous Town Meetings. The \$80,569 projected surplus in Fiscal year 2023 is from Water, Sewer, Stormwater and Cable Enterprise Fund revenue.

Summary Expenditures and Revenues			
	Actual <u>Budget FY21</u>	Actual <u>Budget FY22</u>	Proejected <u>Budget FY23</u>
<i>Uses of Funding (Amounts to be Raised)</i>			
Appropriations	120,720,933	124,167,793	129,245,155
Water, Sewer, Stormwater and Cable TV Enterprise Fund Budgets	15,525,902	16,032,835	16,104,496
Special Articles and Transfers	3,737,338	8,537,188	12,743,610
Cherry Sheet Offsets	49,291	52,761	64,431
Other Local Expenditures	903,560	933,505	736,678
State and County Charges	<u>1,509,271</u>	<u>1,913,394</u>	<u>1,837,823</u>
Total Use of Funding	142,446,295	151,637,476	160,732,193
<i>Sources of Funding</i>			
Property Taxes	85,066,999	88,820,667	94,110,853
Debt Exclusions	12,314,556	11,992,130	11,480,110
State Estimated Revenues	17,026,951	17,864,508	17,924,517
Local Estimated Revenues	11,145,307	11,647,652	8,494,648
Other Available Funds	<u>19,705,097</u>	<u>24,723,453</u>	<u>28,802,634</u>
Total Sources of Funding	145,258,909	155,048,411	160,812,763
<i>Surplus/(Deficit)</i>	<i>2,812,614</i>	<i>3,410,934</i>	<i>80,569</i>

The following Chart is a summary of the General and Enterprise Budgets. The FY23 Budget includes all action being proposed at Special Town Meeting:

General Fund Budget Summary				
	FY2021 <u>Expended</u>	FY2022 <u>Expended</u>	FY2023 <u>Budget</u>	FY2023 Budget <u>Inc/Dec Over FY22</u>
Total Town Budget Net Allocations and w/o Exempt Debt	40,273,425	41,392,170	46,135,320	4,743,150
Total Exempt Town Debt	5,111,661	5,000,834	4,921,494	(79,340)
Total School Budget Net Allocations	62,300,515	65,605,347	64,082,111	(1,523,236)
Total Exempt School Debt	7,258,007	7,041,688	6,603,450	(438,238)
Shawsheen Tech	6,924,597	6,843,037	7,369,366	526,329
Essex North Shore Agricultural and Tech. School District	135,934	113,276	133,414	20,138
Water Enterprise Fund	7,299,658	9,209,142	7,553,375	(1,655,767)
Sewer Enterprise Fund	6,589,851	7,495,147	6,850,979	(644,168)
Stormwater Enterprise Fund	1,096,616	1,564,537	1,118,910	(445,627)
Cable TV Enterprise Fund	379,918	505,800	581,232	75,432
Total Budget Net Allocations/Offsets	137,370,182	144,770,978	145,349,651	578,673

The following Chart is a breakdown of funding that made up Certified Free Cash:

General Overview and Breakdown Free Cash FY22	
FY22 Budget Turn Back - Town	\$ 2,573,544
FY22 Budget Turn Back - School	\$ 628,160
FY22 State Assessments	\$ 108,305
Local Receipts Higher than Projected (see chart below for detail)	\$ 2,925,442
Real & Personal Property	\$ 1,100,093
State Aid	\$ 414,866
DOR Adjustments for FY22	\$ (1,195,978)
End of Year Adjustments Closing Out FY22	\$ 982,453
Total Certified Free Cash as of July 1, 2022	\$ 7,536,885

Breakdown FY22 Local Receipts Increase/(Decrease) over Projection

Motor Vehicle Excise Tax	\$ 427,234
Hotel/Motel Tax	\$ 532,121
Meals Tax	\$ 376,165
Other Excise Tax	\$ (360)
Penalties and Interest on Taxes and Excises	\$ 24,357
Payment In-Lieu of Taxes (PILOT)	\$ (8,131)
Charges for Services - Ambulance	\$ 503,969
Fees	\$ 68,361
Rentals	\$ 149,439
Other Departmental Revenue	\$ -
Licenses and Permits	\$ 322,806
Fines and Forfeits	\$ 3,395
Interest Earnings	\$ (241,291)
Misc. State and Other Revenue	\$ -
SPED Medicaid Reimbursement	\$ 279,750
Recurring Revenue	\$ -
Non-Recurring Revenue (Account Close outs)	\$ 487,628
Total	\$ 2,925,442

Note: "DOR adjustments" above the Massachusetts Department of Revenue makes adjustments for any deficit balances in other Funds. These deficits are mainly grants or reimbursements not received at the close of the Fiscal Year but will be reimbursed in FY23.

The following Chart provides a breakdown of funding that made up Cable TV Retained Earnings:

General Overview and Breakdown Cable Retained Earnings FY22	
Previous Year Retained Earnings Carried Over	2,244,348.00
FY22 Budget Turn Back	\$ 110,695
FY22 Revenue Above Projection	\$ 92,754
Cable Investment Income	\$ (17,990)
End of Year Adjustments Closing Out FY22	\$ (3,830)
Total Cable Retained Earnings Certified as of July 1, 2022	\$ 2,425,977

The following Chart provides a breakdown of funding that made up Sewer Retained Earnings:

General Overview and Breakdown Sewer Retained Earnings FY22	
Previous Year Retained Earnings Carried Over	\$ 4,964,211
FY22 Budget Turn Back	\$ 435,236
FY22 Revenue Above Projection From Rates	\$ 546,025
FY21 & Prior Revenue Above Projection From Rates	\$ 167,529
Sewer Liens Compared To Projection	\$ 45,683
Sewer Interest, Demands and Interest on Liens Compared to Projection	\$ (2,618)
Sewer Connections and Fees	\$ 69,602
Sewer Application Fees and Drain layer Renewals	\$ 19,460
Sewer Rate Relief State Aid	\$ 24,775
Sewer Investment Income	\$ (97,474)
End of Year Adjustments Closing Out FY22	\$ (8,323)
Total Sewer Retained Earnings Certified as of July 1, 2022	\$ 6,164,106

The following Chart provides a breakdown of funding that made up Water Retained Earnings:

General Overview and Breakdown Water Retained Earnings FY22	
Previous Years Balance Retained Earning Carried Forward	\$ 201,795
FY22 Budget Turn Back	\$ 1,038,484
FY22 Revenue Above Projection From Rates	\$ 180,462
FY21 & Prior Revenue Above Projection From Rates	\$ 179,611
Water Liens Compared To Projections	\$ (7,721)
Interest, Demands, Connections, New Meters and Misc.	\$ 52,723
Water Investment Income	\$ (41,275)
End of Year Adjustments Closing Out FY22	(36,316.37)
Total Water Retained Earnings Certified as of July 1, 2022	\$ 1,567,763

The following Chart provides a breakdown of funding that made up Stormwater Retained Earnings:

General Overview and Breakdown Stormwater Retained Earnings FY22	
Previous Years Balance Retained Earning Carried Forward	\$ 132,686
FY22 Budget Turn Back	\$ 136,672
FY22 Revenue Above Projection From Rates	\$ (62,420)
FY21 & Prior Revenue Above Projection From Rates	\$ 31,735
Interest/Liens	\$ 53,471
Misc. Fees	\$ 2,761
Stormwater Investment Income	\$ (231)
End of Year Adjustments Closing Out FY22	\$ -
Total Water Retained Earnings Certified as of July 1, 2022	\$ 294,674