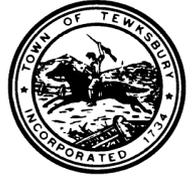


FY2020
BUDGET PRESENTATION
January 22, 2019



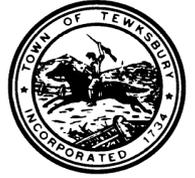
FY2020 BUDGET PRESENTATION



Presentation Contents

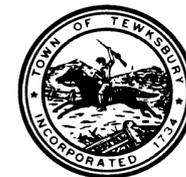
- Budget Process
- Review Revenues and Expenditures
 - Expenditures:
 - Overall FY20 Appropriations (Includes Town and School FY20 Budgets)
 - Other Local Expenditures
 - State and County Charges
 - Revenues:
 - Tax Levy
 - State Aid
 - Local Receipts
 - Other Available Funds
- FY20 Town and School Budgets
- 5 Year Budget Projection and Future Financial Items to Monitor
- Board of Selectmen Financial Policy

FY2020 BUDGET PRESENTATION



Budget Process

- Budget Message
 - Sent to Departments November 19
 - Budgets Due December 5
 - Budget Guidelines:
 - Adjust salaries for contractual obligations
 - Level Service Operating Budgets
 - Each Department provide top three priorities
- Budget Review
 - December 6 - 13
- Budget Development
 - December 13 – December 28
- Future Budget Schedule
 - Finance Committee starts Budget Review January 23



FY2020 BUDGET PRESENTATION

FY2020 SUMMARY REVENUES AND EXPENDITURES

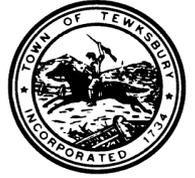
FY2020 BUDGET PRESENTATION



Review Revenues and Expenditures

- Expenditures:
 - Overall FY20 Town and School Budget
 - Other Local Expenditures
 - State and County Charges
- Revenues:
 - Tax Levy
 - State Aid
 - Local Receipts
 - Other Available Funds

FY2020 BUDGET PRESENTATION



Expenditures

FY2020 BUDGET PRESENTATION

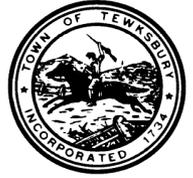


Expenditures

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19
Appropriations								
General Fund Budget (Includes all TMR&A and Transfers)	88,288,756	93,371,740	97,348,178	102,695,928	104,978,321	110,946,874	113,714,982	2,768,108
Transfer to Enterprise Funds	268,721	263,794	253,724	248,775	48,429	36,208	14,749	(21,459)
Reserve for Appropriation	-	-	-	-	-	-	-	-
Sewer Enterprise Fund Budget (R&A and Transfers)	6,102,578	5,541,478	5,937,648	5,806,008	5,663,059	5,905,338	-	(5,905,338)
Water Enterprise Fund Budget (R&A and Transfers)	5,938,637	6,272,029	6,110,505	6,890,460	7,565,043	6,887,912	-	(6,887,912)
Cable TV Enterprise Fund Budget (R&A and Transfers)	-	-	-	-	600,000	600,000	-	(600,000)
Spring ATM Articles, Non-Budget R&A	38,776	-	74,825	43,926	46,250	47,254	-	(47,254)
Spring ATM Articles, Transfers	2,980,713	3,079,163	2,250,275	72,000	4,440,459	5,345,580	-	(5,345,580)
Spring STM Articles, Non-Budget R&A	-	-	-	-	-	-	-	-
Spring STM Articles, Transfers	600,000	870,292	700,000	9,395,614	600,000	600,000	-	(600,000)
Fall ATM Articles, Non-Budget R&A	265,326	271,521	30,215	1,300	18,946	191,671	-	(191,671)
Fall STM Articles, Transfers	2,156,874	4,039,396	2,956,782	5,892,661	-	4,242,434	-	(4,242,434)
Total Appropriations	106,640,381	113,709,413	115,662,150	131,046,672	123,960,508	134,803,271	113,729,731	(21,073,540)

Note: Sewer Debt within Transfer to Enterprise Funds will end FY2020

FY2020 BUDGET PRESENTATION



Expenditures (Cont.)

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19
Cherry Sheet Offsets	45,156	54,616	36,780	36,135	36,597	38,995	38,995	-
Other Local Expenditures								
Overlay Reserve	878,401	865,819	1,139,073	664,160	769,477	655,644	650,000	(5,644)
Overlay Deficit	-	-	3,552	-	-	-	-	-
Tax Title	-	25,000	-	-	-	-	-	-
Other Local Expenditures/Deficits	-	-	-	-	-	-	-	-
Debt not Appropriated	-	-	-	-	-	-	-	-
Final Judgements	-	-	-	43,947	-	-	-	-
Revenue Deficit	-	-	-	-	-	-	-	-
Snow/Ice Deficit	466,995	-	359,459	-	-	-	-	-
Projected Snow/Ice Reimbursement	-	-	-	-	-	-	-	-
Teacher Salary Deferral	866,663	779,994	693,323	606,651	519,979	433,297	346,630	(86,667)
Other - Unforeseen Charges/Assessments	-	-	-	-	-	-	-	-
Total Other Local Expenditures	2,212,059	1,670,813	2,195,408	1,314,758	1,289,456	1,088,941	996,630	(92,311)

Notes: Cherry Sheet Offsets are earmarked for the Library. The Teacher Salary Deferral will be completed in 2023.

FY2020 BUDGET PRESENTATION

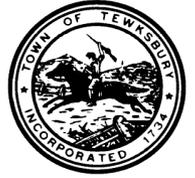


Expenditures (Cont.)

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19
State and County Charges								
Retired Employees Health Insurance	-	-	-	-	-	-	-	-
Retired Teachers Health Insurance	-	-	-	-	-	-	-	-
Mosquito Control Projects	63,132	64,207	61,240	71,074	74,448	73,566	80,923	7,357
Air Pollution Districts	8,963	9,005	9,145	9,374	9,450	9,762	10,738	976
RMV Non-Renewal Surcharge	24,020	27,760	27,760	27,760	25,300	25,300	27,830	2,530
Regional Transit	239,825	245,821	251,967	258,266	264,723	271,341	298,475	27,134
Special Education	-	-	1,145	-	4,594	707	778	71
School Choice Sending Tuition	5,000	15,000	32,671	33,800	82,567	108,727	119,600	10,873
Charter School Assessment	1,123,245	1,286,521	1,170,098	1,081,690	1,164,867	1,261,699	1,387,869	126,170
Essex County Technical Institute Sending Tuition	100,425	-	-	-	-	-	-	-
Additional County Assessment	-	-	-	-	-	-	-	-
Total State and County Charges	1,564,610	1,648,314	1,554,026	1,481,964	1,625,949	1,751,102	1,926,212	175,110
Total Uses of Funding	110,462,206	117,083,156	119,448,364	133,879,529	126,912,510	133,461,728	116,691,568	(16,770,160)

Notes: The Projection for all State and County Charges is based upon a 10% increase over FY19.

FY2020 BUDGET PRESENTATION



Revenues

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions - Property Taxes:

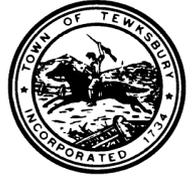
- Property Tax Levy is the revenue a community can raise through real and personal property taxes. We will refer to the property tax levy simply as the levy. In Massachusetts, municipal revenues to support local spending for schools, public safety and other public services are raised through the property tax levy, state aid, local receipts and other sources. The property tax levy is the largest source of revenue for most cities and towns.

Proposition 2 1/2 places constraints on the amount of the levy raised by a city or town and on how much the levy can be increased from year to year. A levy limit is a restriction on the amount of property taxes a community can levy. The maximum the levy can be in a given year is 2.5% on the previous year's limit plus certain allowable increases such as new growth, overrides and debt and capital exclusions.

The Levy is projected to increase 2.5% above the previous Fiscal Year's Property Tax Levy Limit as allowed under Proposition 2 1/2 and in addition New Growth is added to the levy limit and the Town excluded debt which causes the levy limit to increase more than 2.5% each year as well as property taxes.

- New Growth is additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY20 is based on new construction, etc. that occurred between January and December 2018. In the fall of 2019, when new growth is being determined to set the FY19 levy limit, the FY18 tax rate is used in the calculation and will be added to the Property Tax Levy. The New Growth projection is based upon a recommendation and review by the Town's Chief Assessor, Finance Director and Town Manager.

FY2020 BUDGET PRESENTATION



Determining Proposition 2 1/2 Levy Limit

Example

Step 1	Previous Year's Levy Limit	10,000,000
Step 2	Add 2.5 %	250,000
Step 3	New Growth	<u>200,000</u>
Step 4	New Levy Limit	10,450,000
If Applicable Step 5	Add Debt Exclusions	<u>1,000,000</u>
Step 6	Total Property Taxes - Levy Limit	11,450,000

Note: The figures above are for illustrative purposes only and are not part of the FY20 Budget. Also the cap of 2.5% only pertains to the percentage increase of previous years Levy Limit. The actual Levy Limit can increase more than 2.5% after New Growth and any overrides or Debt Exclusions are added.

