

**Annual and Special Town Meeting
Supplemental Information Handout
May 1 and May 3, 2023**

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

ANNUAL TOWN MEETING ARTICLES THAT WILL BE AMENDED

(None)

SPECIAL TOWN MEETING ARTICLES THAT WILL BE AMENDED

(None)

ANNUAL TOWN MEETING ARTICLES THAT HAVE SCRIVENER'S ERRORS

Article 12

Executive Summary: This article allows the Town to utilize funds from Stormwater ~~Retained Earnings Fees~~ for Capital Equipment and Improvements.

SPECIAL TOWN MEETING ARTICLES THAT HAVE SCRIVENER'S ERRORS

(None)

BACKGROUND INFORMATION VARIOUS ARTICLES

Article 4

Article 4 seeks approval of the Fiscal Year 2024 General Fund budget. The General Fund is the account used for most financial resources and activities governed by the Town Meeting's appropriation process. Enterprise Fund Budgets, which are discussed at this Town Meeting, are different since they are a separate accounting and financial reporting mechanism for municipal services, for which a fee is charged in exchange for goods or services such as Water, Sewer, Stormwater and Cable TV. With an Enterprise Fund, all costs of service delivery--direct, indirect, and capital costs are identified. This allows the community to recover total service costs through user fees if it chooses.

Through this narrative, there will be reference made to Indirect Costs or also known as "allocations" within an Enterprise Fund. Those impact both the General Fund and Enterprise Funds, as they are costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. These costs are reflected in various areas of the operating budget and reduce the overall General Fund Budget appropriation, but they need to be raised with the relevant Enterprise Fund. Throughout this document reference will be made to "net of allocations" which means reducing the amount of a particular increase in the General Fund based upon the allocations. Enterprise allocations increased \$146,075 in FY24. Water Enterprise allocations increased \$127,616; Sewer Enterprise allocations increased \$16,907 and Cable Enterprise allocations increased \$1,552.

The overall Town and School budget for the General Fund prior to allocations is \$136,435,133 which is an increase of \$5,006,312. The total Town and School budget net of Water, Sewer and Cable TV allocations is \$134,105,395 which is an increase of \$4,860,237. The Town Meeting will be asked to approve the Budget net of allocations.

Prior to allocations, and excluding exempt debt, the Town budget increased \$2,202,291 and the net increase for the Town after allocations is \$2,056,216.

Town Department Salaries: This budget increased \$249,238 prior to allocations and utilizing an increase of \$26,690 in allocations, the net increase was \$221,548. The increase was due to an overall cost-of-living increase of 2.25%, step increases, and longevity increases. There were adjustments for new hires filling vacancies or retirees, and the budget does not include any new positions. There were reductions in other areas of departments' salaries that offset these costs as well as adjustments to water and sewer allocations.

The following are the major areas that increased within the non-salary operating budgets, and the figures will all be net of allocations.

Town Operating Budgets: These budgets increased \$482,408 prior to allocations and utilizing an increase of \$38,236 in allocations the net increase was \$444,172. The major adjustments to the Operating Expense Budgets were:

General Government Departments: General Government budget increased \$15,611 prior to allocations and utilizing an increase of \$4,304 in allocations the net increase was \$11,307.

Select Board Professional Services: This budget increased \$6,748 for the cost of the Town Audit, Town Manager Professional Services increased \$44,741 from consolidating the cost of Permitting Software, Town Counsel Operating was reduced \$25,000 based upon historic expenditures, Human Resources Professional Services increased \$6,350 for the cost of employee background checks, Elections Postage decreased \$10,000 and Election Professional Services decreased \$7,000 due to fewer elections in FY24, and Computer Services Leases and Contracts decreased \$17,000 due to elimination of a service contract for the microwave system.

Finance Department: Finance Department Budgets decreased \$7,733 prior to allocations and utilizing an increase of \$662 in allocations the net decrease was \$8,395.

There was a decrease of \$17,323 for Munis Software due to a one-time cost for a software module in FY23 that is not needed in FY24. There was a new software added to the Assessor's Department to create an automatic feed from the Northern Middlesex Registry of Deeds to the real estate CAMA software that will nightly upload deed information for staff approval. This will expedite deed processing, which will assist in tax bills having the most recent ownership. It will eliminate the manual entry process, reduce errors, and increase staff productivity. The cost is \$10,375.

Community Services: There was a decrease of \$103,850 mostly due to Veteran's Benefits and Veteran's Medical based upon historic expenditures for the past five years. There are no allocations.

Council on Aging: This operating budget increased \$1,299 for general repairs and maintenance of the Senior Center. There are no allocations.

Town Facilities: There is an increase of \$4,572 due to a 4% increase in the grass cutting contract within the Leases and Contracts line-item. There are no allocations.

Library: The Library operating budget increased \$27,090 in a variety of areas. Energy Utilities increased \$4,091, Repairs and Maintenance increased \$8,440 to maintain the building, Merrimack Valley Library Consortium Network Membership increased \$1,980, Communication to fund telephone system, internet and wireless internet increased \$4,858, Technology increased \$1,131, Books/Subscriptions increased \$8,290 and

Office Supplies decreased \$1,700. The Library Budget meets all of the State's spending requirements to maintain certification. There are no allocations.

Planning and Development Department: There was an overall decrease of \$8,553 in Department budgets for permitting software that is now consolidated within the in the Town Manager Budget. There are no allocations.

Public Safety Budgets: This operating budget increased \$41,657 and there are no allocations. Police operating overall increase was \$12,839. Repairs and Maintenance increased \$225 to maintain the irrigation system. Leases/Contracts increased \$8,493 for service contracts and for a new phone recording system. Professional Services decreased \$53,000 due to a one-time cost in the FY23 Budget for an assessment center for promotions, and the funds are not needed in FY24. Communications decreased \$570 for the cost of phone and cable service. Computers increased \$8,746 due to the cost of supplies and equipment. Office Supplies increased \$1,600 based upon need and supplies cost. All Other Supplies increased \$37,465 for the cost of community policing supplies and ammunition and range supplies for training. K-9 costs increased \$9,500 since the number of K-9s in the Department increased from 1 to 3. The second patrol K-9 was covered by a 3-year grant which is ending in FY24. This account is also for our comfort dog which is deployed in schools. Dues and Memberships decreased \$120 and Staff Development increased \$500 for cost of in-service training.

