

2020-2021
Annual Town Report
Part II
Warrant for the Annual Town Meeting
With Reports and Recommendations of
the Finance and Advisory Committee



Hearing on the Warrant
Monday, July 6, 2020
via Zoom at 7:00 pm
Meeting ID: 897 6034 4798

Annual Town Meeting
Saturday, July 11, 2020
Pingree Park at 9:00 am

Election Day
Thursday, June 25, 2020
Buker School at 11:00 am to 7:00 pm

Please bring this Part II with you to the Hearing and Town Meeting.
Matters to be voted on do not appear in Part I of the Town Report.
The Town Report is available at www.wenhamma.gov and will be
delivered to households by the end of July.

Table of Contents for the Warrant for Annual Town Meeting on July 11, 2020

Article #	Title	Page Number
	Finance and Advisory Committee Annual Report	2
	Warrant for the Annual Town Meeting	7
A	Cemetery and Other Trust Funds	7
B	Cemetery Maintenance Fund Transfer	7
C	Transfer from Water Operating Budget to Water Capital Reserve Fund	8
D	Road Work – Chapter 90 Funding	8
1	Annual Operating Budget Appropriations—Town and Schools (balanced budget)	9
2	Use of Free Cash to Balance the Budget	9
	Notes to Recap Sheet	10
	Article 1 Budget Spreadsheet	11
3	Override - Town Annual Operating Budget	21
4	Override - Loose Leaf Pick-Up	21
5	Debt Authorization and Exclusion - Fire Truck	22
6	Override – Regional School District Annual Operating Budget	22
7	Debt Authorization and Exclusion – Regional School District Capital Plan	23
8	CPA Reservations and Appropriations	24
	Appendices	27

Wenham Finance and Advisory Committee

Fiscal 2021 Annual Report

To the Citizens of Wenham,

The Wenham Finance and Advisory Committee herein submits for your review, consideration, and action at the July 11, 2020 Annual Town Meeting, our recommended budget for the Fiscal Year (FY) 2021, which begins July 1, 2020.

The Town of Wenham continues to face many fiscal challenges. As we address our FY 2021 needs and as the budget plan clearly outlines, maintaining our town and educational services comes at a cost that is substantially greater than in previous fiscal years. The nature of the budgetary challenges remains that of expense increases outpacing revenue growth – the majority of which is levied property taxes.

With both Town expense increases and substantial increases to Wenham's assessment for the Hamilton Wenham Regional School District (HWRSD), the FY 2021 budget proposal process includes override articles as did the FY 2019 and FY 2020 budgets. Structurally similar to previous years, and in the interest of transparency, the FY 2021 primary financial articles represent incremental appropriations, as outlined below:

- Article 1 funds a budget within the Town's levy limit (increased by 2 ½ percent) with the assistance of \$499,085 of free cash recommended in Article 2.
- Article 3 funds the Town of Wenham Operating Budget with an incremental increase of \$237,924 (down from Original Override of \$361,640).
- Article 6 funds Wenham's share of the HWRSD assessment with an incremental increase of \$723,722.
- Combined, the primary budget overrides total \$961,646.

The FY 2021 operating budget reflects an increase of \$1,123,695, or 5.55% over the previous fiscal year, assuming the town and school operating overrides in Articles 3 and 6 pass at both Town Meeting and at the ballot. If the overrides do not succeed, the FY 2021 operating budget in Articles 1 and 2 reflects an increase of \$162,049, or 0.8%, over the previous fiscal year.

Article 4 includes the option for an additional \$50,000 to be raised through an override to allow the Town to hire an outside vendor to complete federally required storm water testing work. By funding this override, the Town would continue to provide loose leaf pick-up by the Department of Public Works (DPW). If this question were to fail, the DPW would complete the federally mandated storm water compliance in house and the Town would contract for \$12,000 for Casella (our current trash contractor) to complete two rounds of bagged leaf pick up.

Schools Overview

Early in the current FY 2020, the HWRSD forecasted a budget deficit of \$638,000, much of which was due to out of district special education placements. So, approaching this year's budget the HWRSD faced a budget imbalance. Ultimately, the HWRSD School Committee adopted a FY 2021 gross operational budget of \$38,297,952 which represents an increase over FY 2020 of 9.57%. The net operating budget increase is 8.57% reflecting changes in funding sources. The current HWRSD budget seeks to address some of the special education cost increases – enabling the District to bolster programming and serve these needs in house.

Turning to the student enrollment-based apportionment formula,

- Wenham student enrollment increased from 624 to 635 students
- Hamilton student enrollment increased from 1,091 to 1,130 students
- Wenham's share of the HWRSD operating budget increased from 35.95% to 36.14%

The HWRSD net assessment increased by \$959,124 or 9.14%, over the current fiscal year, \$56,189 of that increase is attributed to the apportionment shift alone. Post COVID-19, there have been reductions on the state revenue side for HWRSD which has led to reductions in the school budget, but the net assessments for the two Towns remain the same.

Town Overview

The FY 2021 budget reflects an increase of 1.81% in Town expenses, as detailed below. Among the key drivers of Town expense increases are health insurance benefits, which increased \$91,706 or 15% and trash services, which have increased \$45,132 or 11.2%. The Town is also seeing a minimal increase in revenue including state aid, local receipts, and free cash. As a result, despite new growth and the 2 ½% annual increase, overall revenues only increase of 0.8% over last year (including the use of \$499,085 in free cash in Article 2).

Salaries

Town salaries increase by \$88,857 reflecting 2% increase overall due to 2% COLA increases, contractual step increases, up to 2% in non-union personnel merit increases, and salary adjustments for non-union positions within the ranges established in the compensation and classification schedule.

Debt Service

Debt payments of both principle and interest from the general fund operating budget will decrease \$90,687 from the current fiscal year to \$450,186, a decrease of 16.77%. This is due to the decreasing payments over time on the Town's outstanding debt.

Both the Town and HWRSD have put forward a debt exclusion question for approval by Town Meeting.

The Town's debt exclusion is for the first year of a 10 year borrowing for a Fire Department pumper truck. The estimated cost to the Town in FY 2021 is \$9,500 which includes interest for a bond anticipation note. This will be funded through a fire capital account due to cost savings from early payments made on the last fire truck purchased.

The HWRSD's debt exclusion is for \$958,000 in capital projects approved by the School Committee. Year 1 will include an interest payment of \$5,421, which is funded in the operating and debt appropriations for the Regional School District in Articles 1 and 6.

Free Cash

Free cash results from higher than expected revenue, or lower than expected expenditures (relative to one another). As with the prior two fiscal years, the FY 2021 budget includes the use of free cash (Article 2) in the amount of \$499,085. This reflects a decrease year over year of \$200,915 to ensure a minimum of \$250,000 in reserve, consistent with the Town's financial policy.

Available free cash was certified at \$954,005, so the use of \$ 499,085 in free cash to balance the budget and a net \$204,920 for capital commitments at a fall Town Meeting will leave a balance of \$250,000. Since year-to-year fluctuations in the amount of free cash generated by operations are possible, best practices in municipal financial management discourage the use of free cash for on-going operations support and suggest that free cash be used for one-time items such as capital or investment in reserves. We are pleased with the continued reduction with our use of free cash to balance the Town's operating budget; however, our structural deficit as a result of any free cash remains meaningful.

Capital Expenditures

The following capital commitments are made in Article 1 based on current lease agreements or necessary safety equipment. These were selected as minimum requirements and do not accurately reflect all of the necessary capital improvement items identified in either departmental budget requests or the Town's 5-year Capital Improvement Plan.

- \$40,000 for Highway Dept. backhoe lease
- \$21,000 for the Council on Aging roof
- \$35,000 for Highway Dept. front end loader lease
- \$12,133 for Police Dept. marked cruiser and administrative vehicle leases
- \$46,609 for Debt Service, including the last payments for Fire Pumper Truck and the Town's Financial Software

While Article 1 includes on-going and time-sensitive capital expenses, a Fall Town Meeting will include one-time capital expenditures. Additional capital improvement items would be recommended for funding in the fall with the use of free cash. These are one-time capital items that include critical infrastructure repairs and safety equipment. These items were identified in the Town's Capital Improvement Program, as shown in Appendix 2 of this Warrant Book and were all recommended by the Finance & Advisory Committee.

• Highway Dept.- road capital	\$45,000
• Fire – protective gear	\$30,800
• Fire – SCBA (breathing apparatus)	\$15,000
• Information Tech. – replacement computers	\$10,000
• Information Tech. – website upgrade	\$13,500
• Iron Rail – septic system design	\$10,000
• Police – replacement cruiser	\$42,000
• Police – replacement rifles (5) (Year 1 of 2)	\$ 7,000
• Library - server replacement	\$18,000
• Library - roof replacement	\$93,000

The Water Dept. is again seeking to transfer \$35,000 from the operating budget to the Capital Reserve account created last year for long term investments into the water infrastructure (Article C). The Water Dept. will also plan to seek a transfer from Water Surplus to the Water Capital Account at \$150,000 for the purchase of SCADA (Supervisory Control and Data Acquisition) system at a Fall Town Meeting.

The Iron Rail Commission will continue to cover debt service and previously deferred modest capital projects through the use of their revolving fund. These funds are generated by Iron Rail rental income, while the remainder of the Iron Rail rental income is included in General Fund Revenue.

Net Effect: Anticipated Tax Rate Impact of Articles 1, 3, 4 and 6

The chart below summarizes the incremental impact of each budget scenario presented in the Warrant. It starts with a levy limit budget that remains within the maximum allowable levy and then presents each potential override (Articles 3 and 6) and the impact of each on the tax rate. Please note that all three scenarios assume approval of Article 2 (the use of \$499,085 in free cash to balance the budget). Further, Article 4, which would fund the continuation of loose leaf pick-up, is contingent on the appropriation at Town Meeting and the ballot; if the Town Operating Override fails so too would Article 4.

FY21 TAX RATE SCENARIOS

	Levy Limit Impact	FY 20 Tax Rate	Est. Tax Rate Impact of Article	Resulting estimated Tax Rate*	Percent Increase FY20 to FY21	Est. Tax Bill Increase*
Articles 1 & 2, levy limit budget and free cash	N/A	\$18.94	+ \$0.54/\$1,000	\$19.48	+2.9%	+ \$311
Article 3, Town Operating Override	Increase of \$237,924		+\$0.80 / 1,000	\$19.75	+4.2%	+ \$461
Article 6, School Operating Override	Increase of \$723,722		+\$1.35/\$1,000	\$20.29	+7.1%	+\$777
Articles 3 and 6 together	**Increase of \$961,646		+\$1.64/\$1,000	\$20.58	+8.7%	+\$944
Article 4, Loose Leaf Pick Up Override	Increase of \$50,000					
All 3 Operating Overrides	\$1,011,646		+\$1.70/\$1,000	\$20.64	+9.0%	+\$979

****Assumes Articles 3 and 6 pass**

***Assumes median assessed home value remains at \$575,700**

If Articles 1 through 6 all pass at Town Meeting and Articles 3, 4, and 6 are approved through the ballot, households with the median assessed value in Wenham can expect a total tax increase of approximately \$979 over FY20.

Fiscal Outlook for FY 2021 and Beyond

The strong community desire to support our excellent education system remains, though the fiscal challenges have mounted. Given the increase in the HWRSD budget, educational costs now comprise 55.06% of the Town's budget (including the Vocational School), and annual levy limit increases through Proposition 2 ½ and new growth are unlikely to enable balanced budgeting without additional overrides in the coming years given expense growth rates. Consider that, over the past 3 fiscal years, the Town's levy limit has increased an average of \$786,148 (including overrides) (FY18-FY21), while over the same time period HWRSD assessments alone, for Wenham, have increased by an annual average of \$796,539. Despite the past two overrides, the Town still lacks the levy capacity to fund its operations without an override.

