

Town of Wenham Massachusetts



Proposed Budget & Capital Improvement Plan

**Fiscal Year 2019
July 1, 2018 – June 30, 2019**

Town of Wenham Massachusetts



Annual Budget For the Fiscal Year Beginning July 1, 2018 and ending June 30, 2019

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

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About Wenham

The Town of Wenham was originally settled in 1636 and incorporated in 1643. Fortunately, Wenham has retained much of its unique historic character and tranquil rural scenery. It is a town of many open views of farm lands, lakes, woodlands and old stone walls that accompany its winding tree-lined roads. To complement its handsome backdrop, the community is fortunate to have been privileged with an active, involved citizenry, whose major goal has always been to protect what is precious from the past while continuing to plan ahead for future generations. Wenham is justly proud of its historic past; its present responsible and responsive local government; a wealth of dedicated and able volunteers; its nearly 300 acres of parks, playgrounds and recreational lands; and its excellent regional school system. Wenham is home to Gordon College, the Academy at Penguin Hall, and numerous scenic open space properties. A walk along Wenham's lovely main street provides a timeless picture of beautiful old homes, gardens and yards, punctuated by friendly faces, residents say, giving one a general sense of connection to all that is right about New England small town life.

Form of Government: Board of Selectmen, Town Administrator, Open Town Meeting

Year Incorporated: 1643

U.S.G.S. Topographical Plates: Salem, Marblehead

Regional Planning Agency: Metropolitan Area Planning Council

FY 2018 Tax Rate: \$18.79 per \$1,000

FY 2019 Projected Tax Rate: \$19.80 per \$1,000 (with approved school operating override)

Median Home Value: \$520,450 (Top ten taxpayers are all residential)

Significant Statistics as of December 31, 2017:

	Population	Registered Voters	Births	Deaths	Marriages	Dog Licenses
2015	4,968	2,596	23	36	23	450
2016	5,078	2,838	30	37	17	628
2017	5,035	2,808	29	32	14	560

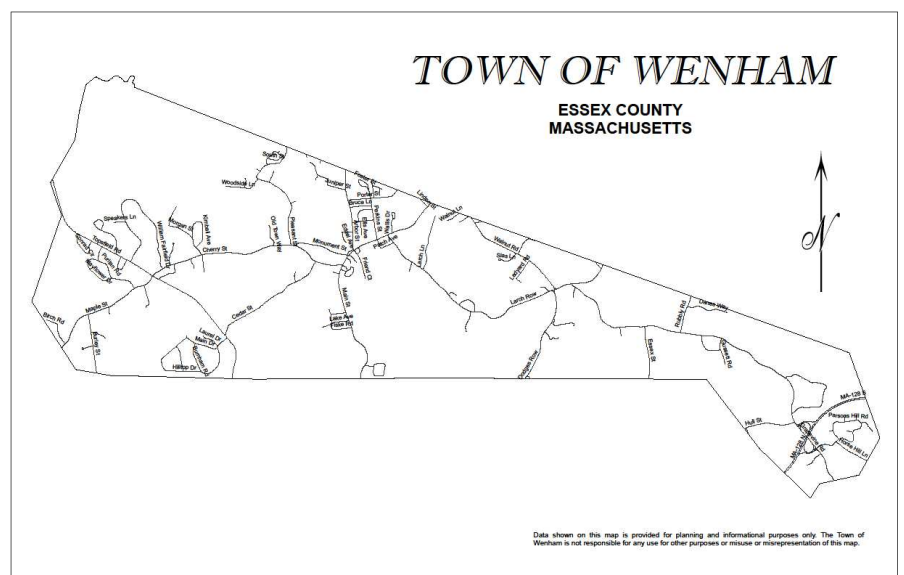
Total Area: 8.09 sq. miles

Land Area: 7.72 sq. miles

Population: 5,035

Density: 546 per sq. mile

Climate: Normal temperature in January: 25.8°, July: 71.6°. Normal annual precipitation: 43.6"



A Citizen's Guide to the Budget

The Town of Wenham Annual Budget Document is much more than just numbers; it is a reflection of our community's values, priorities, and goals. The Budget Document serves as a policy document, a financial guide, and a communication device to our residents. We collaborated to make this document as user-friendly as possible. Our goal is to provide residents with better access to financial forecasting, policies, and plans so they are able to utilize them in decision-making. We also hope this provides residents with a clearer understand of the budget and the budget process as we prepare for each year's Annual Town Meeting.

The Budget Process

The Town of Wenham operates under a Board of Selectmen-Town Administrator form of government. The legislative body of Wenham is an Open Town Meeting comprised of all registered voters. Town Meeting has the sole authority to appropriate funds for the operating budget and capital projects except for specific instances where statutes or regulations do not require appropriation. Any amendments to appropriations require Town Meeting vote at either a regular or Special Town Meeting. Annual Town Meeting is always held on the first Saturday in April.