Fire Operating: This operating budget increased \$28,818: Energy Utilities increased \$36,312 to cover the cost of the first full year in the new Center Station. Repairs and Maintenance increased \$5,463 to cover the cost of maintenance and repairs for our fleet of apparatus. Professional Services decreased \$1,089 due to a reduction in funds that were appropriated for an assessment center for promotions. Communications increased \$1,400 for software updates and batteries for portable radios, Facilities Maintenance increased \$2,340 for maintenance agreements and a new contract for elevator inspection. Ambulance Supplies increased \$2,130 for the cost of supplies. Grant Match increased \$6,011 to cover the Town's 10% share of a grant for Firefighter safety from the Federal government. Ambulance Billing increased \$2,000 for the ambulance billing contract. Uniforms decreased \$25,749 due to providing uniforms and protective firefighter gear for four new firefighters in FY23 that is not needed in FY24.

Department of Public Works: DPW's overall Operating budget, excluding the solid waste budget, decreased \$68,132 prior to allocations, and utilizing an increase of \$33,270 in allocations the net decrease was \$101,402. Engineering line-item for sidewalks decreased \$250,000, and those funds will be placed annually in the Town's five-year Capital Budget. The DPW will seek funding at the October Special Town Meeting since there are sufficient funds for current projects. The Highway Operating budget increased \$27,810 due to the increase cost of supplies, and police details for roadway work. Forestry Operating increased \$15,260 in contract services for tree removal and trimming and roadside mowing, supplies, and police details. Fleet Maintenance Operating increased \$140,735 of which Equipment Maintenance was \$12,250 for maintaining DPW, Police and Facilities vehicles, Gas and Diesel \$119,000 due to increase cost in gas and diesel fuel, Staff Development \$9,485 is for mechanics recertification.

Solid Waste Collection and Disposal: This budget had an overall increase of \$580,447 and there are no allocations. The Town renewed its contract with Republic Services of July 1, 2023. The contract is for five years, and like other area Towns, solid waste collections and disposal services had a large increase due to the changes in the industry, staffing costs, insurance, vehicle and equipment cost and maintenance. The cost increase includes an increase in collections services of \$686,064 for the contract with Republic Waste Refuse Collection. The base contract with Republic for solid waste collection services has a budgeted increase of \$494,884 which includes refuse collection, bulk collections, recycling collection, yard waste collection and public buildings collection. This increase also consists of a base fuel cost that will be adjusted quarterly. Recycling processing has a budgeted increase of \$191,180 which can change based upon the

amount of recyclables and if the projected per ton cost of \$130 per ton changes. The cost of solid waste disposal decreased \$105,618 since Republic Services included the disposal of containers at public buildings within their base services contract. The Town's per ton cost for disposal of solid waste will increase at Covanta in Haverhill from \$93.60 per ton to \$97.34 per ton but the budget line-item overall decreased.

Town Unclassified Budgets: Unclassified Budgets increased \$1,439,509 prior to allocation and utilizing an increase of \$80,149 in allocations the net increase was \$1,359,360.

Health Insurance: This budget increased \$358,080 which includes a 5% increase to premiums and projected new enrollment. Middlesex Retirement increased \$1,002,801 prior to allocations and \$962,667 net allocation. The assessment increase is based upon the 2022 actuarial valuation conducted by Middlesex Retirement. Property/Liability Insurance increased \$51,969 prior to allocations and \$33,491 net of allocations. Medicare Tax, which is based upon total payroll increased \$26,659 prior to allocations and \$26,626 net of allocations. Non-Exempt Principal and Interest Debt Service had no change. There is a total of \$2,211,776 set aside to fund Debt Service for the new combined DPW and School Maintenance Facility. There is \$1,325,000 set aside in Non-Exempt Principal Debt Service and \$886,776 in Non-Exempt Interest Debt Service. The debt service is for a \$26.5 million bond authorization approved at the October 2022 Special Town Meeting. In addition to the \$26.5 million bond authorization, an additional \$1.5 million was transferred from Free Cash for a total amount of \$28 million for project design and construction. The current estimates still project the cost to be within the total budget for design and construction. Depending on completion of design and bid documents, the current project schedule and general timeframe is to advertise bids in May/June, Open Filed Sub-Bids June/July, open General Contractor bids June/July/August, and based upon actual bids coming within budget, award a bid and notice to proceed on or about June/July/August.

Within the Town Unclassified budgets is the assessment for the North Middlesex Regional Emergency Communications Center (NMRECC). The NMRECC Assessment is funded within the Town Unclassified budget, and it is level funded at \$490,809. This amount represents the Town's share of the Regional Center's assessment which is 53.07% of the budget minus any grants and other revenue. The total NMRECC budget for FY24 is \$2,471,086, which is an increase of \$126,410 over FY23. The Salary budget is \$1,630,394, an increase of \$88,467 over FY23; the Operating expense budget to operate and maintain the Communications Center facility, its computers, software, workstations, and communications equipment is \$383,781, an increase of \$20,717 from FY23; Capital Outlay has no funds budgeted and the Unclassified budget is \$456,911 an increase of \$17,227 over FY23.

Capital Outlay: These budgets increased overall \$31,137 and there are no allocations. Elections decreased \$8,200 since a new tabulator and poll pad was purchased in FY23 and funds were not needed in FY24. Police increased \$39,337 due to the price of the vehicles and the purchase/transfer necessary equipment such as lights, cages, gun vaults, sirens.

The School Department: The School's overall budget increased \$2,421,741 and there are no allocations to the School Budget:

School Salaries: This budget increased \$1,119,780. This includes a cost-of-living increase, longevity, step increases and other contractual obligations. The increase also includes hiring two new custodians for the new elementary school and moving an adjustment counselor from grant to salary budget.

School Operating Budget: This budget increased \$825,096. The major adjustments were for general building and office supplies, building maintenance and service contracts, technology, and utilities. Also included is a projected increase of \$317,247 in transportation and an overall increase of \$501,378 for out-of-district tuition.

School Capital Outlay: No change.

School Fixed Cost Budget: This budget increased \$476,865. The main areas that changed were Health Insurance increased \$481,465 which includes a 5% increase to premiums and projected new enrollment. Retirement Assessment increased \$141,637 an increase of 8.2% based upon the 2022 actuarial valuation conducted by Middlesex Retirement. Property/Liability Insurance decreased \$2,026 based upon FY23 premium. Medicare Tax on payroll decreased \$44,211 based on FY23 budgeted and Unemployment decreased \$100,000 based upon projected claims and historic expenditures.

Shawsheen Tech: The assessment will increase \$649,161 which was mainly driven by cost-of-living increase and contractual obligations for staff, building repairs and maintenance, health insurance, school transportation, and increase cost of supplies and materials for various trade programs.

Essex North Shore Agricultural and Tech: The School District assessment decreased \$46,006 based upon projected enrollment and per pupil cost.

Town and School Exempt Town Debt: This budget decreased \$220,875.