While the FY 2021 budget funds the Town's continuing operations, its capital needs remain deferred in part. An example of such deferral is the development of a Master Plan – one which would help guide the Town's future actions in a manner consistent with the wishes of its residents. While fiscally appropriate in the long run, such expenditures are deemed too great for the FY 2021 budget. The Town must seek out potential future development opportunities and determine willingness among residents to engage in development appropriate for the character of the Town.

We remain confident that Wenham's financial operations are appropriately managed; a clean audit report for FY 2019 and a solid rating of AAA reflect the operational diligence. Finally, we are happy to share that Town's FY 2020 Budget Document received the Government Finance Officers Association (GFOA) Distinguished Budget Award, having been recognized for excellence in meeting best practices that ensure transparency and practical, intuitive flow of public budget information. This is the second year in a row the Town's Budget Document has been recognized.

We hope you will join us at the Warrant Hearing on Monday, July 6, at 7:00 PM via ZOOM and available on HWCAM.

WENHAM FINANCE AND ADVISORY COMMITTEE

Alex Begin, Chair

Michael Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

**WARRANT FOR THE ANNUAL TOWN MEETING
WENHAM, MASSACHUSETTS
Saturday, July 11, 2020**

Essex, ss

To either of the Constables of Wenham, in said County,

GREETINGS:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the inhabitants of said Town qualified to vote in the Town Affairs and elections. The Town Meeting will take place at Pingree Park located on Main Street in said Town on Saturday, the eleventh of July, 2020 at 9:00 AM.

** CONSENT CALENDAR FOR ARTICLES A-D**

ARTICLE A: Cemetery and Other Trust Funds

To see if the Town will vote to accept the Cemetery and other Trust Funds received in FY 2019, as printed in Part I of the Town Report and on file with the Town Clerk.
Or take any other action relative thereto.

Commentary: This is a standard acceptance article required to enable expenditure of annually accruing funds from trust donations for general or restricted purposes as provided by the terms of the gift or trust.

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

ARTICLE B: Cemetery Maintenance Fund Transfer

To see if the Town will vote to authorize the Treasurer to transfer the sum of \$6,000 from the Sale of Cemetery Lots - Receipts Reserved for Appropriation account to be used with the amounts appropriated for Highway Department expenditures under Article 1 for the care and operation of the three cemeteries in the Town of Wenham.
Or take any action relative thereto.

Commentary: The Sale of Cemetery Lots - Receipts Reserved for Appropriation account is restricted for expenditure for certain purposes, including costs to maintain the cemeteries. For many years, this service has been provided by DPW staff rather than a private grounds keeping service. The DPW estimates their cost to maintain the cemeteries totals approximately \$30,000 each year. Proceeds from burials and the sale of lots have historically directed about \$15,000-20,000 to the General Fund to help offset these expenses.

This article seeks to transfer \$6,000 from the Sale of Cemetery Lots - Receipts Reserved for Appropriation account to cover the balance of projected DPW General Fund expenses for cemetery maintenance next year. Based on historical sale of lot proceeds, transfers from this account at this level should continue to be self-sustaining over time, but due to current actuals has been reduced to \$6,000 from the previous figure of \$7,500.

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

ARTICLE C: Transfer from Water Operating Budget to Water Capital Reserve Fund

To see if the Town will vote to transfer the sum of \$35,000 from the FY 2021 Water operating budget into the Water Capital Reserve account.

Or take any other action relative thereto.

Commentary: *The Water Department is responsible for the maintenance of more than 28 miles of water main throughout town. While most of this infrastructure is still in relatively good condition, it was all installed 40+ years ago and will need to be incrementally replaced over time in the coming years. This work will come at a significant cost, requiring a debt issuance that will be authorized by Town Meeting when the time comes. Several years ago, based on a permanent reduction in approximately \$35,000 in annual debt payments, Town Meeting approved a transfer of \$35,000 into a new capital reserve account in order to mitigate future impacts to the water rate from these capital projects.*

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

ARTICLE D: Road Work – Chapter 90 Funding

To see if the Town will vote from available funds a sum of money for work on Town Roads, subject to conditions detailed by the Massachusetts Department of Transportation Highway Division, pursuant to MGL Chapter 30, Section 39M; Chapter 149, Section 44J; and Chapter 149, Section 26-27F; said work to conform to the requirements of the Massachusetts Department of Transportation Highway Division. Or take any other action relative thereto.

Commentary: *This annual article allows the Town to expend funds for work on Town roads in anticipation of reimbursement through the state's Chapter 90 program. The actual amount of funding available to the Town will not be confirmed until the state votes to appropriate funding later in the calendar year, but has historically totaled approximately \$150,000 and no major changes are anticipated for this coming year based on anticipated bond authorizations.*

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

ARTICLE 1: Annual Operating Budget Appropriations - Town and Schools (balanced budget)

To see if the Town will determine what sum of money may be necessary to defray the Town's expenses for Fiscal Year 2021, the twelve month period beginning July 1, 2020 and ending June 30, 2021, including expenses for the Town and Regional School District; make appropriations for the same and determine the source thereof; provided, however, that the budget proposed hereunder is intended, in concert with Article 2, to provide for a budget within the Town's levy limit.
Or take any other action relative thereto.

***Commentary:** The FY 2021 budget appropriation in this article, as recommended by the Board of Selectmen and Finance & Advisory Committee, totals \$20,409,795. The FY 2021 budget requires the use of \$499,085 in FY 2019 free cash (see Article 2) to balance the budget and stay within the levy limit. See financial exhibits contained within the Article 1 warrant for further details about departmental line item funding amounts. If the FY 2021 budget outlined in Article 1 is accepted as recommended, total revenues from local property taxation rise by \$484,687, in line with a 2.5% levy limit increase under Proposition 2½ with the addition of new growth. This article only includes partial funding for the Hamilton Wenham Regional School District's operating expense increase within the Town's levy capacity. Articles 3 and 6, when combined, will fully cover the FY 2021 Town Operating Budget and the Hamilton Wenham Regional School District budget as approved by their School Committee. Assuming no changes in the Town's overall property valuation, the tax rate is set to rise to \$19.48/1000 upon the passage of this article, an increase of \$.54 or 2.85% from FY 2020 rate of \$18.94/1000. Additional tax rate implications for Articles 3 and 6 are included in those commentaries.*

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

ARTICLE 2: Use of Free Cash to Balance the Budget

To see what sum of money the Town will vote to transfer from Free Cash to be used to balance the budget for the period July 1, 2020 to June 30, 2021.
Or take any other action relative thereto.

***Commentary:** This article seeks to transfer the sum of \$499,085 from the FY 2019 certified free cash amount of \$954,005 to balance the FY 2021 budget. This article seeks to use 52% of the FY 2019 certified free cash amount, leaving a balance of \$250,000, which is consistent with the Town's Financial Policy to maintain a minimum balance of \$250,000 in free cash. For comparison purposes, last year, the Town's FY 2018 free cash was certified at \$977,873 and 2019 Annual Town Meeting appropriated \$700,000 to balance the budget, utilizing a total of 72% of the available free cash and leaving a balance of \$277,873. The Town's annual certified free cash balances have decreased over the past few years due to more conservative budgeting, leading to less excess funds available at the end of each fiscal year. An additional 28% of free cash will be proposed for allocation at a Fall Town Meeting for other critical capital items as outline in the Capital Plan in Appendix 2.*

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

Notes to Recap Sheet for FY 2021

REVENUE

<u>Local Receipts:</u> Includes the following:	\$1,053,500
Motor Vehicle Excise, Penalties and Interest, Payments in Lieu of Taxes, Charges for Services, Fees, Rentals, Departmental Revenue, Licenses and Permits, Fines and Forfeits, and Investment Income.	
<u>Water Revenue:</u>	\$462,474
Raised from water use charges. Water receipts equal Water Budget:	
<u>Assessment to Hamilton: FY '21 apportionment:</u>	\$1,154,610
Joint Library (64.51% Hamilton & 35.49% Wenham), Pleasant Pond & Joint Inspectional Services	
<u>Cherry Sheet Revenue:</u>	\$348,750
FY '21 Estimate	
<u>Other Available Funds:</u>	
FY 2019 Certified Free Cash Used to Reduce Tax Rate (\$954,005 certified)	\$499,085

EXPENSES

<u>Cherry Sheet Charges:</u>	Assessed by the Commonwealth	\$154,116
<u>Other Expenditures:</u>		
Other charges that may be assessed to the town without appropriation;		
This includes Cherry Sheet Offsets and any other deficits that may need to be raised		
Public Libraries Offset Receipts		\$10,000
<u>Overlay:</u> Allowance for Abatements and Exemptions from Assessors		
FY '21 Estimated		\$195,000
<u>Special Articles:</u>		
The total dollar amount of the Finance and Advisory Committee's recommended expenditures under all of the warrant articles that affect the tax rate.		
Article No. 4	Cemetery funds transfer	\$6,000

FY 2021 Levy Limit Calculation:

Prior <u>Fiscal Year Levy Limit:</u> From Department of Revenue RECAP Sheet	\$16,232,100
<u>Prop 2.5 levy increase</u>	\$405,803
<u>New Growth:</u> Value increases from new construction	\$150,000
<u>Levy Limit</u>	\$16,787,903
<u>Proposition 2 ½ Debt Exclusion:</u>	
Includes Joint Library Project, Town Hall/Police Station Project Iron Rail Boiler and School Debt	+ \$456,589
<u>Maximum Allowable Levy</u>	\$17,244,492

FY 2021 Article 1

7/11/2020

All FY 2021 salaries listed are based on a 52.43 week year

ITEM NO.	ITEM	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Adopted Budget 7/1/2018 6/30/2019	Adopted Budget 7/1/2019 6/30/2020	Proposed Budget 7/1/2020 6/30/2021
114	MODERATOR					
114-5200	EXPENSES	50	50	50	50	50
122	SELECTMEN					
122-5100	SALARIES	10,920	11,139	11,029	11,250	11,474
	<i>(Chairman @ \$4,527/year, 2 Members @ \$3,473/year)</i>					
122-5200	EXPENSES	2,000	2,000	2,000	500	1,000
	TOTAL - SELECTMEN	12,920	13,139	13,029	11,750	12,474
123	TOWN ADMINISTRATOR					
123-5100	SALARY	106,050	114,240	132,000	138,047	135,834
	<i>(Town Administrator @ 135,834/year)</i>					
123-5200	EXPENSES	2,500	2,500	2,500	4,000	6,550
	TOTAL - TOWN ADMINISTRATOR	108,550	116,740	134,500	142,047	142,384
131	FINANCE & ADVISORY COMMITTEE					
131-5200	EXPENSES	250	250	250	250	250
132	RESERVE FUND MGL C.40, S.6					
132-5700	RESERVE FUND	190,000	125,000	125,000	125,000	125,000
139	MUNICIPAL AUDIT					
139-5300	CONTRACT SERVICES - Municipal Audit	22,000	23,500	23,500	25,000	25,500
	CONTRACT SERVICES - Actuarial Valuation	0	0	0		
	TOTAL - MUNICIPAL AUDIT	22,000	23,500	23,500	25,000	25,500
141	ASSESSORS					
141-5100	SALARY & WAGES	59,679	61,280	63,103	65,131	67,335
	<i>(P/T Chief Assessor @ \$39,794/year for 20 hrs/wk)</i>					
	<i>(Asst Assessor @ \$27,541/year for 18 hrs/wk)</i>					
141-5200	EXPENSES	12,150	12,150	13,150	14,150	8,150
141-5800	CAPITAL - Measure List	0	0	0		
	TOTAL - ASSESSORS	71,829	73,430	76,253	79,281	75,485
145-5301	TAX TITLE EXPENSE				10,000	10,000