FY2020 BUDGET PRESENTATION



Revenues - Property Taxes: New Growth

New Growth	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Avg. FY13-FY19	Avg. % of NG
Residential	239,290	249,398	397,923	748,927	565,482	886,595	1,064,050	593,095	39%
Commercial	81,587	17,644	16,527	12,272	122,304	142,653	32,877	60,838	4%
Industrial	1,345	26,834	9,526	0	30,349	48,743	21,623	19,774	1%
Personal Property	<u>545,578</u>	<u>533,421</u>	<u>674,273</u>	<u>938,911</u>	<u>956,042</u>	<u>1,354,241</u>	<u>1,062,638</u>	<u>866,443</u>	<u>56%</u>
Total	867,800	827,297	1,098,249	1,700,110	1,674,177	2,432,232	2,181,188	1,540,150	100%
Utilities as Portion Of Above	72,333	120,059	331,207	423,556	559,129	1,075,319	719,442	471,578	31%
Personal Property New Growth	13%	23%	49%	45%	58%	79%	68%	54%	

FY2020 BUDGET PRESENTATION



Revenues - Property Taxes

	<u>Actual Budget FY14</u>	<u>Actual Budget FY15</u>	<u>Actual Budget FY16</u>	<u>Actual Budget FY17</u>	<u>Actual Budget FY18</u>	<u>Projected Budget FY19</u>	<u>Projected Budget FY20</u>	<u>FY20 Projected Inc/(Dec) Over FY19</u>
Property Tax Levy								
Property Taxes	58,640,237	60,933,540	63,555,127	66,844,115	70,189,395	74,376,362	78,416,959	4,040,597
Add 2.5%	1,466,006	1,523,338	1,588,878	1,671,103	1,754,735	1,859,409	1,960,424	101,015
New Growth	827,297	1,098,249	1,700,110	1,674,177	2,432,232	2,181,188	800,000	(1,381,188)
Total Property Taxes	60,933,540	63,555,127	66,844,115	70,189,395	74,376,362	78,416,959	81,177,383	2,760,424
Add Debt Exclusions	7,611,005	7,891,380	8,245,844	8,496,963	8,100,749	9,125,434	8,928,106	(197,328)
Amortization of Bond Premium	-	-	-	(75,653)	(71,545)	(66,068)	(60,591)	5,477
Total Property Taxes - Levy Limit	68,544,545	71,446,507	75,089,959	78,610,705	82,405,566	87,476,325	90,044,898	2,568,573
								-
Total Property Taxes - Levied	68,530,647	71,444,252	75,017,836	78,550,516	82,392,297	87,419,780	90,044,898	2,625,118
Excess Levy Capacity	13,898	2,255	72,124	60,189	13,268	56,545	-	(56,545)

FY2020 BUDGET PRESENTATION



Revenues Property Taxes (Cont.)

Residential and CIP Property Tax Historic Information							
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Estimated FY 2020
Total Levy Amount	68,530,647	71,437,248	75,017,835	78,550,516	82,392,297	87,419,780	90,044,898
Increase(Decrease)	2,296,251	2,906,601	3,580,587	3,532,681	3,841,781	5,027,483	2,625,118
Percentage Increase(Decrease)	3.47%	4.24%	5.01%	4.71%	4.89%	6.10%	3.00%
Taxrate							
Residential	16.11	16.37	16.35	16.31	16.13	15.84	16.32
Res. Increase(Decrease)	0.67	0.26	(0.02)	(0.04)	(0.18)	(0.29)	0.48
CIP	26.64	27.62	27.46	27.82	27.74	27.63	28.46
CIP Increase(Decrease)	1.04	0.98	(0.16)	0.36	(0.08)	(0.11)	0.83
Values							
AVERAGE SINGLE FAMILY HOME	314,436	327,145	343,424	358,079	375,355	404,963	404,963
Increase(Decrease)	(2,116)	12,709	16,279	14,655	17,276	29,608	-
Percentage Increase(Decrease)	-0.7%	4.0%	5.0%	4.3%	4.8%	7.9%	0.0%
AVERAGE RESIDENTIAL CONDO	223,254	224,859	244,435	260,175	284,755	307,125	307,125
Increase(Decrease)	(4,215)	1,605	19,576	15,740	24,580	22,370	-
Percentage Increase(Decrease)	-1.9%	0.7%	8.7%	6.4%	9.4%	7.9%	0.0%
AVERAGE COMMERCIAL	767,716	740,100	745,568	747,964	758,533	773,191	773,191
Increase(Decrease)	(5,902)	(27,616)	5,468	2,396	10,569	14,658	-
Percentage Increase(Decrease)	-0.8%	-3.6%	0.7%	0.3%	1.4%	1.9%	0.0%
Average Tax Bill							
AVERAGE SINGLE FAMILY HOME	5,066	5,355	5,615	5,840	6,055	6,415	6,607
Increase(Decrease)	178	289	260	225	214	360	193
Percentage Increase(Decrease)	3.6%	5.7%	4.9%	4.0%	3.7%	5.9%	3.0%
AVERAGE RESIDENTIAL CONDO	3,597	3,680	3,996	4,243	4,593	4,865	5,011
Increase(Decrease)	85	84	316	247	350	272	146
Percentage Increase(Decrease)	2.4%	2.3%	8.6%	6.2%	8.2%	5.9%	3.0%
AVERAGE COMMERCIAL	20,452	20,442	20,475	20,808	21,040	21,363	22,004
Increase(Decrease)	647	(10)	33	334	232	323	642
Percentage Increase(Decrease)	3.3%	-0.05%	0.16%	1.6%	1.1%	1.5%	3.0%

FY2020 BUDGET PRESENTATION

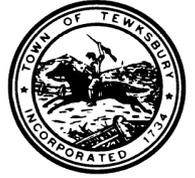


Revenues Property Taxes (Cont.)

Projected FY20 Tax Impact: Estimate is based upon tax levy increasing 2,625,118; all property values remaining the same; the Commercial, Industrial and Personal Property split remaining at 1.55.

Residential and CIP Property Tax Historic Information	
	Estimated FY 2020
Total Levy Amount	90,044,898
Increase(Decrease)	2,625,118
Percentage Increase(Decrease)	3.00%
Taxrate	
Residential	16.32
Res. Increase(Decrease)	0.48
CIP	28.46
CIP Increase(Decrease)	0.83
Values	
AVERAGE SINGLE FAMILY HOME	404,963
Increase(Decrease)	-
Percentage Increase(Decrease)	0.0%
AVERAGE RESIDENTIAL CONDO	307,125
Increase(Decrease)	-
Percentage Increase(Decrease)	0.0%
AVERAGE COMMERCIAL	773,191
Increase(Decrease)	-
Percentage Increase(Decrease)	0.0%
Average Tax Bill	
AVERAGE SINGLE FAMILY HOME	6,607
Increase(Decrease)	193
Percentage Increase(Decrease)	3.0%
AVERAGE RESIDENTIAL CONDO	5,011
Increase(Decrease)	146
Percentage Increase(Decrease)	3.0%
AVERAGE COMMERCIAL	22,004
Increase(Decrease)	642
Percentage Increase(Decrease)	3.0%

FY2020 BUDGET PRESENTATION

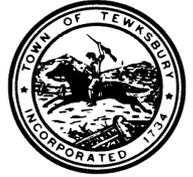


Revenues Property Taxes (Cont.)

Projected FY20 Tax Impact - No tax Increase:

- To achieve no property tax increase the levy limit must remain the same and not increase 2,625,118.
- If the Tax Levy is not increased 2,625,118 the FY20 Recommended Town and School Budgets must be reduced.
- The total FY20 recommended budget is 113,714,982.
 - Town and School Salaries make-up \$52,849,125 of the recommended budget.
 - There are no new positions so cutting 2,625,118 from salaries would mean reduced services and layoffs.
- Town and School Operating, Capital Outlay and Unclassified Budgets makeup 60,865,857 of the recommended budget. Of that amount 54,484,006 should not be cut leaving 6,381,851 throughout all Town and School Department to potentially reduce 2,625,118 to avoid a tax increase . This reduction would impact Education, Public Safety and the overall delivery of services to the residents.

FY2020 BUDGET PRESENTATION

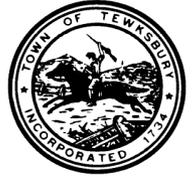


Revenues Property Taxes (Cont.)