The following charts are a summary of all expenditures and revenues for Fiscal Years 2022, 2023 and 2024: 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 2022 and 2023 became part of Certified Free Cash and Water and Sewer Retained Earnings. A portion of each was spent at previous Town Meetings. The \$80,569 projected surplus in Fiscal year 2023 and the \$303,344 344 are from Water, Sewer, Stormwater and Cable TV Enterprise Fund revenue.

Summary Expenditures and Revenues				
	Actual	Projected	Projected	FY24 Inc/(Dec)
	<u>Budget FY22</u>	<u>Budget FY23</u>	<u>Budget FY24</u>	<u>Over FY23 Projected</u>
<i>Uses of Funding (Amounts to be Raised)</i>				
Appropriations	124,167,793	129,245,158	134,105,395	4,860,237
Water, Sewer, Stormwater and Cable TV Enterprise Fund Budgets	16,032,835	16,104,496	16,814,362	709,866
Special Articles and Transfers	8,537,188	12,743,610	5,537,197	(7,206,413)
Cherry Sheet Offsets	52,761	64,431	64,431	-
Other Local Expenditures	933,505	730,075	425,000	(305,075)
State and County Charges	<u>1,913,394</u>	<u>1,837,823</u>	<u>2,021,605</u>	<u>183,782</u>
Total Use of Funding	151,637,476	160,725,594	158,967,990	(1,757,604)
<i>Sources of Funding</i>				
Property Taxes	88,820,667	94,104,253	97,664,785	3,560,532
Debt Exclusions	11,992,130	11,480,110	11,263,424	(216,686)
State Estimated Revenues	17,864,508	17,924,517	17,924,517	-
Local Estimated Revenues	11,624,492	8,494,648	9,763,704	1,269,056
Other Available Funds	<u>24,723,453</u>	<u>28,802,634</u>	<u>22,654,903</u>	<u>(6,147,731)</u>
Total Sources of Funding	155,025,251	160,806,163	159,271,334	(1,534,829)
<i>Surplus/(Deficit)</i>	<i>3,387,774</i>	<i>80,569</i>	<i>303,344</i>	<i>222,775</i>

General Fund Budget Summary				
	FY2022	FY2023	FY2024	FY2024 Budget
	Expended	Budgeted	Budget	Inc/Dec Over FY23
Total Town Budget Net Allocations and w/o Exempt Debt	41,392,171	46,133,770	48,189,987	2,056,216
Total Exempt Town Debt	5,000,834	4,921,494	4,895,369	(26,125)
Total School Budget Net Allocations	62,174,279	64,083,664	66,505,405	2,421,741
Total Exempt School Debt	7,041,688	6,603,450	6,408,700	(194,750)
Shawsheen Tech	6,843,037	7,369,366	8,018,527	649,161
Essex North Shore Agricultural and Tech. School District	113,276	133,414	87,408	(46,006)
Water Enterprise Fund	7,301,556	7,472,158	8,182,480	710,322
Sewer Enterprise Fund	6,645,061	6,850,974	7,109,644	258,670
Stormwater Enterprise Fund	975,982	1,118,910	611,200	(507,710)
Cable TV Enterprise Fund	558,800	581,232	406,038	(175,194)
Total Budget Net Allocations/Offsets	138,046,683	145,268,432	150,414,757	5,146,325

Note: FY24 Budget in the above chart includes all actions being proposed at Annual and Special Town Meeting

Raise and Appropriate General Fund

Annual Town Meeting Article 4: FY24 General Fund **\$134,105,395**

Raise and Appropriate Sewer Enterprise Fund

Annual Town Meeting Article 5: FY24 Sewer Enterprise Budget **\$7,109,644**

Raise and Appropriate Water Enterprise Fund

Annual Town Meeting Article 6: FY24 Water Enterprise Budget **\$8,182,480**

Raise and Appropriate Stormwater Enterprise Fund

Annual Town Meeting Article 7: FY24 Stormwater Enterprise Budget \$611,200

Annual Town Meeting Article 11: FY24 Stormwater Enterprise Budget Capital \$505,000

Total Raise and Appropriate Stormwater Enterprise Fund **\$1,116,200**

Raise and Appropriate Cable TV Enterprise Fund

Annual Town Meeting Article 8: FY24 Cable TV Enterprise Budget **\$406,038**

Transfers General Fund Stabilization Fund

Balance April 2023: \$14,038,212

Annual Town Meeting Article 9: Town Capital Expenditures (\$1,937,871)

Revised Balance: **\$12,100,707**

Transfer Retained Earnings Sewer Enterprise Fund

Sewer Enterprise Fund Retained Earnings Balance April 2023 \$6,164,107

Annual Town Meeting Article 5: Transfer within sewer revenue to offset debt increase (\$880,000)

Annual Town Meeting Article 10: Capital Expenditures (\$495,000)

Revised Balance: **\$4,789,107**

Sewer Stabilization Fund

No Transfers, Balance April 2023 **\$3,871,129**

Transfer Retained Earnings Water Enterprise Fund	
Water Enterprise Fund Retained Earnings Balance April 2023	\$1,567,763
<u>Annual Town Meeting Article 11: Water Capital Expenditures</u>	(\$320,000)
<u>Special Town Meeting Article 4: Water Capital Expenditures</u>	<u>(\$1,225,000)</u>
Revised Balance:	\$22,763
Water Stabilization Fund	\$1,912,301
No Transfers, Balance April 2023	
Stormwater Retained Earnings	\$294,674
No Transfers, Balance April 2023	
Transfer Cable Retained Earnings	
Cable Retained Earnings Balance April 2023:	\$2,425,977
<u>Annual Town Meeting Article 11: Water Capital Expenditures</u>	<u>(\$200,000)</u>
Revised Balance:	\$2,225,977
OPEB Trust Fund	
Balance As of April 2023	\$8,780,679
Annual Town Meeting Article 4	\$650,000
Annual Town Meeting Article 5	\$6,935
Annual Town Meeting Article 6	\$52,013
Annual Town Meeting Article 8	<u>\$6,935</u>
Revised Balance:	\$9,496,562
Community Preservation Act Fund	
CPA Undesignated Projected Fund Balance April 2023:	\$1,957,610
<u>Annual Town Meeting Article 16: Obden Baseball Field Lights</u>	<u>(\$455,000)</u>
<u>Annual Town Meeting Article 17: Football Field Bleachers</u>	<u>(\$30,000)</u>
<u>Annual Town Meeting Article 18: Removal Hazardous Material Ella Flemings School</u>	<u>(\$80,000)</u>
Revised Balance:	\$1,392,610
Community Preservation Act Fund (No Transfers)	
CPA Open Reserve/Recreation April 2023:	\$537,613
<u>Annual Town Meeting Article 17: Football Field Bleachers</u>	<u>(\$92,741)</u>
Revised Balance:	\$444,872
CPA Historic Reserve Balance: April 2023	\$328,900
FY2023 Debt Service	<u>(\$328,900)</u>
Revised Balance:	-
CPA Housing Reserve Balance: April 2023:	\$920,553
<u>Annual Town Meeting Article 19: Buydown of Senior Affordable Housing Units</u>	
Revised Balance:	-
Transfer Free Cash Special Town Meeting	
FY22 Certified Free Cash Balance:	\$600,000
<u>Special Town Meeting Article 2: Snow and Ice</u>	<u>(\$600,000)</u>
Revised Balance:	-