FY 2021 Article 1

7/11/2020

All FY 2021 salaries listed are based on a 52.43 week year

ITEM NO.	ITEM	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Adopted Budget 7/1/2018 6/30/2019	Adopted Budget 7/1/2019 6/30/2020	Proposed Budget 7/1/2020 6/30/2021
149	FINANCE DEPARTMENT					
149-5100	SALARY & WAGES <i>Treasurer/Collector @ \$76,247/year for 40 hrs/wk)</i> <i>Town Accountant/Interim Finance Director @ \$105,000/year for 40 hrs/wk)</i> <i>(Assistant Treasurer/Collector @ \$63,438/year for 36.5 hrs/wk)</i>	170,853	187,551	195,778	225,276	244,684
149-5200	EXPENSES	26,400	37,500	32,950	22,950	22,950
	TOTAL - FINANCE DEPARTMENT	<u>197,253</u>	<u>225,051</u>	<u>228,728</u>	<u>248,226</u>	<u>267,634</u>
151	TOWN COUNSEL / LEGAL					
151-5210	CONTRACT SERVICES - RETAINER	7,000	0	0		
151-5220	CONTRACT SERVICES - OUTSIDE COUNSEL	48,000	50,000	55,000	60,000	75,000
	TOTAL - TOWN COUNSEL/LEGAL	<u>55,000</u>	<u>50,000</u>	<u>55,000</u>	<u>60,000</u>	<u>75,000</u>
155	INFORMATION TECHNOLOGY					
155-5200	EXPENSES	50,387	55,254	64,014	73,211	73,541
155-5800	CAPITAL	10,000	7,000	7,000	7,000	10,000
	TOTAL - INFORMATION TECHNOLOGY	<u>60,387</u>	<u>62,254</u>	<u>71,014</u>	<u>80,211</u>	<u>83,541</u>
160	TOWN HALL					
160-5100	SALARY & WAGES <i>(Administrative Assistant @ \$66,678/year for 40/hrs/wk)</i> <i>(Special Projects Manager @ \$37,956/year for 19.75/hrs/wk)</i> <i>(Minute Taker - \$20,565/year)</i>	74,568	104,060	122,265	133,276	136,510
160-5200	EXPENSES	47,720	47,720	47,720	47,720	68,600
160-5310	Minutes Taker - Moved to Salary & Wages	8,401	8,569	0		
	TOTAL - TOWN HALL	<u>130,689</u>	<u>160,349</u>	<u>169,985</u>	<u>180,996</u>	<u>205,110</u>
161	TOWN CLERK					
161-5100	SALARY & WAGES <i>(Town Clerk @ \$66,734/year for 36.5 hrs./wk.)</i> <i>(Registrar Stipend \$177/year)</i> <i>(Election coverage totaling \$5,549)</i> <i>(Administrative Assistant @ \$17,617/year for 14 hrs/wk @\$24)</i> <i>(Town Clerk Certification Stipend \$1,000/year)</i>	65,818	65,039	77,487	83,773	72,401
161-5200	EXPENSES	16,930	12,555	12,855	13,065	10,990
	TOTAL - TOWN CLERK	<u>82,748</u>	<u>77,594</u>	<u>90,342</u>	<u>96,838</u>	<u>83,391</u>

FY 2021 Article 1

7/11/2020

All FY 2021 salaries listed are based on a 52.43 week year

ITEM NO.	ITEM	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Adopted Budget 7/1/2018 6/30/2019	Adopted Budget 7/1/2019 6/30/2020	Proposed Budget 7/1/2020 6/30/2021
170	PLANNING & LAND USE					
170-5100	SALARY & WAGES <i>(Planning Coordinator @ \$37,247/year for 19 hrs/wk)</i> <i>(Conservation & Open Space Coordinator @ \$31,414/year for 19 hrs/wk)</i>	47,797	57,105	69,122	66,056	68,661
171-5200	EXPENSES - Conservation/Planning/Zoning	6,250	4,900	6,155	6,585	6,585
175-5200	EXPENSES - Planning	0	0	0		
176-5200	EXPENSES - Board of Appeals	0	0	0		
	TOTAL - PLANNING & LAND USE	54,047	62,005	75,277	72,641	75,246
192	FACILITIES MANAGEMENT					
192-5100	SALARIES & WAGES <i>(Facilities Director @ \$68,667/year for 40 hrs/wk)</i> <i>(Summer help - 2 workers @ \$10,000)</i> <i>(Clock Winder - \$1,241/year - Stipend)</i>	88,069	81,194	81,247	84,045	69,917
192-5200	EXPENSES	73,347	73,989	78,989	87,934	87,866
192-5800	CAPITAL	0	0	0		21,000
	TOTAL - BUILDING & GROUNDS MAINTENANCE	161,416	155,183	160,236	171,979	178,783
195	TOWN REPORT					
195-5200	EXPENSES	5,000	5,500	5,700	6,000	6,000
199	IRON RAIL PROPERTY					
199-5100	SALARY & WAGES <i>(Custodial staff - moved to contracted for 2020)</i>	14,275	7,102	6,973		
199-5200	EXPENSES	36,470	36,470	36,470	46,670	47,900
199-5800	CAPITAL	0	0	0		
	TOTAL - IRON RAIL PROPERTY	50,745	43,572	43,443	46,670	47,900
	TOTAL GENERAL GOVERNMENT	1,202,884	1,193,617	1,272,307	1,356,939	1,413,748
	<u>PROTECTION OF PERSONS AND PROPERTY</u>					
210	POLICE					
210-5100	SALARIES & WAGES <i>(Chief @ \$144,992/year)</i> <i>(Captain @ \$115,590/year)</i> <i>(8 officers totaling \$628,641)</i> <i>(Reserve Officers totaling \$341,120)</i> <i>(Administrative Assistant @ \$51,050/year)</i>	1,251,067	1,237,224	1,271,226	1,306,706	1,322,932

FY 2021 Article 1

7/11/2020

All FY 2021 salaries listed are based on a 52.43 week year

ITEM NO.	ITEM	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Adopted Budget 7/1/2018 6/30/2019	Adopted Budget 7/1/2019 6/30/2020	Proposed Budget 7/1/2020 6/30/2021
	(Animal Control Officer @ \$19,500/year)					
	(Pleasant Pond Life Guards & Gatekeepers @ \$22,040/year)					
210-5200	EXPENSES	122,930	125,266	123,216	126,616	116,300
210-5800	CAPITAL	38,000	40,000	40,000	54,133	12,133
	Purchase of new front line cruiser @ \$42,000					
	Lease costs for Administrative Vehicle @ \$12,133					
	TOTAL - POLICE	1,411,997	1,402,490	1,434,442	1,487,455	1,451,365
220	FIRE					
220-5100	SALARIES & STIPENDS	384,288	401,285	387,036	423,125	454,546
	(Chief @ \$114,076/year)					
	(Fire Prevention Officer @ \$107,915/year)					
	(F/T Firefighter @ \$55,560/year)					
	(Administrative Assistant @ \$6,987/year)					
	(Training, OT & EMT, Deputy, Captain, Lieutenant Stipends, \$144,135)					
	(Additional EMS Coverage(\$25,875)					
220-5110	ON-CALL WAGES	206,091	201,220	202,995	181,555	187,910
220-5200	EXPENSES	116,820	133,286	123,961	131,763	141,897
220-5800	CAPITAL	15,000	15,000	0	41,000	0
	TOTAL - FIRE	722,199	750,791	713,992	777,443	784,353
240	PERMITTING - INSPECTIONAL SERVICES					
240-5100	SALARIES & WAGES	58,369	60,475	138,952	142,573	152,170
	(Permitting Coordinator @ \$35,373/year for 18.25 hrs/wk.)					
	(Building Inspector @ \$70,677/year)					
	(Plumbing Inspector @ \$15,300/year)					
	(Electrical Inspector @ \$24,346/year)					
	(Back-up Plumbing & Gas Inspector @ \$1,000/year)					
	(Back-up Electrical Inspector @\$3,000/year)					
	(Back-up Building Inspector @\$2,475/year)					
240-5200	EXPENSES (Building, Plumbing & Electrical)	7,557	6,757	15,000	27,920	28,820
240-5800	CAPITAL			3,000	0	0
	TOTAL - PERMITTING - INSPECTIONAL SERVICES	65,926	67,232	156,952	170,493	180,990
294	TREE WARDEN					
294-5100	SALARY (\$1,728 stipend/year)	1,595	1,627	1,660	2,693	1,727
294-5200	EXPENSES	25,800	25,800	25,800	25,800	26,000
294-5800	CAPITAL					
	TOTAL - TREE WARDEN	27,395	27,427	27,460	28,493	27,727

FY 2021 Article 1

7/11/2020

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TOTAL PROTECTION OF PERSONS & PROPERTY		<u>2,227,517</u>	<u>2,247,940</u>	<u>2,332,846</u>	<u>2,463,884</u>	<u>2,444,435</u>
<u>SCHOOLS</u>						
310	REGIONAL SCHOOL DISTRICT					
310-5200	ASSESSMENT - Wenham Share	8,433,233	8,870,591	9,708,859	10,488,321	11,447,446
315	REGIONAL SCHOOL DEBT					
315-5910	PRINCIPAL & INTEREST (1997 New Middle School)	245,696	248,192	247,816		
315-5900	PRINCIPAL & INTEREST (Cutler Roof)	42,610	42,129	45,451	47,023	46,241
315-5900	PRINCIPAL & INTEREST (Buker & Winthrop Boiler)	52,104	45,265	42,049	41,323	43,476
315-5911	WINTHROP SPRINKLER & INFRASTRUCTURE	0	0	8,838	54,869	54,211
315-5900	FY21 CAPITAL					5,421
	TOTAL - PRINCIPAL & INTEREST	<u>340,410</u>	<u>335,586</u>	<u>344,154</u>	<u>143,215</u>	<u>149,349</u>
	TOTAL - HAMILTON/WENHAM REGIONAL SCHOOL DISTRICT	<u>8,773,643</u>	<u>9,206,177</u>	<u>10,053,013</u>	<u>10,631,536</u>	<u>11,596,795</u>
320	REGIONAL VOCATIONAL SCHOOL DISTRICT					
320-5200	ASSESSMENT - Wenham Share	189,550	145,894	143,217	159,958	147,759
320-5910	INTEREST - New Regional Technical School Building	0	18,349	16,829	22,850	22,850
	TOTAL - REGIONAL VOCATIONAL SCHOOL DISTRICT	<u>189,550</u>	<u>164,243</u>	<u>160,046</u>	<u>182,808</u>	<u>170,609</u>
TOTAL EDUCATION		<u>8,963,193</u>	<u>9,370,420</u>	<u>10,213,059</u>	<u>10,814,344</u>	<u>11,767,404</u>
<u>DEPARTMENT OF PUBLIC WORKS</u>						
422	HIGHWAY DEPARTMENT					
422-5100	SALARIES & WAGES	523,131	548,447	551,413	569,359	582,044
	(DPW Director @ \$117,437/year)					
	(Foreman @ \$76,522/year)					
	(6 f/t positions totaling \$336,116/year)					
	(Administrative Assistant \$31,232/year @ 23.5 hrs/wk)					
	(Summer Help/Leaf Pick up/ etc. - \$7,377)					
	(OT \$13,362)					
422-5200	EXPENSES	223,344	219,304	219,304	276,495	280,095
422-5800	CAPITAL	96,000	83,020	83,020	163,020	160,000
	TOTAL - HIGHWAY DEPARTMENT	<u>842,475</u>	<u>850,771</u>	<u>853,737</u>	<u>1,008,874</u>	<u>1,022,139</u>