Projected FY20 Tax Impact - No tax Increase: Line-items that should not be reduced totaling 54,484,006

- Snow and Ice budget - 256,000 cannot be cut
- Solid Waste budget - 2,455,196 cannot be cut unless service is reduced, a fee is charged or residents contract privately
- Street Lights – 180,000 cannot be cut we are committed to a LED retrofit program
- Town Financial Software - 159,720 cannot be cut since it is a integrated software for all town accounting, billing and collection
- Veteran Benefits - 381,680 cannot be cut since the Town is obligated to provide these benefits
- Town Non-Exempt Debt - 355,935 cannot be cut since the Town is obligated to repay its debt service
- Town Capital Outlay – 246,605 this line-item should not be cut since it will impact public safety
- Town and School Utilities - 1,900,964 regardless of staffing, buildings would still need to operate in order to provide services so this cannot be reduced
- Town and School Exempt Debt - 8,913,357 cannot be cut since the Town is obligated to repay its debt service
- Town and School Middlesex Retirement Assessment - 8,045,530 Town is obligated to pay current retirements and unfunded liability
- Town and School Group Health Insurance -12,601,724 State Statute obligates the Town to pay these benefits. Budget can be cut if staff is reduced
- Town and School Medicare Tax -755,754 Federal requirements obligate the Town to pay this payroll tax. This budget can be cut if staff is reduced
- Property and Liability Insurance - 629,474 funding cannot be cut unless we reduce coverage and increase exposure and liability to the Town
- Shawsheen Tech Assessment - 6,697,871 Regional agreement and State requirements obligates the Town to fund this Budget
- Essex Aggie Assessment - 129,125 State requirements obligates the Town to fund this Budget
- School Building Maintenance - 910,974 based upon the current condition of the Elementary Schools and the need to maintain the other buildings, this should not be cut
- School Special Ed Services - 2,185,716 the Town is obligated to fund these services
- School Technology Contracts - 699,778 based upon the technology needs this should not be cut
- School Transportation - 3,332,856 the Town is obligated to fund these services
- School Out of District Tuition - 3,645,747 the Town is obligated to fund and pay for these services

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions State Aid:

- State Aid is Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation. The Projection for FY20 is level funded to the amount received for FY19. This is a revenue area that will be watched closely since State Revenues are not as strong as projected for FY19 and that could impact FY20 allocations.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19
State Aid								
Chapter 70 - School Aid	12,566,614	12,727,415	12,818,290	13,012,055	13,119,905	13,224,155	13,224,155	-
Charter School Tuition Assessment Reimbursement	284,374	70,522	212,059	74,119	71,440	130,034	130,034	-
Chapter 71 - School Transportation	16,164	-	-	-	-	-	-	-
School Lunch - Offset	18,674	18,421	-	-	-	-	-	-
Unrestricted General Fund Aid	2,409,797	2,476,625	2,565,783	2,676,112	2,780,480	2,877,797	2,877,797	-
Veteran's Benefits	218,427	246,846	294,278	324,441	288,324	231,039	231,039	-
Exemptions, Veterans, Blind and Surviving Spouses	103,736	99,570	99,570	105,144	106,423	113,552	113,552	-
State owned Land	147,504	184,578	184,578	182,381	182,208	190,628	190,628	-
Public Libraries - Offset	26,482	36,195	36,780	36,135	36,597	38,995	38,995	-
Total Estimated State Revenues	15,791,772	15,860,172	16,211,338	16,410,387	16,585,377	16,806,200	16,806,200	-

FY2020 BUDGET PRESENTATION



Revenues – Local Receipts

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Local Receipts									
Motor Vehicle Excise Tax	4,237,760	4,310,321	4,633,789	5,024,172	5,097,049	4,656,094	4,660,618	4,524	(436,431)
Meals Tax	573,001	526,124	581,319	633,000	637,882	562,524	590,265	27,741	(47,617)
Hotel/Motel Tax	841,798	1,014,019	1,099,717	1,072,823	1,145,575	943,088	1,034,786	91,698	(110,789)
Other Excise Tax	-	2,535	2,868	3,359	3,711	2,338	3,534	1,196	(177)
Penalties and Interest on Taxes and Excises	463,913	329,840	301,620	334,917	302,728	302,000	272,455	(29,545)	(30,273)
Payment In-Lieu of Taxes (PILOT)	7,971	8,035	16,011	8,003	7,997	7,990	15,997	8,007	8,000
Charges for Services - Ambulance	922,608	1,273,075	1,202,681	1,384,138	1,455,737	1,218,672	1,247,647	28,975	(208,090)
Fees	1,434,954	906,562	1,088,973	419,595	365,783	365,780	329,202	(36,578)	(36,581)
Rentals	452,418	387,195	420,383	532,172	402,301	400,000	402,301	2,301	(0)
Other Departmental Revenue	-	-	-	-	-	-	-	-	-
Licenses and Permits	782,059	791,228	1,178,083	1,313,949	862,667	752,140	776,400	24,260	(86,267)
Fines and Forfeits	108,808	80,646	123,454	102,776	97,428	97,427	87,700	(9,727)	(9,728)
Interest Earnings	36,031	36,505	105,476	128,032	279,050	68,880	76,510	7,630	(202,540)
Misc. State and Other Revenue	-	-	-	-	-	-	-	-	-
SPED Medicaid Reimbursement	162,872	69,243	227,490	307,135	368,803	81,753	83,100	1,347	(285,703)
Recurring Revenue	681,451	569,991	371,559	455,812	364,881	-	-	-	(364,881)
Non-Recurring Revenue	501,071	842,543	1,070,280	995,752	79,321	-	-	-	(79,321)
Total Local Receipts	11,206,717	11,147,863	12,423,702	12,715,636	11,470,913	9,458,686	9,580,515	121,829	(1,890,398)

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

- Motor Vehicle Excise Tax** – A locally imposed annual tax assessed to owners of motor vehicles registered to an address within the community, in accordance with MGL Chapter 60A. The Excise Tax rate is set by statute at \$25.00 per \$1000 of vehicle value. The FY20 projection for Motor Vehicle Excise Tax is based upon a 5 year average of actual collected.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Motor Vehicle Excise Tax	4,237,760	4,310,321	4,633,789	5,024,172	5,097,049	4,656,094	4,660,618	4,524	(436,431)

- Meals Tax** - A local option tax upon the sale of restaurant meals originating within the city or town by a vendor at a rate of .75 per cent of the gross receipts of the vendor from the sale of restaurant meals, in accordance with MGL 64L section 2(a). Tewksbury accepted this statute in May 2011 and assesses .75% bringing the Meals Tax from 6.25% to 7%. The FY20 projection for Meals Tax revenue was based upon a 5 year average actual collected.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Meals Tax	573,001	526,124	581,319	633,000	637,882	562,524	590,265	27,741	(47,617)

- Hotel/Motel Tax** - A local option since 1985 that allows a community to assess a tax on short-term room occupancy. The community may levy up to 4%-6% percent of the charge for stays of less than 90 days at hotels, motels and lodging houses, in accordance with MGL 64L section 2(a). Tewksbury accepted this statute in May 2011 and assesses 6%. The FY20 projection was based upon a 5 year average of actual collected.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Hotel/Motel Tax	841,798	1,014,019	1,099,717	1,072,823	1,145,575	943,088	1,034,786	91,698	(110,789)

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

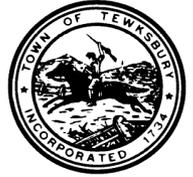
- Other Excise Tax (Boat)** – In accordance with MGL Chapter 60B, this is an amount levied on boats and ships in lieu of a personal property tax for the privilege of using the Commonwealth’s waterways. Assessed annually as of July 1, the excise is paid to the community where the boat or ship is usually moored or docked. The FY20 projection was based upon a 2 year average of Boat Excise using FY17 and FY18 actual collected.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Other Excise Tax	-	2,535	2,868	3,359	3,711	2,338	3,534	1,196	(177)

- Penalties and Interest On Taxes and Excises** - A charge assessed for late payment of taxes and fees in accordance with MGL Ch. 59 section 57. The FY20 projection was based upon 90% of actual FY18 collected since previous years greatly fluctuated.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Penalties and Interest on Taxes and Excises	463,913	329,840	301,620	334,917	302,728	302,000	272,455	(29,545)	(30,273)

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

- P.I.L.O.T.** – Payment In-Lieu of Taxes is an agreement between a municipality and an entity not subject to taxation, such as charitable or educational organizations, in which the payer agrees to make a voluntary payment to the municipality. The FY20 projection is based upon P.I.L.O.T agreements. The amounts owed are generated from agreements the Town has with the Housing Authority

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Payment In-Lieu of Taxes (PILOT)	7,971	8,035	16,011	8,003	7,997	7,990	15,997	8,007	8,000

- Charges for Services** – Fees charged for use of the Ambulance Service. Fees are set using Medicare allowable rates as a base. Tewksbury's rates are 200% over 2018 Medicare allowable rates. The FY20 projection is based upon a 5 year average.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Charges for Services - Ambulance	922,608	1,273,075	1,202,681	1,384,138	1,455,737	1,218,672	1,247,647	28,975	(208,090)

- Fees** – These are Fees charged by Departments for a service such as Police Detail Administration fees, Sealer of Weights and Measures, Fire Inspections, and Record/Report request fees, to name a few. The FY20 projection is based upon a 90% of FY18 actual collected since an average was not a realistic projection since FY14-FY16 included revenue that has been reclassified.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Fees	1,434,954	906,562	1,088,973	419,595	365,783	365,780	329,202	(36,578)	(36,581)

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

- Rentals - Fees collected from Wireless Carriers for Cell Towers on Town property and for any other Town property that charges a fee for its use. Fees are projected based upon FY18 actual. The actual amounts collected are determined from agreements with Wireless Communication Carriers.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Rentals	452,418	387,195	420,383	532,172	402,301	400,000	402,301	2,301	-

- Other Departmental Revenue - No projection for FY20 since amounts previously collected and allocated to this classification will be properly classified to the correct revenue in the future.
- License and Permits - Fees charged by Departments for licenses and permits such as liquor and other establishment licenses, building, electrical, plumbing and gas permits, DPW permits, Board of Health food establishment permits and Public Safety permits. The FY20 projection is based upon 90% of FY18 actual collected. Since revenue collected in previous years fluctuated a 3, 4 or 5 year average would not be realistic

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Licenses and Permits	782,059	791,228	1,178,083	1,313,949	862,667	752,140	776,400	24,260	(86,267)

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

- Fines and Forfeits – Court Fines, Parking Fines, Library Fines and Zoning Fines. The FY20 projection based upon a 90% of FY18 actual since there has been fluctuation in previous years.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Fines and Forfeits	108,808	80,646	123,454	102,776	97,428	97,427	87,700	(9,727)	(9,728)

- Interest Earnings – Interest earned on cash that the Town Treasurer has in the General Fund. The projection for FY20 is an average of the 4 lowest years which were FY14-FY17.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Interest Earnings	36,031	36,505	105,476	128,032	279,050	68,880	76,510	7,630	(202,540)

- Miscellaneous State and Other Revenue - No projection for FY20 since no revenue has ever been collected and none expected.