FURTHER DETAILED INFORMATION-CERTAIN ANNUAL TOWN MEETING ARTICLES

Article 5 Raise and Appropriate \$7,109,644 to operate the Sewer Enterprise Fund:

This Article funds the Sewer Enterprise Fund through sewer rates, other sewer related revenue and use of retained earnings. The overall budget increased \$258,670. Salaries increased \$40,052. Salary increases include cost of living increase of 2.25% step increases, longevity changes and Terminal Leave increased \$27,300 due to an employee retiring in FY24. Operating increased \$20,733. Utilities increased \$23,380 to supply natural gas for twenty-two (22) generators and for electricity for the 48 pump stations. The increase is based upon historic and projected usage. Lowell Sewer increased \$338,830 since the allocable costs that Lowell uses to assess Tewksbury are estimated to be higher than FY23. OPEB Assessment decreased \$31,850 based upon recent actuarial valuation. There was no change to Capital Outlay. Indirect Expenses/Allocations increased \$16,907 due to a 5% increase in health insurance premiums, 10% increase in Property and Liability Insurance, Retirement Assessment decreased \$33,114 based upon recent system actuarial valuation and Medicare Tax is based upon total payroll. The average residential sewer bill will have an average increase of \$22.52 per year. \$880,000 in retained earnings is being used to offset Sewer Debt Service.

Article 6 Raise and Appropriate \$8,182,480 to operate the Water Enterprise Fund:

This Article funds the Water Enterprise Fund through water rates and other water related revenue. The Water Enterprise Fund includes funding for Water Distribution and the Water Treatment Plant. The overall budget increased \$710,322. Salary increases include cost-of-living increase of 2.25% step increases, longevity changes and terminal leave increased \$40,950 due to an employee retiring in FY24. Overall Operating Expense increased \$315,087.

Specifically, Water Distribution Operating increased \$14,082. Energy Utilities for water tanks and pump stations increased \$7,600. Repairs and Maintenance increased \$5,190 due to the cost of materials. Leases and Contracts decreased \$7,293 mainly due to annual leak detection of the entire Town reducing to half the Town annually. All Other Supplies and Expenses increased \$2,185 due to the general cost of supplies such as casting, valves, and brass fittings. Meter Replacement increased \$3,400 due to an increase in material costs. Staff Development/Training increased \$3,000 for licenses and training.

Water Treatment Plant operating costs increased \$301,005. Energy and Utilities increased \$90,000 based upon the cost of gas and electricity and increased pumping of water. Leases and Contracts increased \$36,000 for contract services of lab testing. All Other Supplies and Equipment decreased \$35,600 since we reduced in-house testing supplies and have contracted the services. Chemicals increased \$195,074 due to the increase cost of various chemicals used to treat drinking water. Residual Disposal cost increased \$12,820 based upon the cost to dispose of the treatment plant sludge and the need for a consultant to assist in proper disposal.

There was no change to Capital Outlay.

Debt Service increased \$93,790 for debt service associated with water distribution projects. Indirect Expenses/Allocations increased \$127,616 due to a 5% increase in health insurance premiums, 10% increase in Property and Liability Insurance, Retirement Assessment increased \$72,587 based upon recent system actuarial valuation and Medicare Tax is based upon total payroll. The average residential water bill will increase \$54.69 per year.

Article 7 Raise and Appropriate \$611,200 to operate the Stormwater Enterprise Fund:

This Article funds the Stormwater Enterprise Fund through Stormwater Fees. The Stormwater Budget will continue to address Stormwater Permit compliance and maintenance and repairs. There are no salary costs within the Stormwater Enterprise and expenses decreased \$7,710. Repairs and Maintenance increased \$8,000 based on past expenditures and an increase in work being performed, Leases and Contract Services decreased \$7,510 based on updated pricing for drain and manhole cleaning, Professional Services decreased \$22,800 based on NPDES Year Six permit requirements, Postage decreased \$500, Other Supplies and Expenses increased \$16,100 based on NPDES Year Six permit requirements, and Staff Development decreased \$1,000. There is a decrease in the Capital Outlay of \$500,000 which was for Capital Improvements. Those funds will be requested in a separate warrant article. The Stormwater Fee will remain at \$75 per residential equivalent unit.

Article 8 Raise and Appropriate \$406,038 to operate the Cable TV Enterprise Fund:

This Article funds the Cable Enterprise Fund through Comcast and Verizon Franchise Fees, Capital fees and subscriber fees. In FY22 the Comcast Franchise Fee which is 3.5% of gross revenue, was \$298,435 and the Verizon Franchise Fee which is 3.5% of gross revenue, was \$313,869. In addition, Comcast provides 0.25% for capital costs, which is approximately \$5,000 per quarter, and Verizon provides \$50,000 per year for the first three years of the five-year agreement for capital costs. Finally, both Comcast and Verizon annually pay the Town 50 cents per subscriber. Comcast pays approximately \$2,400 per year and Verizon \$1,800 per year.

The Cable TV Enterprise Fund includes the Telemedia Department Operating and Capital Budgets. Salaries increased \$13,919 for cost-of-living, step increases and increased funding for part-time salaries. Operating funds will be used to address equipment maintenance and operations for programs and broadcasting needs. Operating expenses increased \$8,100. Repairs and Maintenance decreased \$2,600 specifically fuel consumption for the van is less use. Professional Services increased \$18,000 for Special Counsel to negotiate the renewal of the Comcast License and there was a cost increase moving Property and Liability Insurance into this line-item. All Other Supplies and Expenses decreased \$4,000 due to less demand for promotional materials and healthy inventory. Other Equipment decreased \$5,000 due to efficient past equipment investments and satisfactory inventory. Travel and Staff Development increased \$2,800 for the increased cost of training and travel to conferences. Capital Outlay decreased \$199,500 since the project being requested for FY24 is less than the projects for FY23. In FY24 Capital Outlay \$30,000 is being requested to install a Media Asset Management (MAM) system which would allow the Telemedia department to edit and store media remotely without relying on external hard drives. There is a separate Article transferring fund from Cable Retained Earnings for another capital expense within the Cable TV Enterprise Fund to upgrade the Tewksbury Memorial High School Studio in the amount of \$200,000. Indirect Expenses/Allocations increased \$1,552 due to a 5% increase in health insurance premiums, an increase in the Retirement Assessment and Medicare Tax which is based upon total payroll.