FY 2021 Article 1

7/11/2020

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423	SNOW REMOVAL					
423-5100	WAGES	36,050	36,050	36,050	36,050	36,050
423-5200	EXPENSES	70,000	70,000	70,000	70,000	70,000
	TOTAL - SNOW REMOVAL	106,050	106,050	106,050	106,050	106,050
424	STREET LIGHTING					
424-5200	EXPENSES	40,000	30,574	18,000	20,000	20,000
433	REFUSE COLLECTION AND DISPOSAL					
433-5300	EXPENSES	240,669	365,000	386,000	401,268	446,400
491	CEMETERY					
491-5100	SALARIES & WAGES -(Burial Agent - \$3,249/year stipend) (DPW Overtime @ \$1,200/year)	3,481	3,180	3,122	4,385	4,449
491-5200	EXPENSES	4,900	6,100	6,600	4,750	6,950
	CAPITAL				4,362	0
	TOTAL - CEMETERY	8,381	9,280	9,722	13,497	11,399
TOTAL DEPARTMENT OF PUBLIC WORKS		1,237,575	1,361,675	1,373,509	1,549,689	1,605,988
<u>HEALTH AND HUMAN SERVICES</u>						
510	BOARD OF HEALTH					
510-5100	SALARIES (Inspector of Animals @ \$2,644/year) (Assistant Health Agent @ \$6,256/year) (Public Health Nurse @ \$6,960/year)	12,023	12,261	12,384	15,550	15,861
510-5200	EXPENSES	19,370	19,935	20,643	20,948	27,604
510-5300	CONTRACT SERVICE	0	0	0		
	TOTAL - BOARD OF HEALTH	31,393	32,196	33,027	36,498	43,465
541	COUNCIL ON AGING					
541-5100	SALARIES (COA Director @\$54,388/year) (4 P/T Staff, Drivers totaling \$51,146/year)	84,021	81,886	87,108	93,503	96,797
541-5200	EXPENSES	20,274	20,274	20,274	19,950	17,950
	TOTAL - COUNCIL ON AGING	104,295	102,160	107,382	113,453	114,747

FY 2021 Article 1

7/11/2020

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543	VETERAN'S BENEFITS					
543-5200	EXPENSES	1,900	1,900	1,919	475	4,000
543-5210	REGIONAL DISTRICT ASSESSMENT	20,085	21,000	21,420	22,724	25,021
	TOTAL VETERAN'S BENEFITS	21,985	22,900	23,339	23,199	29,021
	TOTAL HEALTH & HUMAN SERVICES	157,673	157,256	163,748	173,150	187,233
	<u>CULTURE and RECREATION</u>					
620	JOINT LIBRARY					
620-5100	SALARIES & WAGES					
620-5100-1	(Director)	80,647	83,483	86,801	90,207	81,836
620-5100-2	(Head Reference)	49,943	51,743	53,818	56,401	58,255
620-5100-3	(General Services)					
620-5100-4	(Young Adult Librarian)	49,941	51,327	53,406	55,906	57,827
620-5100-5	(Children's)	49,562	52,748	54,859	57,484	59,342
620-5100-6	(Head of Circulation)	49,494	51,015	53,074	55,521	57,442
620-5100-7	(Adult Services/Admin Librarian)	49,185	50,518	52,576	54,001	55,049
620-5100-8	(Technical Services)	57,928	58,615	59,766	54,655	55,786
620-5100-9	(Assistant Director)	55,940	58,056	60,418	63,187	65,365
620-5100-11	(Generalist)	48,744	50,965	53,036	54,272	55,425
	(Placeholder for Wage Matrix)	0	0	0		
	SUBTOTAL PROFESSIONAL	491,384	508,470	527,754	541,634	546,327
620-5100-10	(Support Staff - 12 Part-time Positions @ various hourly wages)	102,302	105,776	110,209	116,326	127,289
	(Shelvers - total 20 hrs/wk)	0	0	0		
	SUBTOTAL SUPPORT STAFF	102,302	105,776	110,209	116,326	127,289
	TOTAL SALARIES	593,686	614,246	637,963	657,960	673,616
620-5200	EXPENSES					
620-5200-1	(Library Books)	125,814	127,814	130,814	132,126	135,000
620-5200-2	(Subscriptions & Periodicals)	10,000	10,000	10,000	10,000	10,000
620-5200-3	(Technology)	46,404	48,668	49,694	53,209	53,982
620-5200-5	(General Supplies)	12,265	12,765	12,627	12,627	12,100
620-5200-6	(Memberships, Conference & Travel)	916	916	916	916	2,000
620-5200-7	(Programs)	500	500	500	500	1,800
620-5200-8	(Heat & Utilities)	55,540	53,540	53,540	56,427	50,015

FY 2021 Article 1

7/11/2020

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620-5200-9	(Maintenance of Building & Grounds) TOTAL LIBRARY EXPENSES	39,635 291,074	41,135 295,338	45,105 303,196	48,105 313,910	61,650 326,547
620-5800-10	CAPITAL TOTAL - LIBRARY	0 884,760	0 909,584	0 941,159	0 971,870	0 1,000,163
640	JOINT RECREATION PROGRAM					
640-5200	OTHER - JT. RECREATION PROGRAM EXPENSE (Includes IDC model administrative fee to Hamilton) EXPENSES	68,615	68,784	97,140	86,778	90,583
691	HISTORIC DISTRICT COMMISSION					
691-5200	EXPENSES	200	200	200	200	200
	TOTAL CULTURE AND RECREATION	953,575	978,568	1,038,499	1,058,848	1,090,946
	<u>FIXED CHARGES</u>					
840	INTERGOVERNMENTAL					
911-5200	ECO - RETIREE ASSESSMENT	19,866	20,101	20,717	24,281	26,224
911	RETIREMENT					
911-5200	ESSEX REGIONAL RETIREMENT ASSESSMENT	597,599	668,111	728,457	794,018	836,419
911-5220	FORMER EMPLOYEE PENSION	6,640	0	0		
	TOTAL - RETIREMENT	604,239	668,111	728,457	794,018	836,419
914	EMPLOYEE BENEFITS					
914-5200	GROUP INSURANCE (Health & Life - Town Share)	646,445	691,696	638,415	760,168	874,275
914-5220	UNEMPLOYMENT	17,000	7,000	7,000		
	COMPENSATED ABSENCES				22,400	0
	TOTAL - EMPLOYEE BENEFITS	663,445	698,696	645,415	782,568	874,275
916	FICA / MEDICARE					
916-5200	EXPENSES	55,069	56,721	57,856	59,013	63,000
945	GENERAL INSURANCE					
945-5200	EXPENSES	123,600	123,600	127,308	135,000	145,000
	TOTAL - GENERAL INSURANCE	123,600	123,600	127,308	135,000	145,000

FY 2021 Article 1

7/11/2020

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991	OTHER POST EMPLOYMENT BENEFITS - OPEB					
991-5960	EXPENSES	0	0	40,000	50,000	60,000
	TOTAL FIXED CHARGES	1,466,219	1,567,229	1,619,753	1,844,880	2,004,918
	<u>TOWN DEBT - PRINCIPAL & INTEREST</u>					
710	PRINCIPAL					
710-5910-3	PRINCIPAL - JOINT LIBRARY	60,000	60,000	50,000	50,000	0
710-5910-4	PRINCIPAL - LIBRARY LEASE/PURCHASE	15,000	15,000	15,000	15,000	0
710-5910-5	PRINCIPAL - TOWN HALL PROJ (\$244,000)	10,000	10,000	10,000	10,000	0
710-5910-6	PRINCIPAL - TOWN HALL / POLICE PROJECT	235,000	210,000	200,000	195,000	195,000
710-5910-8	PRINCIPAL - FIRE ENGINE (Quint - Debt Exclusion)	45,000				
710-5910-9	PRINCIPAL - Culvert/Drainage Road Repair	39,000	40,000	76,000	76,000	76,000
710-5910-11	PRINCIPAL - ESCO	24,000	24,000	24,000	24,000	24,000
710-5910-13	PRINCIPAL - HIGHWAY TRACKLESS MACHINE (Loan)	0				
710-5910-14	PRINCIPAL - STATE HOUSE NOTE '15 - FIRE TRUCK	127,000	120,000	120,000	115,000	110,000
	Subtotal - Principal	555,000	479,000	495,000	485,000	405,000
751	INTEREST					
751-5915-3	INTEREST - JOINT LIBRARY	3,800	2,600	1,500	500	0
751-5915-4	INTEREST - LIBRARY LEASE/PURCHASE	1,050	750	450	150	0
751-5915-5	INTEREST - TOWN HALL PROJ (\$244,000)	700	500	300	100	0
751-5915-6	INTEREST - TOWN HALL / POLICE PROJECT	54,075	47,150	43,050	39,100	35,201
751-5915-8	INTEREST - FIRE ENGINE (Quint - Debt Exclusion)	956				
751-5915-9	INTEREST - Culvert/Drainage Road Repair	13,119	12,230	10,830	8,740	6,460
751-5915-11	INTEREST - ESCO	4,530	3,990	3,420	2,760	2,040
751-5915-12	INTEREST - HIGHWAY TRACKLESS MACHINE (Loan)	0				
751-5915-14	INTEREST - STATE HOUSE NOTE '15 - FIRE TRUCK	21,862	10,935	7,695	4,523	1,485
	Subtotal - Interest	100,092	78,155	67,245	55,873	45,186
	TOTAL TOWN DEBT	655,092	557,155	562,245	540,873	450,186
	Water Indirects (Offset)					(94,000)
	Personnel Reserve (Obligatory Retirement Costs)					38,110
	TOTAL GENERAL FUND	16,863,728	17,433,860	18,575,966	19,802,607	20,908,968

FY 2021 Article 1

7/11/2020

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450	WATER FUND					
450-5100	SALARIES & WAGES (Superintendent @ \$99,364/year) (Primary operator @ \$62,779/year) (Administrative Assistant @ \$16,904/year for 13 hrs/wk) (Summer help/weekend coverage - \$5,000) (Overtime - \$2,000) (Commissioner's salaries: 1 @ \$2, 2 @ \$1)	163,948	168,828	174,048	191,798	186,050
450-5200	EXPENSES	129,863	134,503	136,458	137,958	241,423
450-5916	DEBT	123,626	113,655	77,250	75,750	0
450-5800	CAPITAL	0	4,631	39,632	39,632	35,000
	TOTAL - WATER FUND	417,437	421,617	427,388	445,138	462,473
	TOTAL GENERAL/WATER FUND	17,281,165	17,855,477	19,003,354	20,247,745	21,371,441
SUMMARY						
ARTICLE 1 - SALARIES & WAGES		3,955,779	4,055,439	4,262,961	4,432,111	4,559,078
ARTICLE 1 - TOWN EXPENSES		3,424,475	3,609,157	3,715,187	4,075,520	4,356,640
ARTICLE 1 - TOWN DEBT SERVICE		778,718	670,810	639,495	616,623	450,186
ARTICLE 1 - H W REG SCHOOL EXPENSES		8,433,233	8,870,591	9,708,859	10,488,321	11,447,446
ARTICLE 1 - SCHOOL DEBT		340,410	335,586	344,154	143,215	149,349
ARTICLE 1 - REG VOCATIONAL SCHOOL EXPENSES		189,550	145,894	143,217	159,958	147,759
ARTICLE 1 - REG VOCATIONAL SCHOOL DEBT		0	18,349	16,829	22,850	22,850
ARTICLE 1 - CAPITAL		159,000	149,651	172,652	309,147	238,133
		17,281,165	17,855,477	19,003,354	20,247,745	21,371,441

ARTICLE 3: **Override - Town Annual Operating Budget**

To see if the Town will vote to raise and appropriate an additional sum of \$237,924 for the purposes of funding a portion of the Town's Annual Operating Budget for the fiscal year beginning July 1, 2020; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters at an election of a Proposition 2½, so-called, override allowing the Town to raise the funds appropriated hereunder outside the limits established by MGL Chapter 59, Section 21C.
Or take any other action relative thereto.