FY2020 BUDGET PRESENTATION



Revenues

Revenue Assumptions Local Receipts:

- Medicaid Reimbursement** – Revenue from the Federal Government for providing medically necessary Medicaid services (direct services) to eligible Mass Health-enrolled children. This would include outreach, and those activities that aid the delivery of direct services to Medicaid-enrolled children with individualized education plans (IEPs). Since the Federal Reimbursement is unpredictable the projection is based upon a 20% increase over FY15 which was the lowest actual collection.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
SPED Medicaid Reimbursement	162,872	69,243	227,490	307,135	368,803	81,753	83,100	1,347	(285,703)

- Recurring Revenue** – No Revenue projection for FY20. Revenue from certain Medicaid Reimbursements were moved to the “Medicaid Reimbursement” classification. Revenue for this category included a Medicare Drug Subsidy the Town no longer receives and in addition Municipal Liens previously classified to this revenue have been moved to “Fees” in FY18.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Recurring Revenue	681,451	569,991	371,559	455,812	364,881	-	-	-	(364,881)

- Non-Recurring Revenue** - No projection since it is revenue that is not reliable each year. FEMA and MEMA reimbursements and Special Medicaid reimbursements are examples of revenue allocated to this account in the past. Also Supplemental Tax Revenue was included in this category which should be allocated to Property Taxes.

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19	FY20 Projected Inc/(Dec) Over FY18
Non-Recurring Revenue	501,071	842,543	1,070,280	995,752	79,321	-	-	-	(79,321)



FY2020 BUDGET PRESENTATION

Revenue Analysis Local Receipts

		Average Total	Inc(Dec) Over FY20 Proejction	FY20 Inc(Dec) As Percentage of Total
Current Fiscal Year 2020 Local Receipts Projection	9,580,515			
5 Year Average of all Actual Revenue		11,792,966	2,212,451	19%
4 Year Average of all Actual Revenue		11,939,528	2,359,013	20%
3 Year Average of all Actual Revenue		12,203,417	2,622,902	21%
5 Year Average of all Actual Revenue Minus One -Time Revenue		10,606,434	1,025,919	10%
4 Year Average of all Actual Revenue Minus One -Time Revenue		10,751,994	1,171,479	11%
3 Year Average of all Actual Revenue Minus One -Time Revenue		11,090,882	1,510,367	14%

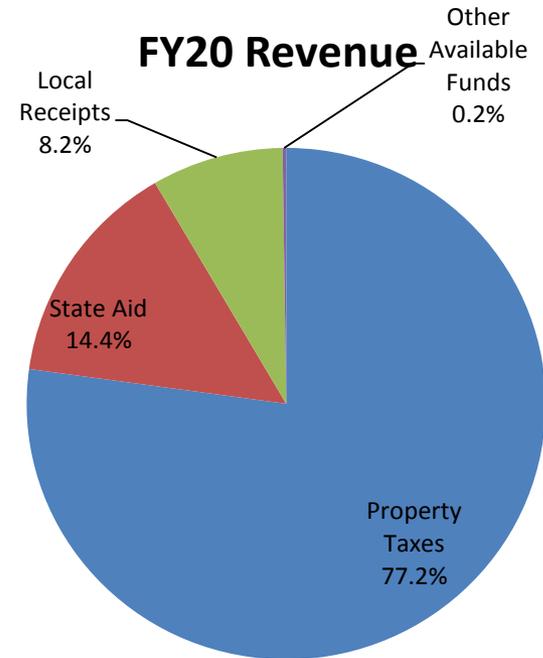
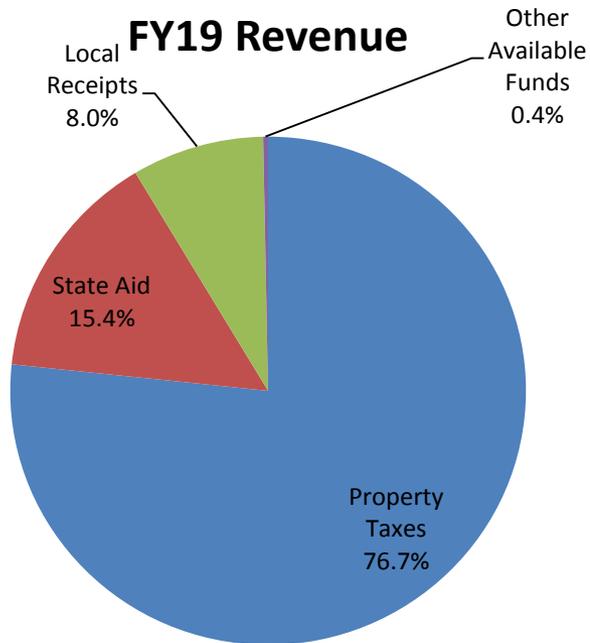
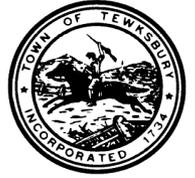
FY2020 BUDGET PRESENTATION

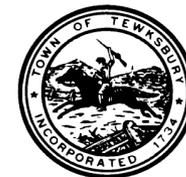


Revenues

	Actual Budget FY14	Actual Budget FY15	Actual Budget FY16	Actual Budget FY17	Actual Budget FY18	Projected Budget FY19	Projected Budget FY20	FY20 Projected Inc/(Dec) Over FY19
Other Available Funds								
Licensing and Keeping of Dogs	-	-	-	-	-	-	-	-
Wetland Protection Fund	-	-	-	-	-	-	-	-
Free Cash Spring Town Meetings	-	600,000	600,000	599,999	600,000	600,000	-	(600,000)
Free Cash Fall Town Meetings	1,683,494	4,039,396	2,424,657	4,316,361	-	3,260,434	-	(3,260,434)
Free Cash to reduce the Tax Levy	466,995	-	-	-	-	-	-	-
Teacher Salary Deferral	779,994	693,323	606,646	519,979	433,305	346,622	259,955	(86,667)
Overlay Surplus	35,000	25,000	25,000	25,000	25,000	125,000	-	(125,000)
Stabilization Fund	1,343,713	1,775,455	1,728,775	2,075,000	1,987,834	1,411,699	-	(1,411,699)
Sewer Enterprise Fund Revenue	7,025,929	6,923,364	7,427,619	5,828,734	5,663,059	5,940,024	-	(5,940,024)
Water Enterprise Fund Revenue	7,429,011	7,310,956	8,162,431	7,009,030	7,565,043	6,965,534	-	(6,965,534)
Cable TV Enterprise Fund Revenue		-	-	-	600,000	600,000	-	(600,000)
Sewer Enterprise Fund Revenue Retained Earnings	155,000	329,000	185,000	4,328,000	1,817,500	642,500	-	(642,500)
Water Enterprise Fund Revenue Retained Earnings	1,250,000	875,000	465,000	3,064,615	-	2,238,500	-	(2,238,500)
Cable TV Enterprise Fund Revenue Retained Earnings						-	-	-
Community Preservation Fund	1,279,656	985,305	525,667	270,226	584,830	1,333,634	-	(1,333,634)
Other Available Funds	29,500	-	-	725,000	71,545	623,501	-	(623,501)
Misc. Revenue Funds	-	-	-	-	-	-	-	-
Budget/ Article Transfers	-	-	-	-	-	-	-	-
Total Other Available Funds	21,478,292	23,556,798	22,150,794	28,761,943	19,348,116	24,087,448	259,955	(23,827,493)
TOTAL SOURCES OF FUNDING	117,007,427	122,009,085	125,803,670	136,438,482	129,796,704	137,772,114	116,691,568	(21,080,546)
SURPLUS (DEFICIT)	6,545,222	4,925,929	6,355,306	2,558,953	2,884,194	89,805	-	