Article 9 Transfer \$1,937,505 Stabilization Fund:

This article transfers funds from the Town's Stabilization Fund for various Capital one-time expenditures. A Stabilization Fund is 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. The specification and any alteration of purpose, and any appropriation of funds from any such fund, shall be approved by a two-thirds vote of Town Meeting, A majority vote of Town Meeting is needed to appropriate money into the stabilization fund. The Town's Stabilization Fund balances are listed previously in this handout.

Rubber Wheeled Excavator w/ Brush Cutter - \$180,000:

This request is to purchase a rubber-wheeled excavator with a brush cutter to perform various tasks in the Highway, Forestry, Water, and Sewer Divisions. This equipment will be used to excavate for drainage improvements, water main repairs, and with the brush cutter attachment, used to cut back roadside vegetation to improve safety along town roadways. The equipment will be used in place of the existing backhoes which, while they perform sufficiently, lack the capabilities to move efficiently around job sites. The new excavator will also be helpful in managing the compost operation at the DPW yard by making it easier to turn over the compost piles, which is done monthly throughout the year. The total cost of the machine is \$430,000 and is being shared with the Water and Sewer Enterprise Funds.

Two Variable Message Boards - \$22,000:

The DPW requests that two (2) of the Town's electronic message boards be replaced. Being nearly 20-years old, the current message boards have reached the end of their lifecycle. They do not function properly, and parts are not readily available to fix them. Additionally, the operating software is outdated. The total cost of the message boards is \$44,000 and is being shared with the Water and Sewer Enterprise Funds.

Asphalt Curb Machine - \$8,000:

The DPW requests the purchase of a new asphalt curb machine. The DPW has an old concrete curb machine, which does not work well for installing asphalt curbing. The DPW utilizes asphalt curbing to control roadway runoff and provide a vertical separation between sidewalks and the roadway. Curbing repairs are often needed after water main repairs. The new curb machine will produce a stronger, and longer-lasting product than the current machine. The total cost of the new curb machine is \$16,000 and is being shared with the Water and Sewer Enterprise Funds.

Brush Bandit Chipper - \$100,000:

The DPW is seeking to replace the existing woodchipper, which has been in service since 1996. This equipment is crucial to the Forestry Division operations for tree removal, especially during storm response. The cost of the woodchipper is \$100,000.

Replace Engineering Division Vehicle - \$45,000:

The DPW requests the replacement of the Engineering Division 2006 Ford Expedition. This vehicle was passed down from the Police Department. The vehicle is planned to be replaced with a new Ford Explorer. The cost of this new vehicle is \$45,000.

Replace F-350 with Plow Package - \$120,000:

The DPW requests the replacement of a 2006 Ford F-350 pick-up/utility truck. The DPW utilizes these vehicles daily to perform various tasks including snow removal. The cost of this new vehicle is \$120,000. The DPW works to systematically replace crucial equipment to avoid costly repairs associated with older vehicles.

Fleet Vehicle Maintenance/Repair Equipment Replacement - \$24,640:

The DPW is seeking to purchase vehicle diagnostic software. This software is important for troubleshooting problems in the newer fleet vehicles. We currently need to have vehicle error codes read by the dealer, which brings with it a high cost per occurrence. Having the capability to read the codes internally will make our repair process more efficient and economical. The cost of this software upgrade is \$24,640.

New Ambulance and Equipment - \$410,000

The Fire Department is requesting Funds to replace one of the Department's high mileage ambulances that is reaching the end of its service life. The new ambulance will have a heavy-duty chassis which will have a longer service life.

New Fire Engine and Equipment - \$897,000

This funding would be used to replace one of the Fire Department's 2008 Pierce Velocity engines which will be close to 20 years old and has had increasing maintenance & repair costs. Lead time for this engine will be 24-30 months.

Police Department Upgrades - \$130,865

The Tewksbury Police Station was built in 1996, making it 25 years old and even though the Town has done a good job maintaining the building, it needs upgrades. This funding will undertake the following projects:

Prisoner Cell Cameras – \$25,309: New cell cameras are needed to replace the old, out of date analog cameras. The current cameras do not allow for someone to speak with the person on the camera (for example, calling for help) and speaking back with the prisoner. This is an accreditation standard and would significantly reduce liability. Also, as part of the upgrade the Department will install a push button safety feature.

Replace Elevator - \$99,897: Replace the elevator that is 26 years old. Parts to repair the elevator are not available any longer.

Roll Call Room Flooring – \$5,659: The Police Department has updated the Roll Call Room except for the flooring. The floor is the building's original, from 1996 and this funding would allow for replacement.

Article 10 transfer \$495,000 from Sewer Retained Earnings:

Retained Earnings are the cumulative surplus of funds in an Enterprise Fund, as certified by the Massachusetts Department of Revenue. This article transfers Sewer Retained Earnings to fund various Capital one-time expenditures. Enterprise Fund Retained Earnings balances are listed previously in this handout.

Rubber Wheeled Excavator w/ Brush Cutter - \$125,000:

This Article funds the Sewer Enterprise's share of the cost of the vehicle. Refer to the explanation under Article 9. The total cost of the machine is \$430,000 and is being shared with the Water and Sewer Enterprise Funds.

Two Variable Message Boards - \$11,000:

This Article funds the Sewer Enterprise's share of the cost of the equipment. Refer to the explanation under Article 9. The total cost of the message boards is \$44,000 and is being shared with the Water and Sewer Enterprise Funds.

Asphalt Curb Machine - \$4,000:

This Article funds the Sewer Enterprise's share of the cost of the equipment. Refer to the explanation under Article 9. The total cost of the new curb machine is \$16,000 and is being shared with the Water and Sewer Enterprise Funds.

F-550 Flat Bed Patch Truck – \$55,000

The DPW requests the purchase of a Ford F-550 flatbed truck. This vehicle will replace the existing 2000 Ford F-550, which is used to haul asphalt cold-patch to make temporary repairs to potholes and water main break trenches. The current vehicle has outlived its lifecycle and is recommended for replacement before it requires costly repairs. The total cost of the new truck is \$110,000 and is being shared between the Water and Sewer Enterprise Funds.

Inflow and Infiltration Control - \$50,000:

This project is an on-going annual request for the rehabilitation of sewer manholes, pipe segments, and service connections that have been found to be sources of Inflow and Infiltration (I/I). Investigative tasks and projects are required by the DEP, which has recently mandated the submittal of a five-year I/I reduction plan and annual reporting for all cities and towns permitted for discharge from a treatment facility. The Town submitted a 5-year plan (2018) which has been reviewed and approved by DEP. Initial investigations were conducted as early as 2012 and repairs made as late as 2017. Continued investigations of (14) primary sub-basins are required to specifically identify locations of structural failures, and target repairs.