Commentary: *This year the Board of Selectmen, along with the Finance & Advisory Committee, instructed the Town Administration and Department Heads to put together a "level services" budget for the April Annual Town Meeting. From there, the Town made additional revenue reductions due to COVID-19 and made cuts in Information Technology, Capital, and departmental expense budgets as well as reductions by switching health insurance carriers to meet the expense reductions and reduce the original override request of \$361,640 to \$237,924.*

By approving Article 3 at both Town Meeting and the Ballot, the Town would be funding a "level services" budget, indicating that no large-scale program or service cuts or staff reductions would occur. The Town is facing significant increases for uncontrollable costs, including trash and refuse collection (11.2% increase to maintain current services) and health insurance (15% increase for current services), with a decrease in projected revenues from state aid, local receipts, and free cash. More information on the service, program, and staff cuts identified, if this Article 3 does not pass at Town Meeting and the Ballot, can be found on the Town website.

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Vote needed: Simple Majority

ARTICLE 4: **Override - Loose Leaf Pick-Up**

To see if the Town will vote, only if positive action is taken under Article 3, to raise and appropriate an additional sum of \$50,000 for loose leaf pick-up for the fiscal year beginning July 1, 2020; provided, further, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters at an election of a Proposition 2½, so-called, override allowing the Town to raise the funds appropriated hereunder outside the limits established by MGL Chapter 59, Section 21C.
Or take any other action relative thereto.

Commentary: *In the FY 2020 Budget, the loose leaf pick-up was not funded to the need to complete the federally mandated MS4 Stormwater compliance. However, due to staff transition and a lack of notification to residents, the Town completed the loose leaf pick-up in house and pushed the MS4 Stormwater compliance off from Fall 2019 to Spring 2020. The Town cannot put the MS4 requirements off any further, without risking significant fines for non-compliance. This Article, and its respective question, at the Ballot on June 25th, seeks to fund \$50,000 to fund an outside vendor to complete the MS4 requirements so that the DPW would have the capacity and resources to complete the leaf pick-up in house. This article is contingent on the passage of Article 3 at Town Meeting and Annual Town Election, as well as the passage of this motion and its respective Ballot question on June 25th.*

Recommendation of the Board of Selectmen: 0-3-0

Recommendation of the Finance & Advisory Committee: 0-5-0

Vote needed: Simple Majority

ARTICLE 5: Debt Authorization and Exclusion - Fire Truck

To see if the Town will vote to appropriate the sum of \$475,000 to purchase and equip a new fire truck, including all other incidental and related costs; and, as funding therefor, to determine whether this amount shall be raised and appropriated, transferred from available funds, or borrowed; if borrowed, to authorize the Treasurer, with the approval of the Board of Selectmen to issue bonds or notes of the Town therefor in accordance with MGL Chapter 44, Section 7(1) or any other enabling authority, and, further, that any premiums received by the Town upon the sale of any bonds or notes issued pursuant to this vote, less any premium applied to the payment of costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with MGL Chapter 44, Section 20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount; provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters at an election of a Proposition 2½, so-called, debt exclusion allowing the Town to raise the money needed to repay the principal and interest on such bonds or notes outside the limits established by MGL Chapter 59, §21C.

Or take any action relative thereto.

Commentary: This article seeks the use of new borrowing for the purchase of a new pumper engine to replace the 21 year old pumper which is currently in service, but will be removed from service this summer due to safety concerns. If passed, there will be limited budgetary impact in FY 21 (\$9,500) which is the required interest payment for year 1 of the BAN. The impact in FY 2022, when BAN payments commence, will be approximately \$64,000-\$72,000 per year, depending on interest rates. Year 1 will be paid out of a Fire Department Capital Projects account. This is available money remaining from the purchase of a fire truck in 2015 that can be used for debt services payments for the purchase of the new fire truck by a vote of the Board of Selectmen, as Executive Authority of the Town. Future appropriations for the principal and interest of this debt will be made by Town Meeting. This article requires approval by Town Meeting and at the Ballot at the Annual Election on June 25th.

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 4-0-0

Vote needed: 2/3 Majority

ARTICLE 6: Override – Regional School District Annual Operating Budget

To see if the Town will vote to raise and appropriate an additional sum of \$723,722 for the purposes of funding a portion of the Town's annual assessment for the Hamilton Wenham Regional School District budget for the fiscal year beginning July 1, 2020, provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters at an election of a Proposition 2½, so-called, override, allowing the Town to raise the funds appropriated hereunder outside the limits established by MGL Chapter 59, Section 21C.

Or take any other action relative thereto.

Commentary: The operating budget voted by the Hamilton Wenham Regional School Committee for FY 2021 includes a 9.57% gross operating expense increase. Based on Wenham's net assessment, the Town will see a 9.1% increase, which includes operating and debt expenses, or \$965,259, over last year, from FY 2020 to FY 2021. This Article, along with Articles 1 and 2, fully fund Wenham's FY 2021 assessment for the Regional School District. This operating override must be approved by Town Meeting and at the Ballot at the Annual Election on June 25th in Wenham in order for the Regional School District's budget to be funded as approved by the School Committee. If Article 6 is approved, the tax rate is projected to increase by another \$1.35/1000, or 7.1%, above the Article 1 tax impact to \$20.29/1000.

Recommendation of the Board of Selectmen: 0-2-1

Recommendation of the Finance & Advisory Committee: 3-2-0

Vote needed: Simple Majority

ARTICLE 7: Debt Authorization and Exclusion – Regional School District Capital Plan

To see what action the Town will take, in accordance with MGL Chapter 71, Section 16(d), with respect to a borrowing authorized by the Hamilton-Wenham Regional School District School Committee in the amount of \$958,000 for the purchase and equipping of the below items listed in the District's FY 21 Capital Projects Budget, including the payment of all incidental or related costs:

Security Infrastructure Improvements	\$ 350,000
Elementary School Facilities Study & Educational Plan	\$ 250,000
Classroom Furniture & Equipment	\$ 120,000
Replace Sidewalks at Middle School	\$ 110,000
Athletic Campus Improvement Project - Design/Project Services	\$ 65,000
Network Infrastructure Improvement (Phase 1 of 4)	\$ 63,000
TOTAL	\$ 958,000

provided, however, that the vote taken hereunder shall be expressly contingent upon approval by the voters at an election of a Proposition 2 ½, so called, debt exclusion allowing the Town to raise the money needed to repay its share of the principal and interest on such bonds or notes outside the limits established by MGL Chapter 59, Section 21C.

Or take any other action relative thereto.

Commentary: These projects and acquisitions have been identified by the Hamilton Wenham Regional School Committee as priority needs to address in FY21. Additional details about these projects and acquisitions can be found in the district's 5 Year Capital Improvement Program and in Appendix 1 of this Warrant Book. This article requires approval by Town Meeting and at the Ballot at the Annual Election on June 25th.

Recommendation of the Board of Selectmen: 0-2-1

Recommendation of the Finance & Advisory Committee: 4-0-0

Vote needed: ~~Simple Majority~~ 2/3 Majority

ARTICLE 8: CPA Reservations and Appropriations

To see if the Town will vote to: hear and act on the report of the Community Preservation Committee (“CPC”) for FY 2021; appropriate from the Community Preservation Fund (“CPF”) FY 2021 estimated annual revenues a sum of money to meet the necessary and proper expenses of the CPC for FY 2021; and, further, to expend or set aside, whether from CPF FY 2021 estimated annual revenues or otherwise, as recommended by the CPC, sums of money for: acquisition, creation and preservation of open space; acquisition, creation, preservation, rehabilitation, and restoration of land for recreational use; acquisition, preservation, rehabilitation, and restoration of historic resources; acquisition, creation, preservation and support of community housing; and for the rehabilitation and restoration of open space or community housing acquired under the Community Preservation Act (“CPA”), to include the following items numbered 1 through 4, below.

Or take any other action relative thereto.

- 1) Transfer from FY2021 CPF FY2021 estimated annual revenues and reserve the total sum of **\$128,025**, for each of the three purposes of the CPA, and the sum of **\$290,225** to the FY 2021 Budgetary Reserve; and, further, appropriate from FY2021 CPF FY2021 estimated annual revenues the sum of **\$8,500** to the CPC Administrative Account for the necessary and proper expenses of the CPC for FY 2021, as follows:

	Transfer and Reserve from CPF FY2021 Estimated Annual Revenues
\$ 42,675	Historic Resources Reserve
\$ 42,675	Open Space & Recreation Reserve
\$ 42,675	Community Housing Reserve
\$290,225	FY 2021 Budgetary Reserve
	Appropriate from CPF FY2021 Estimated Annual Revenues
\$8,500	CPC Administrative Expenses

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Recommendation of the Community Preservation Committee: 8-0

Vote needed: Simple Majority

- 2.) Transfer from the Community Preservation Fund the total sum of **\$124,000** for FY2021 debt service on the borrowing for the rehabilitation of the historic **Town Hall**, of which the sum of **\$42,696** shall come from the **Historic Resources Reserves** and the sum of **\$81,804** shall come from the FY2020 **CPA Budgetary Reserve**.

Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Recommendation of the Community Preservation Committee: 8-0

Vote needed: Simple Majority

- 3.) Transfer the sum of **\$1,200** from the Community Preservation Fund **Open Space and Recreation Reserve** for the purpose of the purchasing and installing the so-called **Wenham Canal Bench**, including all incidental and related expenses, which project is

described in detail in the application submitted to the Community Preservation Committee on December 30, 2019, located on the attached map, such sum to be expended under the direction of the Open Space and Recreation Committee.



Recommendation of the Board of Selectmen: 3-0-0

Recommendation of the Finance & Advisory Committee: 5-0-0

Recommendation of the Community Preservation Committee: 7-1

Vote needed: Simple Majority

- 4.) Amend the vote taken under Article 12 of the April 6, 2019 Annual Town Meeting approving a grant of \$50,000 to the Community House, Inc. for the heating system, as part of the preservation and rehabilitation of the historic Community House located at 284 Bay Road, Hamilton, Massachusetts, by reducing the term of the required historic preservation restriction to 29-years, and, further, to reset the deadline provided for commencement of the project and lapse of the appropriation authorized under said Article 12 to July 1, 2021, unless an extension is granted prior thereto by the Board of Selectmen following a determination that the project has moved forward in good faith.

Recommendation of the Board of Selectmen:

Recommendation of the Finance & Advisory Committee: 5-0-0

Recommendation of the Community Preservation Committee: 8-0

Vote needed: Simple Majority

Commentary: In 2005, the Town adopted the Community Preservation Act, and began accumulating funds drawn from a 3% surcharge on our Wenham real estate taxes, with the first \$100,000 of assessed value being exempt from that surcharge. To date, we have collected approximately \$4 million in local property taxes and the Town has received approximately \$2.5 million in state matching funds. Money from this CPA fund can be used to pay for projects that qualify. CPA mandates that each year, the Town must set aside from its CPA income at least 10% each for open space, community housing, and historic preservation funds. Operation of and initial selection of grants from the CPA funds so collected are made by an appointed Community Preservation Committee. The Committee

reviews eligible needs in the town and grant applications, and its recommendation is required for Town Meeting to appropriate CPA funds for specific projects.