FY2020 BUDGET PRESENTATION





FY2020 BUDGET PRESENTATION

Summary

<i>Summary Expenditures and Revenues</i>	Actual	Actual	Actual	Actual	Actual	Approved	Projected	FY20 Projected
	<u>Budget FY14</u>	<u>Budget FY15</u>	<u>Budget FY16</u>	<u>Budget FY17</u>	<u>Budget FY18</u>	<u>Budget FY19</u>	<u>Budget FY20</u>	<u>Inc/(Dec) Over FY19</u>
<i>Uses of Funding (Amounts to be Raised)</i>								
Appropriations	88,557,477	93,635,534	97,601,902	102,944,703	105,026,751	110,983,082	113,729,731	2,746,649
Water, Sewer and Cable TV Enterprise Fund Budgets	12,041,215	11,813,507	12,048,152	12,696,468	13,828,102	13,393,250	-	(13,393,250)
Special Articles and Transfers	6,041,689	8,260,372	6,012,097	15,405,501	5,105,655	10,426,940	-	(10,426,940)
Cherry Sheet Offsets	45,156	54,616	36,780	36,135	36,597	38,995	38,995	-
Other Local Expenditures	2,212,059	1,670,813	2,195,408	1,314,758	1,289,456	1,088,941	996,630	(92,311)
State and County Charges	<u>1,564,610</u>	<u>1,648,314</u>	<u>1,554,026</u>	<u>1,481,964</u>	<u>1,625,949</u>	<u>1,751,102</u>	<u>1,926,212</u>	<u>175,110</u>
Total Use of Funding	110,462,206	117,083,156	119,448,364	133,879,529	126,912,510	137,682,309	116,691,568	(20,990,741)
<i>Sources of Funding</i>								
Property Taxes	60,919,642	63,552,872	66,771,992	70,129,206	74,363,094	78,360,415	81,177,383	2,816,969
Debt Exclusions	7,611,005	7,891,380	8,245,844	8,421,310	8,029,204	9,059,365	8,867,515	(191,851)
State Estimated Revenues	15,791,772	15,860,172	16,211,338	16,410,387	16,585,377	16,806,200	16,806,200	-
Local Estimated Revenues	11,206,717	11,147,863	12,423,702	12,715,636	11,470,913	9,458,686	9,580,515	121,829
Other Available Funds	<u>21,478,292</u>	<u>23,556,798</u>	<u>22,150,794</u>	<u>28,761,943</u>	<u>19,348,116</u>	<u>24,087,448</u>	<u>259,955</u>	<u>(23,827,493)</u>
Total Sources of Funding	117,007,427	122,009,085	125,803,670	136,438,482	129,796,704	137,772,114	116,691,568	(21,080,546)
<i>Surplus/(Deficit)</i>	6,545,222	4,925,929	6,355,306	2,558,953	2,884,194	89,805	-	-

FY2020 BUDGET PRESENTATION



FY2020 BUDGET



FY2020 BUDGET PRESENTATION

Revenue Split for Town and School

<i>Projected General Fund Surplus/Additional Revenue</i>	2,943,977			
Minus STM article that was for Town Sick Leave Buyback	(165,000)			
Minus Shawsheen	(496,139)	Projected 8% Increase		
Minus Essex Aggie	(72,157)	Increase Based Upon Increased Enrollment		
Sub-Total	2,210,681			
School Additional Revenue 60% Sub-Total	1,326,409			
Minus School Health Insurance Increase	84,905	0% Premium Increase, 5% Medex and 3% Dental Increase		
Minus School Retirement Increase	(88,816)	6.38% Increase		
Minus School Medicare Increase	(13,711)	Increase Based Upon Payroll		
Minus School Debt	847	Actual		
Minus School Prop. and Liab. Ins Increase	(16,121)	5% Premium Increase and added Coverage		
Net School Appropriation For Salary and Operating needs	1,293,513			
Town Additional Revenue 40% of Sub-Total	884,272			
Add STM article that was for Town Sick leave Buyback	165,000			
Minus Town Health Insurance Increase	145,474	0% Premium Increase, 5% Medex and 3% Dental Increase		
Minus Town Retirement Increase	(419,404)	6.82% Increase		
Minus Town Medicare Increase	(5,266)	Increase Based Upon Payroll		
Minus Town Debt	31,207	Actual		
Minus Town Prop. and Liab. Ins Increase	(35,872)	5% Premium Increase, includes insurance for Drones, Ella Flemings School and additional coverage		
Net Town Appropriation For Salary and Operating needs	765,411			



FY2020 BUDGET PRESENTATION

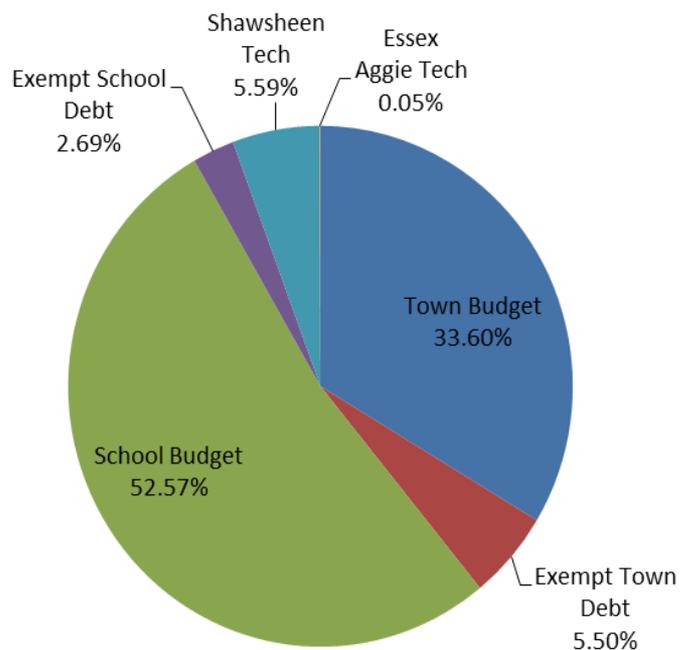
FY20 General Fund Budget Summary

General Fund Budget Summary	FY2016	FY2017	FY2018	FY2019	FY2020	BUDGET
	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>EXPENDED</u>	<u>BUDGETED</u>	<u>TM REC</u>	<u>INC/DEC</u>
Total Town Budget Net Allocations and w/o Exempt Debt	31,857,196	34,521,053	36,615,502	37,279,163	38,328,435	1,049,272
Total Exempt Town Debt	4,775,021	5,104,242	4,981,075	6,106,524	6,142,142	35,618
Total School Budget Net Allocations	50,805,467	52,758,955	56,142,624	58,319,785	59,646,193	1,326,408
Total Exempt School Debt	3,211,396	3,144,086	3,071,245	2,982,702	2,771,215	(211,487)
Shawsheen Tech	5,671,070	5,646,988	5,566,567	6,201,732	6,697,871	496,139
Essex North Shore Agricultural and Tech. School District	157,395	76,384	54,777	56,968	129,125	72,157
Total Budget Net Allocations/Offsets	96,477,544	101,251,707	106,431,790	110,946,874	113,714,982	2,768,108

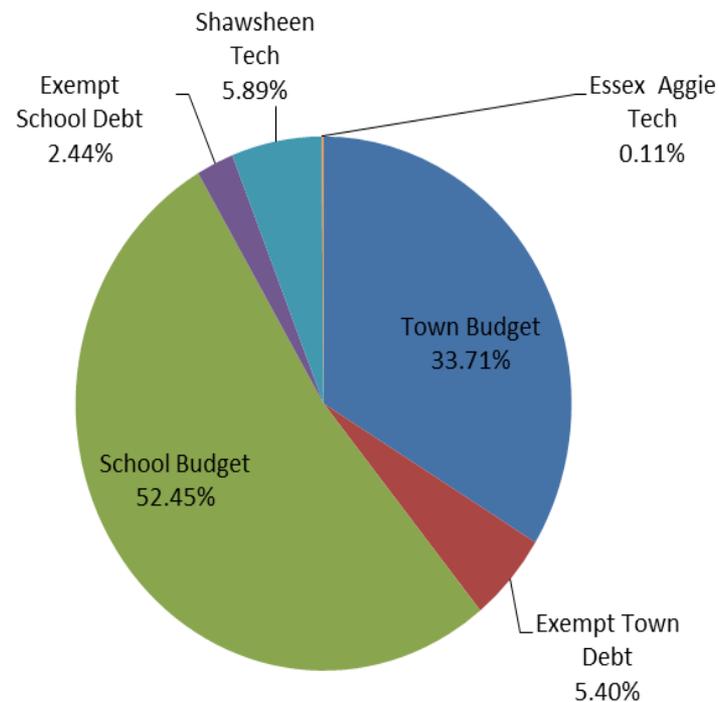


FY2020 BUDGET PRESENTATION

FY19 Town and School General Fund Budget



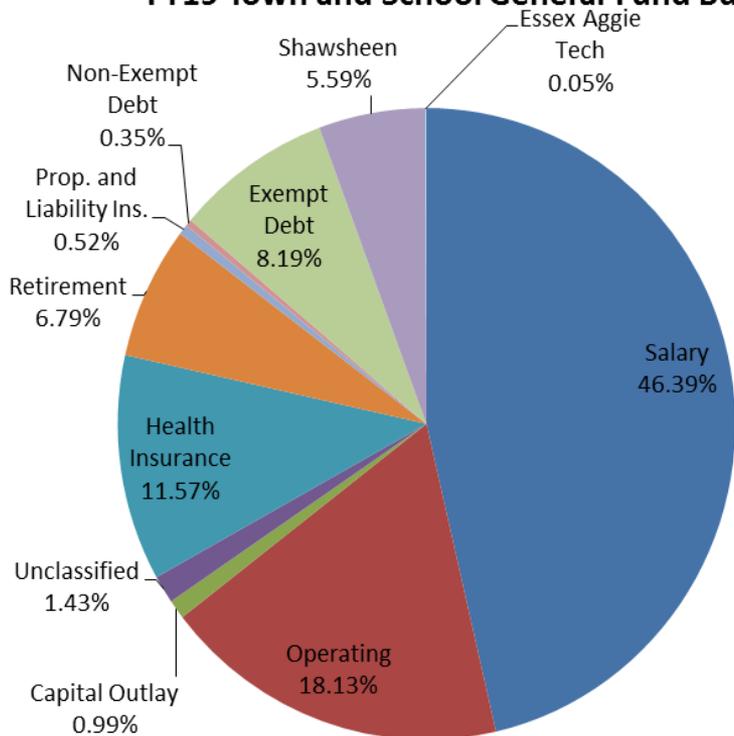
FY20 Town and School General Fund Budget