Pump Station Improvements - \$250,000:

The DPW has performed an assessment of over 30 of the Town's 48 sewer pump stations. This assessment identified recommended improvements at each of the sewer pump stations evaluated. This funding, in the amount of \$250,000, is part of the five-year capital plan to address the concerns identified in the assessment.

Article 11 transfer \$320,000 from Water Retained Earnings:

Retained Earnings are cumulative surplus funds in an Enterprise Fund, as certified by the Massachusetts Department of Revenue. This article transfers Water Retained Earnings to fund various Capital one-time expenditures. Enterprise Fund Retained Earnings balances are listed previously in this handout.

Rubber Wheeled Excavator w/ Brush Cutter - \$125,000:

This Article funds the Water Enterprise's share of the cost of the vehicle. Refer to the explanation under Article 9. The total cost of the machine is \$430,000 and is being shared with the Water and Sewer Enterprise Funds.

Two Variable Message Boards - \$11,000:

This Article funds the Water Enterprise's share of the cost of the equipment. Refer to the explanation under Article 9. The total cost of the message boards is \$44,000 and is being shared with the Water and Sewer Enterprise Funds.

Asphalt Curb Machine - \$4,000:

This Article funds the Water Enterprise's share of the cost of the equipment. Refer to the explanation under Article 9. The total cost of the new curb machine is \$16,000 and is being shared with the Water and Sewer Enterprise Funds.

F-550 Flat Bed Patch Truck – \$55,000

This Article funds the Water Enterprise's share of the cost of the equipment. Refer to the explanation under Article 10. The total cost of the new truck is \$110,000 and is being shared between the Water and Sewer Enterprise Funds.

Hydrant Replacement/Install - \$125,000:

The DPW requests \$125,000 in funding to replace/install a total of 25 fire hydrants as part of the ongoing hydrant replacement program. This annual program is intended to replace aging, malfunctioning, and/or out-of-service 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. In 2006, it had been estimated that 600 of the approximate 1,600 hydrants needed replacement. Funding has been approved at various Town Meetings at differing amounts beginning in FY2006. This year's request and continuing appropriations include water main extensions and installation of hydrants at the end of dead-end water mains to facilitate the full flushing/cleaning of the water main, to improve water quality at these locations.

Article 12 Raise and Appropriate \$505,000 Stormwater Fees

This Article funds the Stormwater Enterprise Fund Capital expenditures through Stormwater Fees. This Capital program is an annual request to improve the Town's drainage system by repairing failed drainage structures and culverts, and the installation of new drainage facilities where existing drainage problems endanger public safety and/or private property. The capital construction projects identified for this program in FY24 include \$450,000 for the replacement of the culvert on Pringle Street, improvements to the drainage system in the Woburn Street neighborhood, and \$55,000 for the design of improvements in the Van Buren Road neighborhood.

Article 13 Transfer from Cable TV Retained Earnings \$200,000

Retained Earnings are cumulative surplus funds in an Enterprise Fund, as certified by the Massachusetts Department of Revenue. This article transfers Cable Retained Earnings to fund various Capital one-time expenditures. Enterprise Fund Retained Earnings balances are listed previously in this handout.

Funds will be used to upgrade and replace Tewksbury Memorial High School studio cameras, switchers, lighting, and audio equipment. Much of the equipment in the High School Production Studio is obsolete, broken, or past its useful life. The Telemedia Department has already had to invest funds to repair the switcher and lighting grid. Students primarily use this equipment however, the Telemedia Department has access to the studio as well. Completion of this project will allow students to learn on state-of-the-art video equipment and will improve for the Telemedia Department's broadcasting of programs.

Article 14 authorize the borrowing of \$2,100,000

This request seeks to fund the upgrade to the Town's water distribution system per the Five-Year Capital Plan. The locations for water upgrades include Victor Drive and the Beech Street neighborhood. In addition, the engineering and design for pipe replacement of the third phase of water main replacement in South Tewksbury water main is to be completed in FY25.

Article 15 Bond Premium

Bond Premium 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, \$40,644, to reduce the existing Town Exempt Debt Principal.

Article 16 transfer \$455,000 from CPA Undesignated Reserve

Funding will be used to install new lights, poles and associated electrical work at Obdens Field at the Saunders Recreation Complex. The plan is to install new updated and safe lighting poles with new high efficiency LED ballasts.

Article 17 transfer \$30,000 from CPA Undesignated Reserve

Funding is for the purchase and installation of new home side of the field bleachers at the football field at the Saunders Recreation Complex and removal of old bleachers and demolition of concrete pad.

Article 18 transfer \$80,000 from CPA Undesignated Reserve

Funding will be used to first identify, design and test locations of hazardous materials at the Ella Flemings School. Once identified the funds will also be used to remove and remediate hazardous material.

Article 19 transfer \$92,741,000 from CPA Undesignated Reserve

In the summer of 2022, a public health emergency was declared for Long Pond due to a cyanobacteria algae bloom. The confirmed presence of cyanobacteria cells exceeded the Massachusetts Department of Public Health guidelines for recreational water bodies in Massachusetts. Further required testing confirmed three primary issues with the water quality of Long Pond which are high phosphorous

concentrations, algae concentrations, and blooms, as well as a strong presence of invasive aquatic species (water chestnuts). This funding will allow for a five (5) year treatment program to prevent these water quality issues from compounding one another resulting in future closures.

Article 20 Affordable Housing Fund

According to Chapter 105 of the Acts of 2003, which created the Tewksbury Affordable Housing Trust Fund an allocation plan must be submitted to and approved at the Annual Town Meeting. This article outlines the FY2024 allocation plan and the expenditure requirements in accordance with the Special Act.

Article 21 Community Preservation Fund

In accordance with Massachusetts General Law, Chapter 44B this article outlines the Town's appropriation for annual spending, or reserve for future spending, from the Community Preservation Fund, fund balance. State Statute requires at least 10% of the projected revenue be for open space, 10% for historic preservation, and 10% for community housing. In addition, 5% of the funds are appropriated for administration costs. FY2024 Historic 10% Reserve will be achieved with the payment of the Town Hall Rehabilitation Bond. The total CPA estimated FY24 revenue is \$ \$1,226,148.

Article 22 Create Revolving Fund for Community Market

This article will establish a self-sufficient revolving fund to account for revenues and expenditures relating to the operations and maintenance of the Tewksbury Community Market. It will include Supplemental Nutrition Assistance Program (SNAP) disbursements, supplies, and entertainment programming. Funds shall be credited with all amounts received from philanthropic entities and individuals wishing to contribute to the market operations.