Section 1 allocates projected FY 2021 revenues from local property tax collections and state matching funds to the various required funds and allocates the administrative expenses for FY 2021. Sections 2 through 4 of this article set forth the CPC recommended grants for FY 2021. If all proposed project funding and transfers are approved by Town Meeting this year, the account balances for each fund will be as follows: \$99,260 in the CPA Fund Balance; \$209,421 in budgetary reserves; \$718,687 in open space fund; \$0.00 in historic preservation fund; \$42,675 in community housing fund; for a total fund balance of \$1,070,043. There remains \$1,108,005 in the CPA fund for allocations made by Town Meeting that have not yet been spent by applicants.

Consistent with the new CPA application format as of FY 19, this year's appropriations to any non-municipal entity include language authorizing the Board of Selectmen to act on behalf of the Town to establish grant agreements and/or restriction agreements with each of these applicants to ensure compliance with the CPA statute. Some of this year's appropriations also include contingencies to protect the Town's interests and to guarantee that the projects move forward as presented by the applicants. Section 4 does not make any new allocations for the Community House, but does amend the motion language from a preservation restriction "in perpetuity" to a 29-year restriction, which reflects past grant agreements between applicants and the Board of Selectmen.

And you are hereby directed to serve this warrant by posting attested copies thereof at Town Hall, Hamilton-Wenham Regional Library, Senior Center, and on the bulletin board outside the Fire Station seven days at least before the time of the meeting aforesaid.

THEREOF FAIL NOT and make return of this warrant, with your doings thereon, to the Town Clerk, at the time and place of holding the meeting aforesaid.

Given under our hands this _____ of June, 2020.

John O. (Jack) Wilhelm

John Clemenzi

Catherine Harrison

"In pursuance of the above written warrant, I have this _____ day of June, 2020, posted the attested copies thereof as directed therein."

ATRUE COPY ATTEST:

Constable of the Town of Wenham

Date:

*Certified 6/18/2020
Donald E. Gallant
Annex E. Gallant
TREASURER
Hamilton-Wenham Regional School District
June 18, 2020*



HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

**FY21 Final
Operating & Debt Service
School Committee Budget
As of June 17, 2020**

Calculation of Individual Town Assessments

	Hamilton Share				Wenham Share				Total			
	FY20	FY21	Increase \$	Increase %	FY20	FY21	Increase \$	Increase %	FY20	FY21	Increase \$	Increase %
Operating Budget After Offsets and Revenue Sources	\$ 18,686,426	\$ 20,227,834	\$ 1,541,408	8.25%	\$ 10,488,322	\$ 11,447,446	\$ 959,125	9.14%	\$ 29,174,747	\$ 31,675,280	\$ 2,500,533	8.57%
Debt Service	\$ 255,157	\$ 263,903	\$ 8,746	3.43%	\$ 143,215	\$ 149,349	\$ 6,135	4.28%	\$ 398,372	\$ 413,253	\$ 14,881	3.74%
Net Assessment	\$ 18,941,583	\$ 20,491,737	\$ 1,550,154	8.18%	\$ 10,631,536	\$ 11,596,796	\$ 965,259	9.08%	\$ 29,573,119	\$ 32,088,532	\$ 2,515,414	8.51%

FY21 Final Operating Budget Calculation

General Fund Operating Overview							
	FY17 ACT	FY18 ACT	FY19 ACT	FY20 BUD	FY21 BUD	\$ Difference	%
Operating Expense - Gross, before offsets & Overlays	\$ 30,154,356	\$ 31,466,748	\$ 33,330,038	\$ 34,951,408	\$ 37,023,572	\$ 2,072,163	5.93%

Operating Offsets							
	FY17 ACT	FY18 ACT	FY19 ACT	FY20 BUD	FY21 BUD	\$ Difference	%
<i>Recurring Offsets</i>							
School Choice	\$ 375,000	\$ 241,703	\$ 265,000	\$ 385,000	\$ 476,360	\$ 91,360	23.73%
Preschool Tuition	\$ 72,293	\$ 75,740	\$ 84,407	\$ 72,648	\$ 95,607	\$ 22,959	31.60%
Special Needs Tuition	\$ 38,941	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Facilities Rental	\$ 2,000	\$ 1,461	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.00%
Special Ed Grants	\$ -	\$ -	\$ -	\$ -	\$ 366,747	\$ 366,747	#DIV/0!
Circuit Breaker Offset	\$ 567,000	\$ 924,160	\$ 1,094,160	\$ 945,000	\$ 776,000	\$ (169,000)	-17.88%
Total Offsets	\$ 1,055,235	\$ 1,243,065	\$ 1,445,567	\$ 1,404,648	\$ 1,716,714	\$ 312,066	22.22%

Operating Funding Sources							
	FY17 ACT	FY18 ACT	FY19 ACT	FY20 BUD	FY21 BUD	\$ Difference	%
<i>Revenues</i>							
Chapter 70-Base Aid	\$ 3,554,656	\$ 3,606,706	\$ 3,687,076	\$ 3,659,749	\$ 2,969,125	\$ (690,624)	-18.87%
State Transportation	\$ 331,304	\$ 340,686	\$ 330,837	\$ 385,868	\$ 332,124	\$ (53,744)	-13.93%
Charter School Reimbursement	\$ 14,455	\$ 11,867	\$ 13,726	\$ -	\$ -	\$ -	#DIV/0!
Medicaid Reimbursement	\$ 177,532	\$ 175,036	\$ 171,954	\$ 175,000	\$ 95,000	\$ (80,000)	-45.71%
Interest Income	\$ 2,960	\$ 13,675	\$ 25,631	\$ 4,000	\$ 18,000	\$ 14,000	350.00%
Prior Year Unexpended Encumbrances	\$ 24,926	\$ 15,473	\$ 90,982	\$ -	\$ -	\$ -	#DIV/0!
E-Rate	\$ 17,448	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Other Income	\$ 17,989	\$ 81	\$ 6,167	\$ -	\$ -	\$ -	#DIV/0!
Total Revenues	\$ 4,141,270	\$ 4,163,523	\$ 4,326,372	\$ 4,224,617	\$ 3,414,249	\$ (810,368)	-19.18%
<i>Transfers In From Other Funds</i>							
Excess and Deficiency	\$ 555	\$ 568,821	\$ 347,218	\$ 147,396	\$ 217,329	\$ 69,933	47.45%
Other Revolving Accounts	\$ 60,581	\$ 25,983	\$ 12,662	\$ -	\$ -	\$ -	#DIV/0!
Total Transfers	\$ 61,136	\$ 594,804	\$ 359,880	\$ 147,396	\$ 217,329	\$ 69,933	47.45%
Total Funding Sources	\$ 4,202,406	\$ 4,758,327	\$ 4,686,252	\$ 4,372,013	\$ 3,631,578	\$ (740,435)	-16.94%

NET OPERATING BUDGET	\$ 24,896,715	\$ 25,465,356	\$ 27,198,218	\$ 29,174,747	\$ 31,675,280	\$ 2,500,533	8.57%
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Calculation of Individual Town Assessments							
	FY17 ACT	FY18 ACT	FY19 ACT	FY20 BUD	FY21 BUD	\$ Difference	%
Town of Hamilton				\$ 18,686,426	\$ 20,227,834		
Capital Debt Assessment "Shift"				\$ -	\$ -		
Net Operating Assessment	\$ 16,837,974 66.60%	\$ 16,776,063 65.40%	\$ 17,746,438 64.65%	\$ 18,686,426 64.05%	\$ 20,227,834 63.86%	\$ 1,541,408	8.25%
Town of Wenham				\$ 10,488,322	\$ 11,447,446		
Capital Debt Assessment "Shift"				\$ -	\$ -		
Net Operating Assessment	\$ 8,433,233 33.40%	\$ 8,870,590 34.60%	\$ 9,708,859 35.35%	\$ 10,488,322 35.95%	\$ 11,447,446 36.14%	\$ 959,125	9.14%

Debt Service Assessment Summary					
	Principal	Interest	Total	63.86% Hamilton Share	36.14% Wenham Share
Cutler Roof & Summer 2013 Projects	\$ 95,000	\$ 32,950	\$ 127,950	\$ 81,709	\$ 46,241
Buker Boiler & Winthrop Boiler/Glass Projects	\$ 95,000	\$ 25,300	\$ 120,300	\$ 76,824	\$ 43,476
Winthrop Sprinkler (BAN with Principal Paydown)	\$ 125,000	\$ 25,003	\$ 150,003	\$ 95,792	\$ 54,211
FY21 Capital Projects	\$ -	\$ 15,000	\$ 15,000	\$ 9,579	\$ 5,421
Net Assessment			\$ 413,253	\$ 263,903	\$ 149,349

Capital Assessment Calculation				
Calculation of Individual Town Assessments				
	Total	Hamilton Share	Wenham Share	
<u>Cutler Roof & Summer 2013 Projects</u>				
100% Apportioned by Enrollment	\$ 127,950	\$ 81,708.87	\$ 46,241.13	
Enrollment				
10/1/2017	1,755	1,122	633	
10/1/2018	1,715	1,091	624	
10/1/2019	1,765	1,130	635	
	5,235	3,343	1,892	
		63.86%	36.14%	
<u>Buker Boiler & Winthrop Boiler/Glass Projects</u>				
100% Apportioned by Enrollment	\$ 120,300.00	\$ 76,823.58	\$ 43,476.42	
Enrollment				
10/1/2017	1,755	1,122	633	
10/1/2018	1,715	1,091	624	
10/1/2019	1,765	1,130	635	
	5,235	3,343	1,892	
		63.86%	36.14%	
<u>Winthrop Sprinkler</u>				
100% Apportioned by Enrollment	\$ 150,002.50	\$ 95,791.60	\$ 54,210.90	
Enrollment				
10/1/2017	1,755	1,122	633	
10/1/2018	1,715	1,091	624	
10/1/2019	1,765	1,130	635	
	5,235	3,343	1,892	
		63.86%	36.14%	
<u>FY21 Capital Projects</u>				
100% Apportioned by Enrollment	\$ 15,000.00	\$ 9,579.00	\$ 5,421.00	
Enrollment				
10/1/2017	1,755	1,122	633	
10/1/2018	1,715	1,091	624	
10/1/2019	1,765	1,130	635	
	5,235	3,343	1,892	
		63.86%	36.14%	



FY21 Proposed Capital Budget

Hamilton-Wenham Regional School District

Fiscal Year 2021 Capital Budget Request

12/18/2019

Location	Project Name	Category	Class	Cost
District	Security Infrastructure Improvements	Safety	Building	\$350,000.00
District	Elementary School Facilities Study & Educational Plan	Learning Environment	Professional Services	\$250,000.00
District	Classroom Furniture & Equipment	Learning Environment	Equipment	\$120,000.00
MRMS	Replace Sidewalks at Middle School	Safety	Site	\$110,000.00
District	Athletic Campus Improvement Project - Design/Project Services	Learning Environment	Site	\$65,000.00
District	Network Infrastructure Improvement (Phase 1 of 4)	Critical Infrastructure	Equipment	\$63,000.00
FY21 Total Capital Investment				\$958,000.00

Total Investment
\$958,000

<i>By Category</i>	
Safety	\$460,000.00
Learning Environment	\$435,000.00
Critical Infrastructure	\$63,000.00

<i>By Account Classification</i>	
Building	\$350,000.00
Site	\$175,000.00
Professional Services	\$250,000.00
Equipment	\$183,000.00