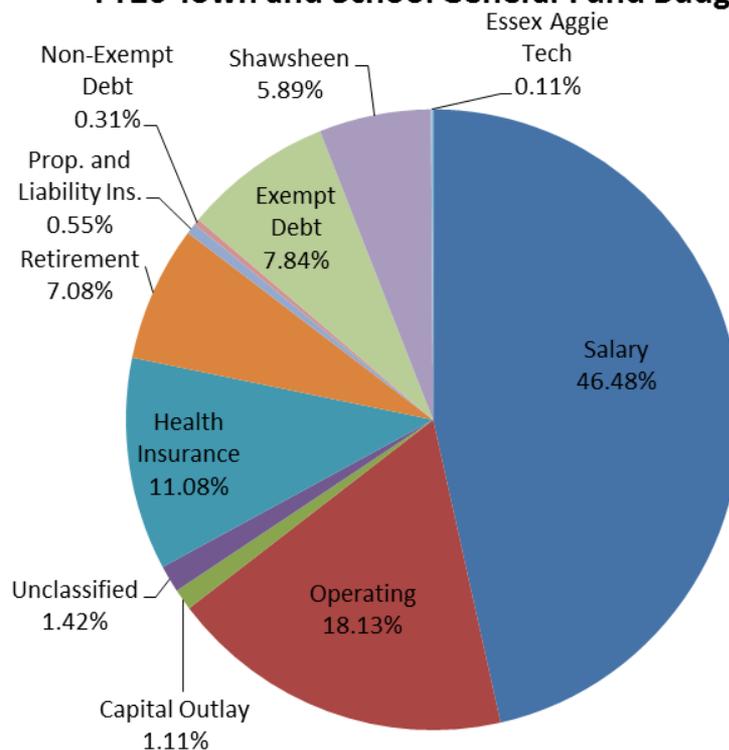


FY2020 BUDGET PRESENTATION

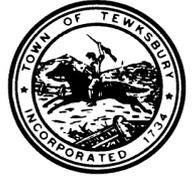
FY19 Town and School General Fund Budget



FY20 Town and School General Fund Budget



FY2020 BUDGET PRESENTATION



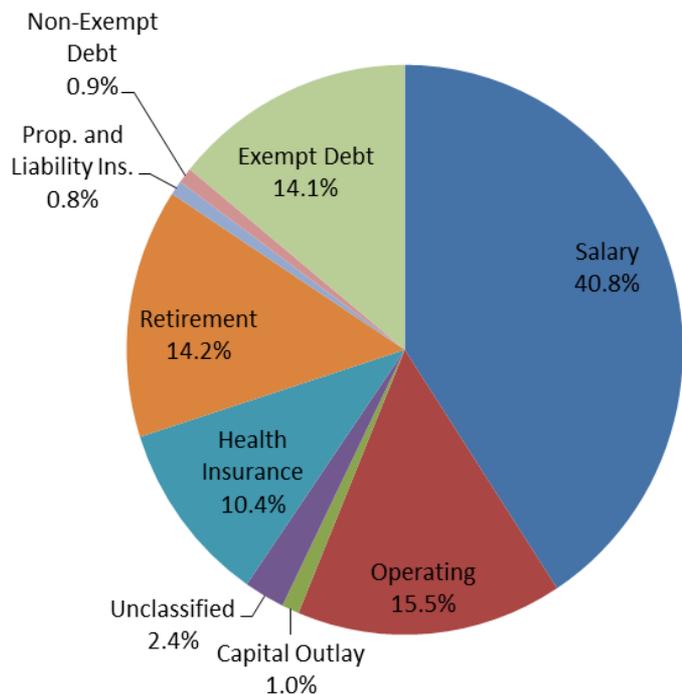
Town Budget Increase with Exempt Debt: 1,084,890

General Fund Budget Classification	FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	FY2020	BUDGET
Budget Summary	BUDGETED	EXPENDED	EXPENDED	EXPENDED	BUDGETED	DEPT REQ	TM REC	INC/DEC
Total General Government	1,210,558	1,202,922	1,392,855	1,363,320	1,489,499	1,550,969	1,550,969	61,470
Total General Government Net Allocations	1,190,030	1,182,394	1,371,521	1,341,476	1,466,765	1,525,419	1,525,419	58,654
Total Finance Department	1,162,493	1,082,363	1,111,435	1,125,365	1,162,613	1,174,730	1,174,730	12,117
Total Finance Department Net Allocations	1,063,751	983,621	1,025,997	1,037,151	1,074,673	1,084,660	1,084,660	9,987
Total Community Services	455,425	453,444	451,764	419,348	494,619	523,085	523,085	28,466
Total Council on Aging Budget	291,114	289,015	329,075	381,586	396,993	426,124	416,674	19,681
Total Facilities	339,658	303,959	436,284	689,679	732,323	701,631	701,306	(31,017)
Total Library Budget	1,059,312	1,028,415	1,137,549	1,292,233	1,362,626	1,386,532	1,386,533	23,907
Total Planning and Development	842,216	824,015	948,208	871,995	843,054	866,459	866,459	23,405
Total Public Safety Budget	11,587,114	11,467,108	12,628,092	12,956,599	13,416,211	14,469,661	13,818,727	402,516
Total DPW Budget	5,612,111	5,473,898	6,194,014	6,520,044	5,730,551	6,052,868	6,044,373	313,822
Total DPW Budget Net Allocations	5,010,686	4,872,473	5,538,517	5,877,345	5,052,411	5,290,719	5,282,224	229,813
Town Unclassified Budget Minus Exempt Debt	11,209,026	11,200,253	11,500,819	12,648,705	13,378,801	13,830,054	13,830,054	451,253
Town Unclassified Budget Net Allocations Minus Exempt Debt	10,461,525	10,452,752	10,654,046	11,748,091	12,439,488	12,723,349	12,723,349	283,861
Town Exempt Principal Debt	2,960,043	2,960,043	3,540,343	2,531,338	3,572,370	3,760,630	3,760,630	188,260
Town Exempt Interest Debt	1,814,978	1,814,978	1,563,899	2,449,737	2,534,154	2,381,512	2,381,512	(152,642)
Total Town Budget	38,544,050	38,100,413	41,234,337	43,249,947	45,113,814	47,124,254	46,455,051	1,341,237
Total Town Budget net Allocations	37,075,854	36,632,217	39,625,295	41,596,576	43,385,687	45,139,780	44,470,577	1,084,890

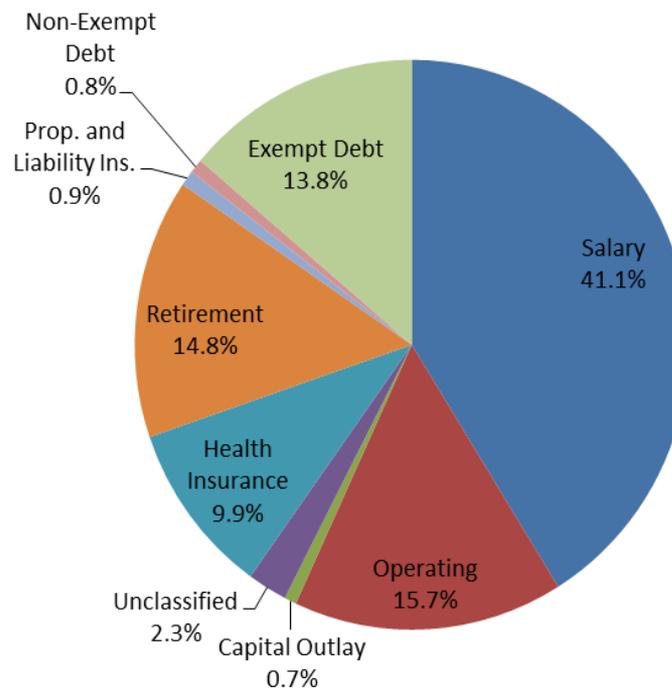


FY2020 BUDGET PRESENTATION

Cost as a Percentage of FY19 Town General Fund Budget



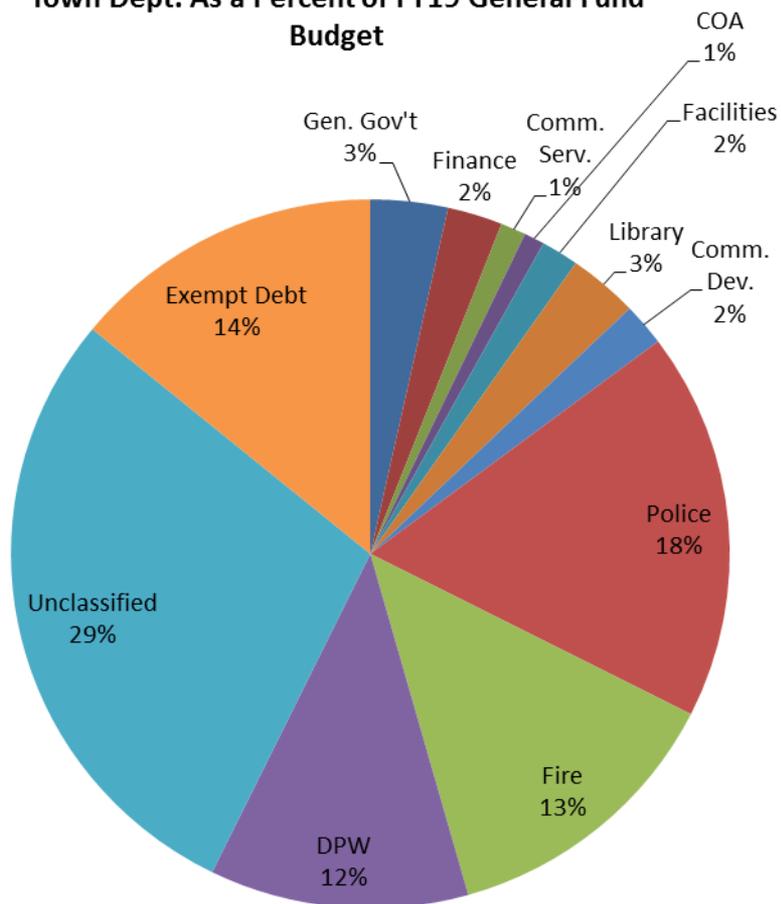
Cost as a Percentage of FY20 Town General Fund Budget