Article 23 Authorize the Select Board to grant and accept Easements

This article allows the Select Board to accept or grant easements in conjunction with all DPW projects during Fiscal Year 2024 which begins July 1, 2023, and ends June 30, 2024. This will allow the DPW to adjust if easements are needed during this timeframe and will prevent such projects from being delayed.

Article 24 Amend the Town's General Bylaws

This Article amends the General Bylaws to eliminate secret ballots as the required method of voting at Town Meeting for personnel bylaw articles. This requirement is not imposed on any other budget article or articles for collective bargaining agreements. There is no need to require it for personnel bylaw articles, and if a secret ballot is requested, Town Meeting can allow one to take place.

Article 25 Amend the Town's General Bylaws

This article will allow the Town Clerk to make non-substantive ministerial corrections to the Town's General and Zoning Bylaws after they are certified by the Attorney General to ensure accuracy and conformity of numbering and lettering. All such revisions will be identified in the published document with a footnote which describes the revision and reason, therefore.

Article 26 Home Rule Petition to allow for New Hiring Process through Civil Service

In 2023 the challenges of finding and hiring police candidates has been well documented throughout the country. To address this problem, the Town is seeking a Home Rule Petition to expand recruitment and hiring efforts. The proposed legislation would allow the Town to come out of the current Civil Service just for the hiring process for Police Officers. If the Police Department is allowed to come out of the Civil Service process for hiring, we will not be hamstrung by all the restrictions established by the Civil Service process. We will be able to cast a wider net and get a broader candidate pool. We will be able to have our

own entry level police exam and take applications from those who want to serve the Tewksbury community. We will still give preference to residents and those who are veterans of the U.S. Military. We will also conduct our own physical fitness test prior to consideration of candidates. Once an officer is hired, they will then become Civil Service employees and retain all rights with no impact on current employees.

Article 27 Grant of Easement and Transfer, Convey and Release of land.

This Article authorizes the Select Board to relinquish its rights to Foster Lane, which is a paper street, in exchange for an easement across Poland Ave. to access Robbie Terris Way a publicly accepted road.

Article 35 Zoning Bylaw Amendment

This article proposes changes to the Zoning Bylaw to address housekeeping items with three clarification items. The Planning Board recommended approval of this Article.

1) Dimensional Regulations for the Industrial Districts

In previous versions of the Zoning Bylaw including the version dated October 2021, Section 4230 allowed for the construction of more than one principal structure on a lot with a Site Plan Special Permit in any non-residential district. During the recodification accepted at the May 2022 Annual Town Meeting, this provision was only incorporated into the Business Districts under Section 5.3.3. It was inadvertently left off Section 5.3.4 which governs Industrial Districts, and includes the Industrial 1 (I1), Industrial 2 (I2), and Office Research (OR). Because the previous Zoning Bylaw made this provision applicable to all non-residential districts through one section, and it was carried over to the Business Districts, it was the intention for this provision to remain applicable to all non-residential districts as the side by-side comparison between the existing bylaw and the new proposed did not make any adjustments to applicability. It was an error of omission for this provision to be excluded from the Industrial Districts in the latest adoption of the Zoning Bylaw.

This amendment corrects that discrepancy.

2) Clarification to Definition of “Major Project, Town Center”

The current definition does not clarify what “development” means in this case. Further, the term development is not defined in the Zoning Bylaw elsewhere. It is reasoned that “major project” cannot refer to buildings and structures alone, based on the following:

Minimum Lot Area for Major Project in the Town Center: 40,000 SF
Maximum Building Coverage for Major Project in the Town Center: 30%

If a project considered under this provision met the minimum lot area and were to utilize the maximum allowed building coverage, that would be approximately 12,000 SF which is less than half of what would be considered a “major project.” Therefore, developed areas under the definition of a “Major Project, Town Center” should be inclusive of both structures and paved areas. That way, a project of 25,000 SF of development complies with other dimensional requirements for the district while not requiring double the minimum required lot area.

This amendment clarifies the definition in a way that is in alignment with the rest of the bylaw.

3) *Adjustments to Size Requirements for Wall-Mounted Signs*

To improve upon the provisions of the Zoning Bylaw related to signage, all sign requirements were rewritten to be under one section. Previously, they were spread across multiple sections and were not uniform. During the rewrite of the signage provisions, the intention was to stagger the allowed size for signage based on how far from the street the buildings or businesses were located. However, the section as it is written today limits the overall square footage of the signs based on the linear measurements of the façade. This makes it difficult for businesses to adequately account for the length of the façade while also having signs tall enough to account for the width. This results in a lot of Sign Special Permits where the intent and spirit of the Zoning Bylaw is well within range.

This amendment retains the original intention of adjusting sign size for distance from the street, but better accounts for length of façade.

Article 36 Zoning Bylaw Amendment

This Article would allow for the conversion of certain commercial units to affordable housing. The commercial overlay districts were implemented to kick start development along Route 38 following The Great Recession in 2008. The intention was to encourage mixed uses of both commercial and residential developments to better integrate retail and dwelling uses. By the time these projects were permitted and constructed between 2015 and 2020 (some of which still have ongoing construction), the economic trends, especially as they related to commercial office space, changed significantly with the pandemic. Many of the constructed office/retail spaces (which cannot accommodate food establishments) have been left vacant, some for years. This provision would be applicable to a finite number of projects, only those which were permitted with both residential and commercial units as a result of these former overlay districts. It would be applicable to approximately eight developments with 10 commercial units, most of which are 2,000 SF or less. From there, applicants would have to apply for a Special Permit for this conversion, giving the Planning Board ultimate discretion for where these conversions occur, taking into account the unique characteristics of the site.

This change would be a small way to address the severe housing crisis in the region, particularly for Tewksbury whose affordable rental waiting list has over 500+ families. Without the construction of more affordable units, many of these people are expected to wait over 30 years to be placed in Tewksbury. These units would be rented at 80% Area Median Income (AMI) which at the present time is a minimum required annual income of at least \$80,000. This amendment would promote occupation of empty units along Route 38; residential uses are less obtrusive than commercial related to parking and traffic. Additionally, it would be in the intent and spirit of the current Zoning Bylaw, which allows for multifamily developments without the requirement of a commercial unit. This article is in alignment with the goals and objectives established by the Select Board at its August 3, 2022, meeting. The Planning Board recommended approval of this Article.

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:

Select Board Legal Services- \$12,000:

Funds are needed to for Labor Counsel invoices for the remainder of the Fiscal Year.