CAPITAL IMPROVEMENT PROGRAM

FY 2021 CAPITAL IMPROVEMENT PROJECTS BY FUNDING SOURCE RECOMMENDATIONS FINAL

ANNUAL TOWN MEETING

FALL SPECIAL TOWN MEETING

DEPARTMENT	PROJECT	Project Description	OPERATING BUDGET	REVOLVING FUND (DPW, Iron Rail)	CHAPTER 90	WATER	FREE CASH (PAY AS YOU GO)	TOTAL BY DEPARTMENT
DPW	Front End Loader	Year 2 of 5	\$35,000					
DPW	Backhoe	Year 1 of 3	\$40,000					
DPW	Highway Road Capital	Annual					\$ 45,000	
DPW	Street Road Capital	Annual			\$150,000			
DPW TOTAL								\$270,000
Facilities	COA Roof Replacement	one-time	\$ 21,000					
MISC TOTAL								\$21,000
FIRE	Pumper Fire Truck	Last year of lease	\$76,269					
FIRE	Protective Gear	occasional					\$30,800	
FIRE	SCBA	occasional					\$15,000	
FIRE TOTAL								\$76,269
IT	Financial Software	recurring debt	\$16,949					
IT	30 PCs/Laptops	recurring					\$10,000	
IT	Website Upgrade	one-time					\$13,500	
IT TOTAL								\$40,449
IRON RAIL	Replace roofing, gutter, fascia	recurring debt (BAN)		\$17,000				
IRON RAIL	Road and Parking Lot Paving	recurring debt (BAN)		\$8,000				
IRON RAIL	Design Septic System	one-time					\$10,000	
IRON RAIL TOTAL								\$35,000
Library	Library Server	one-time					\$ 18,000	
Library	Roof	one-time					\$ 75,000	
LIBRARY TOTAL								\$93,000
POLICE	Administrative Vehicle	annual lease	\$12,133					
POLICE	front line cruiser	annual purchase					\$42,000	
POLICE	5 Rifles (Year 1 of 2)	one-time					\$7,000	
POLICE TOTAL								\$61,133
Water	SCADA system upgrade	one-time				\$150,000		
Water	Water Capital Reserve	annual				\$35,000		
WATER TOTAL								\$185,000
			TOTAL OPERATING BUDGET	TOTAL REVOLVING FUND (DPW, Iron Rail)	TOTAL CHAPTER 90	TOTAL WATER	TOTAL FREE CASH (PAY AS YOU GO)	TOTAL FY 2021
TOTAL CAPITAL IMPROVEMENT PROJECTS BY FUNDING SOURCE			\$201,351	\$25,000	\$150,000	\$185,000	\$266,300	\$781,851

HWRSD**Estimated Debt Service Schedule****Town of Wenham's Estimated Share as of March 4, 2020**

<u>FY</u>	<u>Cutler Roof & 2013 Summer Projects</u>	<u>Buker & Winthrop Boilers & Winthrop Window Project</u>	<u>Winthrop Sprinkler Project**</u>	<u>FY21 Capital Projects**</u>	<u>Total Wenham</u>
FY20B	\$47,023	\$41,323	\$54,869	\$0	\$143,215
FY21B	\$46,241	\$43,476	\$54,211	\$5,421	\$149,349
FY22E*	\$45,211	\$42,790	\$55,719	\$69,076	\$212,796
FY23E*	\$45,961	\$42,103	\$54,251	\$67,314	\$209,629
FY24E*	\$44,877	\$41,416	\$53,090	\$66,147	\$205,530
FY25E*	\$45,573	\$44,308	\$51,509	\$64,250	\$205,640
FY26E*	\$46,214	\$43,549	\$37,278	\$62,352	\$189,393
FY27E*	\$46,801	\$42,600	\$0	\$60,455	\$149,856
FY28E*	\$47,226	\$43,440	\$0	\$58,558	\$149,224
FY29E*	\$45,708	\$42,645	\$0	\$0	\$88,353
FY30E*	\$45,966	\$43,639	\$0	\$0	\$89,605
FY31E*	\$0	\$42,808	\$0	\$0	\$42,808
FY32E*	\$0	\$41,977	\$0	\$0	\$41,977
Totals	<u>\$506,801</u>	<u>\$556,074</u>	<u>\$360,927</u>	<u>\$453,573</u>	<u>\$1,877,375</u>

*- Using FY21 Budgeted apportionment share of 36.14% for Town of Wenham

** - Indicates BAN with an estimated interest rate

TOWN OF WENHAM DEBT SERVICE

	TOWN EXCLUDED DEBT SERVICE				WITHIN-LEVY DEBT SERVICE			TOTALS		OTHER FUNDING SOURCES	
FISCAL YEAR	1.62%	1.55%	1.790%	2.393%	1.55%	2.224%	2.700%			WATER	CPA
	\$294,600	\$73,600	\$2,228,079	\$656,811	\$49,100	\$288,000	\$592,000			1.58%	1.790%
	Joint Library	Lease Buy-out	Town Hall	Culverts	Town Hall	ESCO	*2015 ATM ART 11 & 12	Total Payments	Tax Rate Impact	\$ 392,400 Water Tank	\$ 1,037,800 Town Hall
2020	50,500	15,150	234,100	84,740	10,100	26,760	119,523	540,873	1,201.45	75,750	126,100
2021			230,200	82,460		26,040	111,485	450,185	1,000.00		124,000
2022			221,350	79,895		25,230		326,475	725.20		121,900
2023			217,550	77,235		24,390		319,175	708.99		114,850
2024			203,625					203,625	452.31		112,725
2025			198,000					198,000	439.82		109,600
2026			190,800					190,800	423.83		100,700
2027			183,600					183,600	407.83		96,900
Totals	50,500	15,150	1,679,225	324,330	10,100	102,420	231,008	2,412,733		75,750	906,775

*Debt service for 2015 Pumper Truck, (2) Highway trucks with plows and sanders and finance/accounting software

BAN - Iron Rail Revolving Fund

Iron Rail Capital BAN

Authorized Total \$ 245,000

Fiscal 19 contribution \$ 25,000

Fiscal 20 contribution \$ 30,000

Fiscal 21 contribution \$ 30,000

Borrowing Period 10 years

TOTAL FY 2021 (ARTICLE 1- TOWN***) \$ 450,185

TOTAL FY 2020 (ARTICLE 1 - SCHOOL**) \$ 149,349

TOTAL FY 2021 (OTHER FUNDING SOURCES) \$ 124,000

TOTAL FY 2021 DEBT (OVERALL) \$ 723,534

**Includes payment for Year 1 of Debt Exclusion in Article 6

MEDIAN HOME ASSESSED VALUE AND REAL ESTATE TAX

MEDIAN HOME ASSESSED VALUE 2011-2019

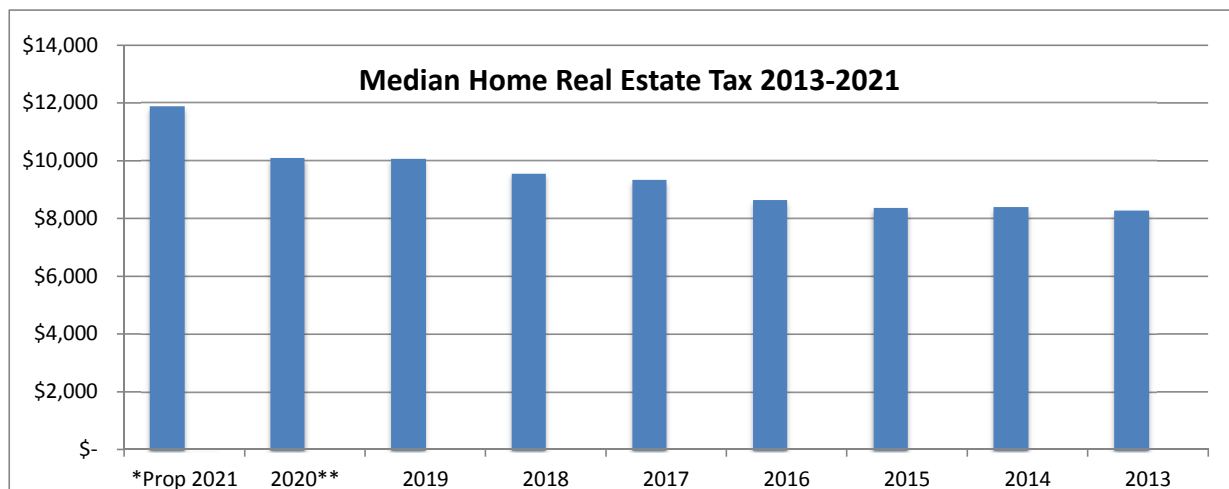
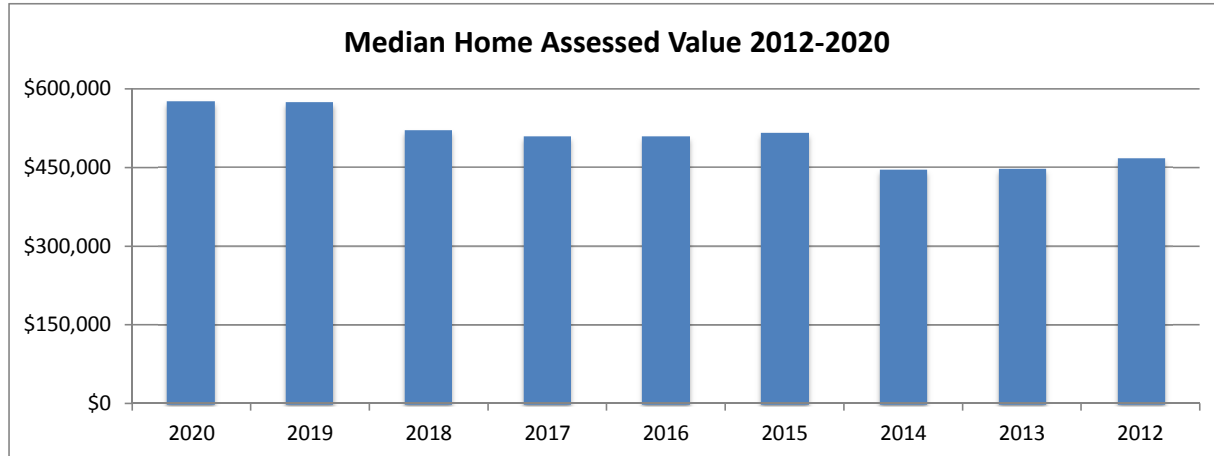
2020	\$	575,700
2019	\$	574,100
2018	\$	520,450
2017	\$	509,550
2016	\$	509,700
2015	\$	515,600
2014	\$	445,300
2013	\$	447,700
2012	\$	467,500

MEDIAN HOME REAL ESTATE TAX 2012-2020

*Prop 2021	\$	11,888
2020**	\$	10,094
2019	\$	10,086
2018	\$	9,574
2017	\$	9,340
2016	\$	8,655
2015	\$	8,379
2014	\$	8,407
2013	\$	8,274

* Assumes no assessment increase and approval of school operating overrides.

**Actual



FREE CASH

Free cash is the amount of unrestricted funds available as a funding source for appropriation after certification by the Director of Accounts. Once certified, free cash can be appropriated up until the following June 30 by Town Meeting for any legal spending purpose. Free cash is generated when actual operations of the fiscal year revenue collections exceed the estimates used for budgeting and actual expenditures and encumbrances (committed funds not yet expended) are less than appropriations.

As of Date	Fiscal Year		Free Cash
6/30/2002	2002	\$	687,915
6/30/2003	2003	\$	803,578
6/30/2004	2004	\$	631,437
6/30/2005	2005	\$	421,546
6/30/2006	2006	\$	661,685
6/30/2007	2007	\$	886,645
6/30/2008	2008	\$	497,002
6/30/2009	2009	\$	555,964
6/30/2010	2010	\$	629,098
6/30/2011	2011	\$	605,192
6/30/2012	2012	\$	584,345
6/30/2013	2013	\$	797,322
6/30/2014	2014	\$	586,863
6/30/2015	2015	\$	1,061,225
6/30/2016	2016	\$	1,371,147
6/30/2017	2017	\$	1,232,635
6/30/2018	2018	\$	977,873
6/30/2019	2019	\$	954,005

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 S.5B). The total of all stabilization fund balances may not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to established, amend the purpose of, or appropriate money from the stabilization fund.