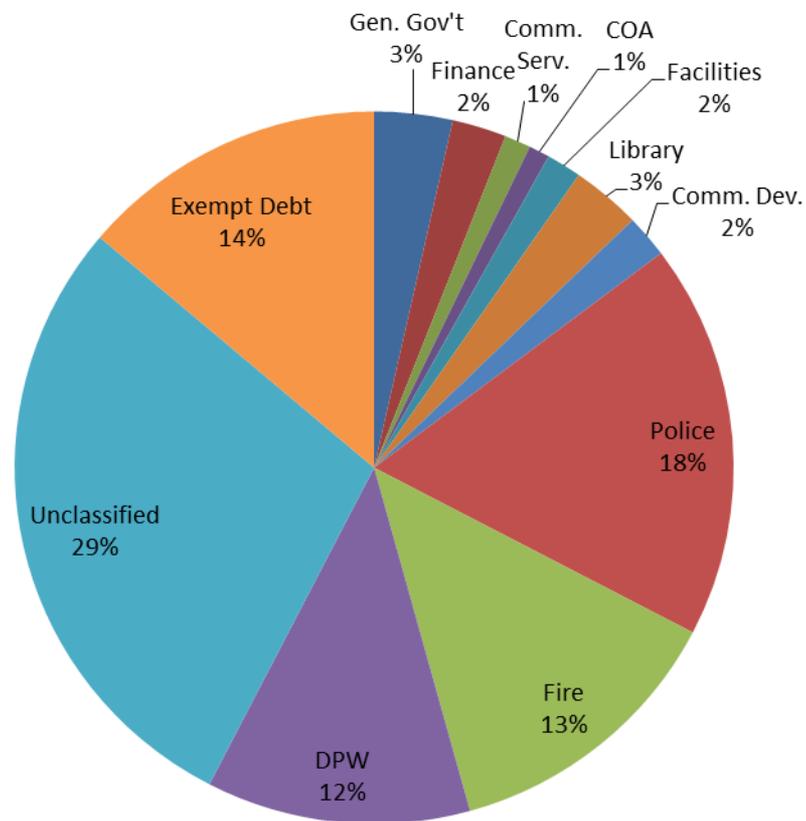


FY2020 BUDGET PRESENTATION

Town Dept. As a Percent of FY19 General Fund Budget



Town Dept. As a Percent of FY20 General Fund Budget





FY2020 BUDGET PRESENTATION

Town Budget Increase Net Allocations and Without Exempt Debt: 1,049,272

Summary General Government Major Changes/Increases:

- **Salary Increase: 601,760**
 - Cost of COLA Increase, Longevity, Step Increases and Other Contractual Obligations – 513,537
 - Veteran's Agent Clerk moved from Part-time to Full-time – 21,788
 - Extra Pay for 52.4 week Payroll - 66,435

There were reductions in other areas of departments' salaries that offset these costs as well as adjustments to water and sewer allocations.

There are no new positions within the recommended FY20 Budget.



FY2020 BUDGET PRESENTATION

Town Budget Increase Net Allocations and Without Exempt Debt: 1,049,272

Summary General Government Major Changes/Increases:

Operating Increase: 287,196

- General Government Departments: 26,976 (*Includes 18,500 for Social Sentinel Threat Alert software, and increase of 6,500 for annual department computer replacement*)
- Finance Department: 4,959
- Community Services: 2,076
- COA: 5,087 (*Includes an increase of 4,220 for Senior Center utilities*)
- Facilities Department: 7,023
- Library: (7,742)
- Planning and Development Department: (6,022)
- Police: 60,298 (*Includes increase of 12,500 for building repairs and maintenance and 32,569 for new Tasers that are out of warranty*)
- Fire: 13,968
- DPW: 35,252 (*Includes 38,000 in gas and diesel fuel and reductions in other line items*)
- Solid Waste Collection and Disposal: 145,320 (*Includes the following increases: 63,543 for solid waste and recycling service, 18,988, for solid waste disposal costs, 85,365 for recyclables disposal costs. A reduction of 24,795 in Sutton Brook remediation costs.*)



FY2020 BUDGET PRESENTATION

Town Budget Increase Net Allocations and Without Exempt Debt: 1,049,272

Summary General Government Major Changes/Increases:

Unclassified Budgets Increase: 283,861

- Health Insurance: (145,474) (*0% Premium Increase, 5% Medex and 3% Dental Increase*)
- Unemployment Compensation: Level Funded
- Non-Exempt Debt Service: (31,207)
- Retirement: 419,404 (*6.82% Increase*)
- Property/Liability Insurance: 35,872 (*5% Premium Increase, budget now includes insurance for Drones, Ella Flemings School and additional coverage*)
- Medicare Tax: 5,266 (*2.1% Increase*)

Capital Outlay: (123,544)

Allocations Increase: 256,347 : Water Enterprise Increase - 191,195; Sewer Enterprise Increase – 47,640 and new Cable Enterprise Allocation 17,512

(Major allocation increases were retired Water Enterprise Employees' Health Insurance – 57,024, Water Enterprise Retirement Assessment 80,456)



FY2020 BUDGET PRESENTATION

School Budget Increase Without Exempt Debt : 1,326,408

Summary Changes/Increases:

Salary: 784,012 (*Includes Cost of Increase, Longevity, Step Increases and Other Contractual Obligations.
No new positions added to the salary budget*)

Operating Increase: 220,123

Capital Outlay: 289,377

Fixed Costs: 32,896

- Health Insurance: (84,905) (*0% Premium Increase, 5% Medex and 3% Dental Increase*)
- Retirement: 88,816 (*6.4% Increase*)
- Property/Liability Insurance: 16,121 (*5% premium increase, increase in certain building value and additional coverage*)
- Medicare Tax: 13,711 (*2.8% Increase*)
- Non-Exempt Debt Service: (847)

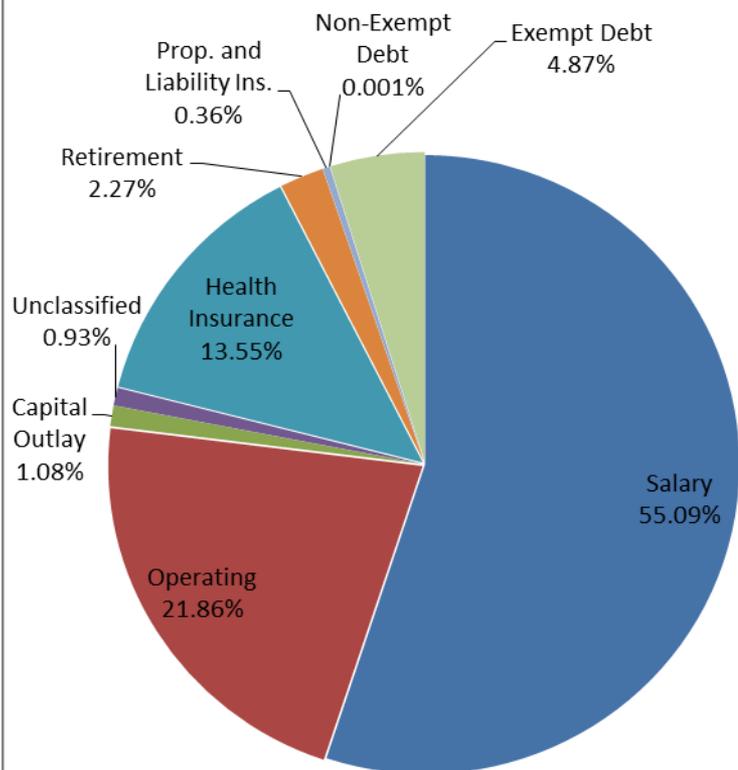
Shawsheen Regional Vocational School Increase Projected: 496,139 (*8% Increase*)

Essex North Shore Agricultural and Tech. School District: 72,157 (*Increase due to additional students attending*)