Human Resources Professional Services - \$20,000:

Funds are needed since there were more background checks and pre-employment physicals than projected for new hires.

Town Manager Professional Services \$30,000:

Funds are needed due to the cost for the Animal Control Officer Services and consultant/design services for the Chandler Well Boardwalk project.

Town Hall Energy Utilities \$30,000:

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

Police Salaries - Overtime \$285,000:

Funds are needed to cover shifts for the remainder of the year due to retirements, military deployment, and injuries.

Police Salaries Operating - All Other \$6,000:

Funds are needed to cover additional costs for new firearms for the Police Department that were appropriated in the FY23 budget, and the actual cost exceeds the original estimated cost.

Fire Salaries - Sick Leave Buy Back \$6,200:

Due to retirements this year, funds are needed for contractually obligated costs.

Fire Salaries - Overtime \$75,000:

Funds are needed to cover shifts for the remainder of the year due to retirements and injuries and to assist in running a 2nd ambulance.

Fire Operating - Energy Utilities \$55,000:

Being the first full year of the new Center Station and utility costs were unknown, the projected budgeted was not sufficient and funds are needed for the remainder of the Fiscal Year.

Fire Operating - Apparatus Repair \$20,000:

Additional funding is needed for vehicle repairs of the fire engines for the remainder of the Fiscal Year.

Fire Operating - Alarm Maintenance \$6,000:

Additional funding is needed for alarm upgrades and repairs.

Fire Operating - Communications \$37,500:

Additional Funding will be used to purchase five (5) new portable radios and batteries.

UTV Vehicle Police and Fire \$4,120:

Funds will be used to purchase a slide in medical skid unit for the new UTV that police and fire will use to patrol and respond to emergencies at various events, at Livingston Street Park and on trails.

COA Energy Utilities \$5,000:

The cost and usage of utilities is projected to exceed the budget for the Senior Center.

COA Repairs and Maintenance \$12,000:

There have been unique repairs this year at the Senior Center for the HVAC and boiler and funds are needed for the remainder of the Fiscal Year for any other unforeseen repairs or maintenance issues.

Facilities and Grounds Repairs and Maintenance \$30,000:

Repairs to buildings and grounds that may be needed prior to the end of the Fiscal Year.

Medicare Tax \$75,000:

Due to the amount of police details for construction during the Fiscal Year, the Medicare Tax account is projected to have a deficit June 30.

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

Police Regular Salary 200,000:

Funds are available due to the number of vacancies that took longer to fill during the year that were not filled.

Principal Maturing Debt \$508,000:

Funds were set aside for debt service costs for a new DPW/School Maintenance Facility, but since the project did not move forward, funds in FY23 are available for other use.

Article 2 Snow and Ice

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

DPW Snow & Ice-Salaries \$100,000 and DPW Snow & Ice-Operating Various Accounts \$500,000:

Funds are needed to cover the cost of snow and ice operations for Fiscal Year 2023 which is in deficit due to the number of events this year. Salaries cover the overtime of DPW personnel and Snow & Ice-Operating. Various Accounts funds private contractors who sand and plow for the Town, sand and salt treatment for roads, other supplies, and vehicle repairs.

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

July 1, 2022, Certified Free Cash (Surplus Revenue) \$600,000:

In accordance with the Financial Policy of the Select Board, \$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.

Article 3 Transfer \$1,225,000 from Water Retained Earnings

Water Treatment Plant Upgrades: Repair Filter Beds - \$600,000

The DPW requests funding to repair filter beds #3 and #4 at the Water Treatment Plant. Several of the filtration tiles have developed cracks, which prevent them from properly containing the sand filter media. As a result, the two filter beds have been taken off-line. The repair work has been designed and will be scheduled as soon as funding is available.

Astle Street Tank Maintenance and Upgrades - \$625,000

The DPW requests funding for the Astle Street Tank Maintenance and Upgrades, which includes recoating the interior and exterior of the tank as well as any associated repairs to the catwalk and tank surface. Funding for this project was secured at the Annual Town Meeting on May 2, 2022. This funding included \$1,800,000 from Water Enterprise Retained Earnings and \$1,800,000 in authorized borrowing. Due to the favorable pricing received, we plan to forego the borrowing and utilize Water Retained Earnings for the entire project.

Article 4 Establish a Special Purpose Opioid Stabilization Fund

The following three Articles are a three-step process required by the Department of Revenue the Town needs to follow to account for, and properly expend settlement funds received from the Nationwide Opioid class action lawsuit. The Town took part in the Nationwide Opioid class action lawsuit, which was settled, and the Town will now receive funds for an allotted period of time as part of the settlement. The lawsuit focused on the cost impact Opioids had on communities and provided funding for each community that participated in the lawsuit. The total funding that Tewksbury will receive over time will be approximately \$531,223, and to date through accelerated payments, the Town has received \$111,715.97. The remaining

projected annual payment schedule is: \$23,118.06, \$27,997.94, \$27,997.94, \$29,015.75, \$29,015.75, \$33,290.56, \$28,546.89, \$28,546.89, \$23,996.54, \$23,996.54, \$23,996.54, \$23,996.54, \$23,996.54, \$23,996.54, \$23,996.54 for a total remaining of \$419,502.10.

The Town is required to use funds for areas such as support, treatment promotion, support people in treatment and recovery, connections to care for individuals, harm reduction to prevent overdose deaths and other related opioid related harms, wrap around services, education programs and services to prevent opioid misuse, general support services and programs for individuals and families, support diversion and deflection programs and strategies. Funds will be provided to the Police, Fire, Health, and School Department to work jointly to address opioid addiction and prevention within the guidelines of the use of these funds.

Article 5 transfer the sum of \$111,715.97 to the Opioid Settlement Stabilization Fund

Since the first allotment of Opioid settlement funds were required by the Department of Revenue to be deposited within the General Fund and then appropriated for the specific purpose they were intended, this article transfers the sum of \$111,715.97, which is the amount of the first distribution from certified General Fund Free Cash to the Opioid Settlement Stabilization Fund.

Article 6 transfer \$111,715.97 from the Opioid Settlement Stabilization Fund

This article transfers the fund from the Opioid Settlement Stabilization Fund be used in accordance with the guidelines and requirements set forth within the explanation for Article 4 and in accordance with the Commonwealth's Attorney General and Department of Revenue guidelines and requirements. Any expenditure of funds must be reported by the Town to the Commonwealth to ensure compliance.

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 policymakers, 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 maintains 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. The specification and any alteration of purpose, and any appropriation of funds from any such fund, shall be approved by a two-thirds vote of Town Meeting, A majority vote of Town Meeting is needed to appropriate money into the stabilization fund.

Free Cash (Also Budgetary Fund Balance) – Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

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 \$650,000 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 into 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 the 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.