As of Date	Fiscal Year		Ending Balance
6/30/2002	2002	\$	389,696.65
6/30/2003	2003	\$	396,717.12
6/30/2004	2004	\$	401,566.66
6/30/2005	2005	\$	410,847.31
6/30/2006	2006	\$	424,471.59
6/30/2007	2007	\$	443,183.63
6/30/2008	2008	\$	465,843.44
6/30/2009	2009	\$	476,488.62
6/30/2010	2010	\$	482,774.98
6/30/2011	2011	\$	489,156.52
6/30/2012	2012	\$	496,505.81
6/30/2013	2013	\$	504,872.09
6/30/2014	2014	\$	508,197.18
6/30/2015	2015	\$	512,314.95
6/30/2016	2016	\$	516,856.09
6/30/2017	2017	\$	520,169.41
6/30/2018	2018	\$	523,109.00
6/30/2019	2019	\$	533,607.00

NEW GROWTH

New Growth represents new tax dollars resulting from the new articles of personal property or previously exempt property, real estate taxed separate parcels for the first time (subdivisions, condo conversions) and increases in assessed value over prior years

As of Date	Fiscal Year		New Growth
7/1/2002	2003	\$	51,322.00
7/1/2003	2004	\$	79,274.00
7/1/2004	2005	\$	112,870.00
7/1/2005	2006	\$	88,558.00
7/1/2006	2007	\$	116,948.00
7/1/2007	2008	\$	171,769.00
7/1/2008	2009	\$	190,910.00
7/1/2009	2010	\$	46,828.00
7/1/2010	2011	\$	33,209.00
7/1/2011	2012	\$	60,532.00
7/1/2012	2013	\$	103,038.00
7/1/2013	2014	\$	130,638.00
7/1/2014	2015	\$	108,041.00
7/1/2015	2016	\$	63,095.00
7/1/2016	2017	\$	90,337.00
7/1/2017	2018	\$	208,167.00
7/1/2018	2019	\$	287,557.00

RESERVE FUND

Under state statutes, towns are permitted to establish a reserve fund to provide for extraordinary or unforeseen expenditures. A reserve can be established and funded as a line-item in the annual budget, or it can be created by a separate budget article and a line-item in the annual budget, or it can be created by a separate budget article and funded through a transfer from a specified revenue source. Transfer-out of a reserve require a majority vote of a Town finance committee. Expenditures cannot be made directly from the reserve fund. Instead, funds must be transferred to another account even if newly created, against which the charge is then posted.

FY20 RESERVE FUND TRACKING

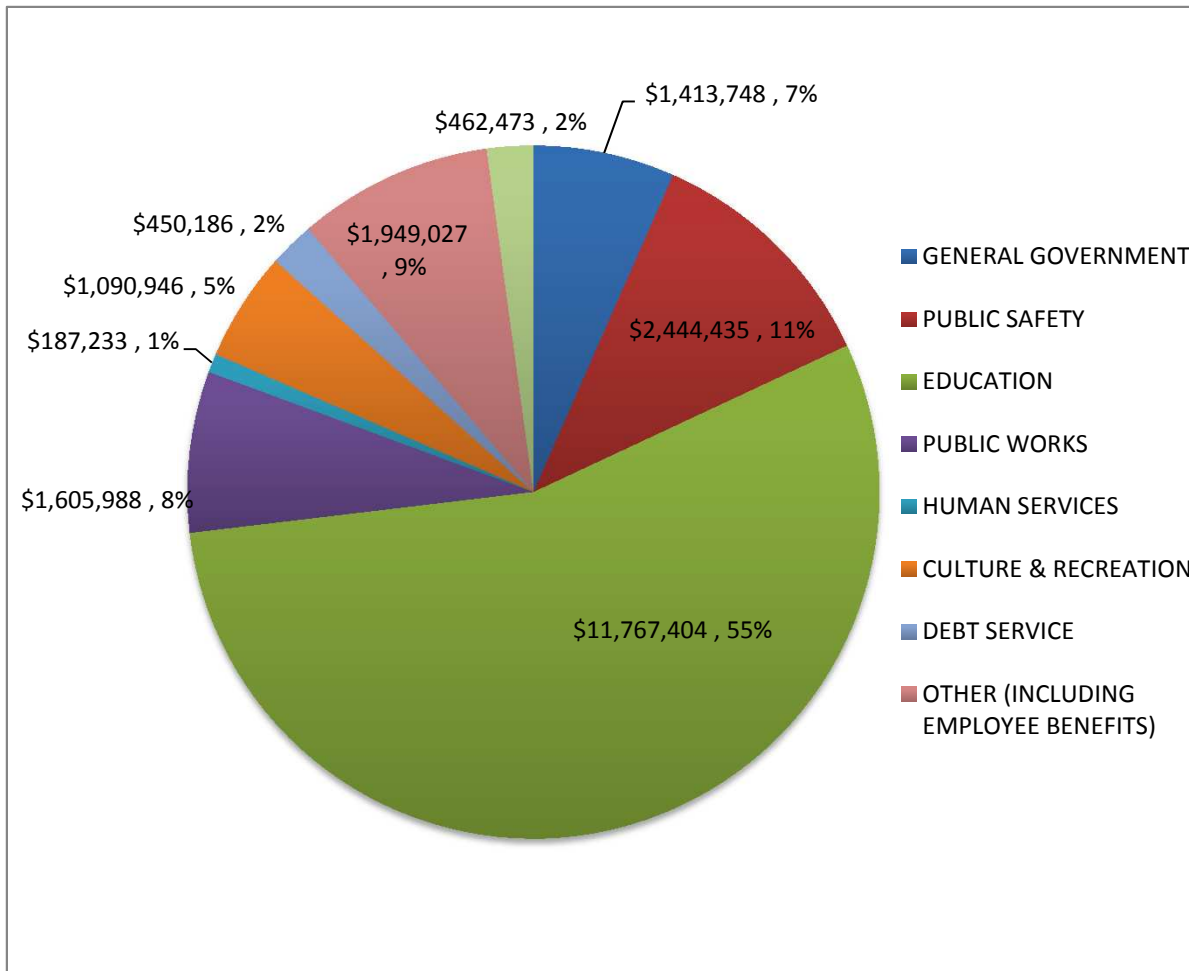
Reserve Fund Budget	\$125,000.00
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Transfers COMPLETED

DATE	REF #	ITEM		DESCRIPTION
08/08/19	FY2020-0001	Fire Dept: Ambulance	(\$49,500.00)	Purchase a new ambulance to replace old ambulance which is no longer functional
09/18/19	FY2020-0002	Veterans: Chapter 115 Benefits	(\$2,035.00)	FY 20 budget was decreased to due low activity, but the Town now has a resident who qualifies for this benefit.
01/08/19	FY2020-0003	Assessors: Capital- Software	(\$9,000.00)	Current software-Vision- will no longer be supported & will require a \$5k upgrade to continue using. Vision also charges a yearly maintenance of \$6,500. Patriot is a superior software and has a lower maintenance fee of \$2500.

Present Available Balance	\$64,465.00
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Proposed FY 2021 Budget with Overrides



GENERAL GOVERNMENT	\$	1,413,748
PUBLIC SAFETY	\$	2,444,435
EDUCATION	\$	11,767,404
PUBLIC WORKS	\$	1,605,988
HUMAN SERVICES	\$	187,233
CULTURE & RECREATION	\$	1,090,946
DEBT SERVICE	\$	450,186
OTHER (INCLUDING EMPLOYEE BENEFITS)	\$	1,949,027
WATER FUND	\$	462,473
TOTAL BUDGET	\$	21,371,440

MUNICIPAL FINANCE TERMINOLOGY

The following terms are frequently used in the Annual Town Report and at Town Meeting. In order to provide a better understanding of their meaning, the following definitions are provided:

BONDS:

A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year.

CAPITAL IMPROVEMENTS PROGRAM (CIP):

\$266,300

Capital Improvements Program – A blueprint for planning a community's capital expenditures that comprises an annual capital budget and a five-year capital program. It coordinates community planning, fiscal capacity and physical development. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures (See Appendix 2)(One-Time Capital Article at Fall ATM).

CHERRY SHEET:

\$184,634

An official notification from the Commonwealth (originally printed on cherry-colored paper), which itemizes state aid due to communities, as well as state and county charges assessed to communities. The resulting net receipt of funds is used by the Town to offset the amount to be raised.

COMMUNITY PRESERVATION ACT (CPA):

Enacted as MGL Ch. 44B in 2000, CPA permits cities and towns accepting its provisions to establish a restricted fund from which monies can be appropriated only for a) the acquisition, creation and preservation of open space; b) the acquisition, preservation, rehabilitation, and restoration of historic resources; and c) the acquisition, creation and preservation of land for recreational use; d) the creation, preservation and support of community housing; and e) the rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using monies from the fund. Acceptance requires town meeting or city council approval or a citizen petition, together with referendum approval by majority vote. The local program is funded by a local surcharge up to 3 percent on real property tax bills and matching dollars from the state generated from registry of deeds fees. (See DOR IGR 00-209 as amended by IGR 01-207 and IGR 02-208)

DEBT EXCLUSION:

An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 21/2. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 21/2, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

FREE CASH (FY 2019):

\$954,005

Free cash is the community's unrestricted available funds that may be used as a funding source for appropriations. Free Cash is generated when actual revenue collections exceeds budgeted estimates and when actual expenditures are less than budgeted appropriations, or a combination of both. Known as Excess & Deficiency or E & D in school budgeting.

LEVY CEILING (OR LEVY CAPACITY):

A levy ceiling is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2^{1/2}). It states that, in any year, the real and personal property taxes imposed may not exceed 2^{1/2} percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion. (See Levy Limit)

LEVY LIMIT:**\$16,787,903**

A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2^{1/2}). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2^{1/2} percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion. (See Levy Ceiling) (Includes the Town's excluded debt).

NEW GROWTH:**\$150,000**

The 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.

OVERLAY:**\$195,000**

An account established annually to fund anticipated property tax abatements, exemptions, and other uncollected taxes in that year. This amount is provided by the Board of Assessors and is raised on the tax recapitulation sheet.

OVERRIDE:**\$ 1,011,646**

A vote by a community at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount. (Figure includes Total of Town (\$237,924), Loose-Leaf (\$50,000), and School (\$723,722)).

PROPOSITION 2^{1/2} :

A state law enacted in 1980, Proposition 2^{1/2} regulates local property tax administration and limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations.

RESERVE FUND:**\$125,000**

An amount set aside annually within the budget of the Town, not to exceed 5% of the tax levy for the preceding year. Transfers from this fund are within the exclusive control of the Finance and Advisory Committee and are for extraordinary and unforeseen expenditures.

STABILIZATION FUND:**\$533,607**

A fund designed to accumulate funds for capital of other future spending purposes. A community may appropriate in any year an amount not exceeding 10% of the tax levy of the preceding year for the purpose of funding the Stabilization Fund. Amounts from this fund may be appropriated by a two-thirds vote at a Town Meeting, for any lawful purpose.

This glossary was developed by the Town of Wenham with use of *the Governmental Accounting, Auditing, and Financial Reporting*, by Stephen J Gauthier. Chicago: Government Finance Officers Association, 2001 and the "Municipal Finance Glossary" by the Massachusetts Department of Revenue Division of Local Services, May 2008.