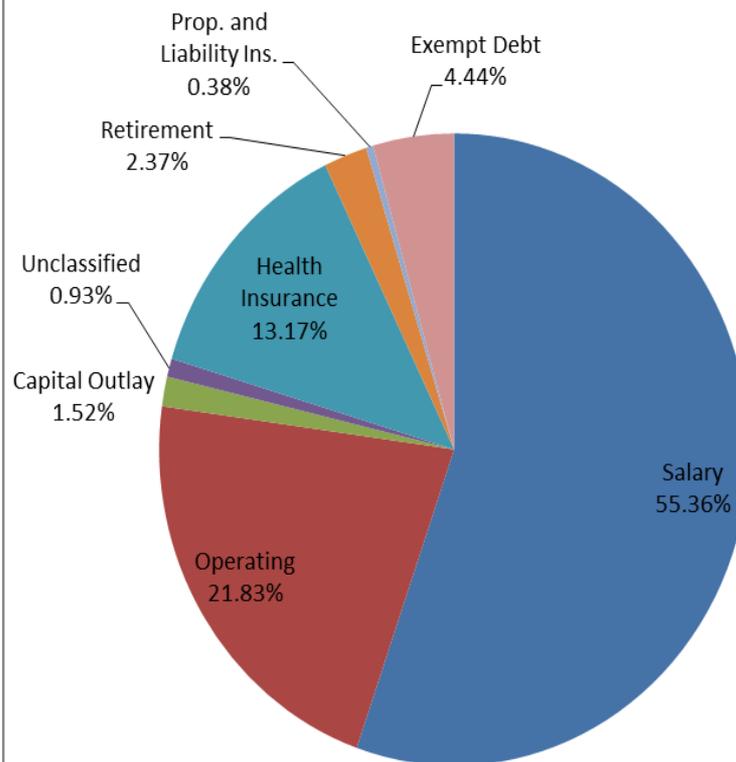


FY2020 BUDGET PRESENTATION

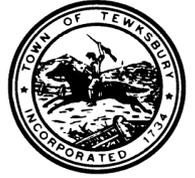
Costs As Percentage of FY19 School Budget



Costs As Percentage of FY20 School Budget



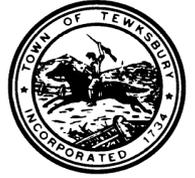
FY2020 BUDGET PRESENTATION



Review FY2019:

- Additional staffing and operating funds for Facilities and Grounds Budget
- Additional staffing and operating funds for DPW
- Additional staffing, overtime and operating funds for Police
- Additional overtime and operating funds for Fire Department
- Additional staffing and operating funds for School Department
- Funded an 11% increase in Shawsheen Tech Budget
- Provided Funding in Town and Schools Capital Budgets to purchase vehicles and equipment and undertake projects

FY2020 BUDGET PRESENTATION



FY20 Budget Highlights Priorities Not Funded

- Additional staffing and operating funds for DPW to maintain roads, sidewalks, trees and drainage
- Two School Resources Officers for the Police Department
- Additional overtime funding for the Police Department
- Two Firefighter/EMT for the Fire Department to operate a third ambulance more often
- Additional overtime funding for the Fire Department
- Additional funding for the Council on Aging to fund Van Drivers within the Budget and not impact Grants
- Additional funding for the Council on Aging to fund a part-time Transportation Coordinator
- Additional staffing and operating funding School Department
- Funding in Town and Schools Capital Budgets to purchase vehicles and equipment and undertake projects

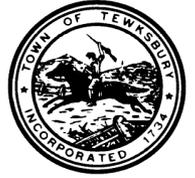


FY2020 BUDGET PRESENTATION

5 Year Budget Projection

TOWN OF TEWKSBURY FINANCIAL RECAP FISCAL YEAR 2019-2025 PROJECTIONS							
Appropriations	Approved Budget FY19	Projected Budget FY20	Projected Budget FY21	Projected Budget FY22	Projected Budget FY23	Projected Budget FY24	Projected Budget FY25
General Fund Budget							
School Budget							
Salaries	33,769,423	34,553,435	35,417,271	36,302,703	37,210,270	38,140,527	39,094,040
Operating	13,403,690	13,623,813	13,828,170	14,035,593	14,246,127	14,459,819	14,676,716
Capital Outlay	659,500	948,877	948,877	948,877	948,877	948,877	948,877
Health Insurance	8,304,083	8,219,178	8,630,137	9,061,644	9,514,726	9,990,463	10,489,986
Retirement	1,391,282	1,480,098	1,561,314	1,654,993	1,754,292	1,859,550	1,971,123
Debt	847	-	-	-	-	-	-
Other Fixed Costs	790,960	820,792	853,624	887,769	923,279	960,211	998,619
Total School Budget	58,319,785	59,646,193	61,239,393	62,891,578	64,597,572	66,359,446	68,179,361
Exempt Debt School	2,982,702	2,771,215	2,691,257	2,608,488	2,304,050	2,249,150	2,192,275
Shawsheen Tech	6,201,732	6,697,871	6,965,786	7,244,417	7,534,194	7,835,562	8,148,984
Essex Aggie	56,968	129,125	134,290	139,662	145,248	151,058	157,101
Town Budget							
Salaries	18,274,606	18,940,553	19,414,066	19,899,418	20,396,903	20,906,826	21,429,497
Operating	4,607,764	4,774,408	4,846,024	4,918,714	4,992,495	5,067,382	5,143,393
Solid Waste	2,309,875	2,455,195	2,528,851	2,604,717	2,682,858	2,763,344	2,846,244
Health Insurance	4,930,073	4,881,551	5,125,629	5,381,910	5,651,005	5,933,556	6,230,234
Retirement	6,580,426	7,065,138	7,264,629	7,700,507	8,162,537	8,652,289	9,171,427
Debt	387,142	355,935	317,131	308,731	288,281	288,281	278,031
Medicare Tax	268,000	278,000	-	-	-	-	-
Other Fixed Costs	1,213,161	1,249,431	1,274,419	1,299,908	1,325,906	1,352,424	1,379,472
Capital Outlay	436,244	312,700	312,700	312,700	312,700	312,700	312,700
Enterprise Fund Allocations	(1,728,127)	(1,984,474)	(2,087,260)	(2,170,751)	(2,257,581)	(2,347,884)	(2,441,799)
Total Town Budget	37,279,164	38,328,435	38,996,189	40,255,854	41,555,106	42,928,919	44,349,199
Exempt Debt Town	6,106,524	6,142,142	5,854,204	5,743,084	5,663,719	5,637,669	5,560,981
Transfer to Enterprise Funds	36,208	14,749	-	-	-	-	-
Town Meeting Raise and Appropriation	169,167	-	-	-	-	-	-
Total Budget Appropriations	111,152,250	113,729,731	115,881,120	118,883,083	121,799,889	125,161,803	128,587,901
Cherry Sheet Offsets	38,995	38,995	38,995	38,995	38,995	38,995	38,995
Other Local Expenditures	1,088,941	996,630	922,955	849,538	776,385	703,581	717,653
State and County Charges	1,751,102	1,926,212	2,118,833	2,330,717	2,563,788	2,820,167	3,102,184
Total Uses of Funding	114,031,288	116,691,568	118,961,903	122,102,333	125,179,057	128,724,547	132,446,732
Sources of Funding:							
Total Property Taxes Levied:	87,419,780	90,044,898	92,536,211	95,320,469	98,010,911	101,103,252	104,245,059
State Estimated Revenues:	16,806,200	16,806,200	16,974,262	17,144,005	17,315,445	17,488,599	17,663,485
Local estimated Revenues:	9,458,686	9,580,515	9,676,320	9,773,083	9,870,814	9,969,522	10,069,218
Other Available Funds:	346,622	259,955	173,278	86,600	-	-	-
Total Sources of Funding	114,031,288	116,691,568	119,360,071	122,324,157	125,197,170	128,561,373	131,977,762
Surplus/(Deficit)	-	-	398,168	221,824	18,113	(163,173)	(468,970)

FY2020 BUDGET PRESENTATION



FINANCIAL ITEMS TO MONITOR IN THE FUTURE:

- State Aid & State and County charges
- Federal Budget and Federal requirement changes
- Shawsheen Tech Assessment
- Unfunded Liabilities: Retirement and OPEB
- Stabilization Fund Use and Replenishing: Current Balance is \$4,689,928 which is 4.12% of the total FY19 Budget. The goal is to have a fund balance 5% of the total Town Budget which would require approximately \$5.6 million.
- Compliance with new EPA Stormwater Permit
- Capital Improvements, roads, sidewalks, drainage and buildings
- Snow and Ice Deficit
- Bond Rating: Current Bond Rating is AA+ and the goal is to become AAA

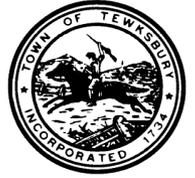


FY2020 BUDGET PRESENTATION

Board of Selectmen Financial Policy:

- The Town Manager shall annually prepare a balanced budget and comprehensive Budget Message as required by state law, Town Charter, and/or By-laws.
- Budgets will be established, and funds managed, using “generally accepted” accounting principles.
- Finances will be managed to maintain financial stability over the long term.
- Maintain facilities and provide services at a level that will ensure the public well-being and the safety of residents.
- The Town will avoid budgetary procedures that balance current expenditures at the expense of meeting future years’ expenses, such as postponing expenditures, accruing future years’ revenues, or rolling over short-term debt.
- 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.
- 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.

FY2020 BUDGET PRESENTATION



Questions and Comments