While this document contains detailed departmental budgets, it should be noted that these details are provided for information purposes only. The final budget vote of Town Meeting constitutes the legal budget authority which ultimately governs the manner and amount of local funding expended during the fiscal year. This budget presents only the General Fund, which is required by state statute to be appropriated by Town Meeting.

Readers should also obtain a copy of the Annual Town Meeting Warrant Book which contains the actual budget articles to be voted upon. Town Meeting Warrant Articles contain additional funding sources such as Revolving Funds & Certified Free Cash used to offset specific departmental budgets.

On the next page, readers will find an outline of the Budget Process by month. On the subsequent pages, readers will be able to review the timeline for the FY 2019 Budget Process, including deadlines and meeting dates. Please note the following abbreviations: Board of Selectmen (BOS); Finance & Advisory Committee (FinCom); Town Administrator (TA); Finance Director (FD); Department Heads (DH); and Fiscal Year (FY). Additional abbreviations and municipal finance terms, please see the attached glossary at the end of this document.

Basis of Budgeting versus Basis of Accounting

The Town uses the modified accrual basis of accounting for all types of funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become both measurable and available.

“Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon enough thereafter to be used to pay liabilities within 60 days. Measurability occurs when the cash flow from the revenue can be reasonably estimated and availability arises when the revenue is available to finance current expenditures to be paid within 60 days. Expenditures are recorded when the related fund liability is incurred.

The Budget Process

August/September

- Identify Goals & Strategic Needs
- Review and update trends and forecasts
- Manuals for Operating and Capital Requests sent out to Department Heads (DH)

October

- Town Administrator (TA) & Finance Director (FD) review requests and develop Administration Budget

November

- TA & FD develop Capital Budget
- DH present budget to joint Board of Selectmen (BOS) & Finance & Advisory Committee (FinCom)

December/ January

- Administration Budget is finalized by BOS and forwarded to the FinCom

February

- FinCom meetings with DHs, Committee Chairs regarding budget requests
- BOS & FinCom make recommendations on budget-related warrant articles and Capital Budget

February/March

- The budget is finalized and the Town Meeting Warrant is closed

March

- Hearing on the Warrant is held

April

- Proposed Operating & Capital Budgets presented to Annual Town Meeting the 1st Saturday in April

June/July

- June 30th current Fiscal Year (FY) ends
- July 1st new Fiscal Year (FY) begins

How can I get involved?

Town of Wenham residents have several opportunities for getting involved in the Budget Process:

- Attend Warrant Hearing and Annual Town Meeting.
- Attend meetings of the Board of Selectmen and Finance & Advisory Committee. All meetings are held in municipal buildings, aired live on HWCAM local access television, and aired live and archived on HWCAM's website at <http://www.hwcam.org/>.
- Send any feedback or questions you have to the Finance & Advisory Committee by email.
- Attend a BOS Listening Hour session (times and locations posted on the Town calendar online).
- Join the Wenham Citizens Leadership Academy, an annual program dedicated to engaging and teaching residents about how municipal government works, what the responsibilities are of each department, and how residents can get involved in the Town Meeting process.
- COMING SOON! For FY 2020, Wenham will have a "live" online visual budget tool that will allow residents to review revenues, expenses, capital improvement plans, and more from the Town's website. This "visual" budget provides charts and graphs that correspond to the budget figures.

FY2019
BUDGET PREPARATION & TOWN MEETING SCHEDULE
Last Revised 01.05.18

Budget Development Phase

August 2, 2017	Town Administrator & Finance Director present long range budget forecast to joint BOS / FinCom meeting and FY19 budget guidelines are established.
August 25, 2017	Town Administrator & Finance Director provide FY19 budget guidelines to department heads and begin budget building process.
September 15, 2017	Department head budget submissions due to Town Administrator & Finance Director.
Sept. 15 – 25, 2017	Town Administrator & Finance Director meet with department heads to review initial submissions and make changes as appropriate.
October 10, 2017	Town Administrator & Finance Director present preliminary FY19 budget projections to joint BOS / FinCom meeting based on initial department head submissions.
October 26, 2017	HWRSD provides finalized enrollment data to Towns, establishing extent of FY19 enrollment shift.
November 4, 2017	Department heads present budget overview to BOS, with FinCom as invited guests.
December 5, 2017	BOS reviews FY19 budget projections and determines need for alternative funding scenarios to account for reduction of services and/or staffing due to potential override.
December 7, 2017	Joint Hamilton /Wenham (FinComs & BOS) meeting with HWRSD Leadership (Administration & SC) for preliminary discussions re. FY19 RSD budget parameters.
January 4, 2018	HWRSD Superintendent's proposed budget released.
January 16, 2018	BOS review of finalized Administration FY19 budget and discussion of proposed alternative funding scenarios due to potential operating override based on Superintendent's HWRSD budget proposal. BOS opens Annual Town Meeting warrant set for Saturday, April 7, 2018.

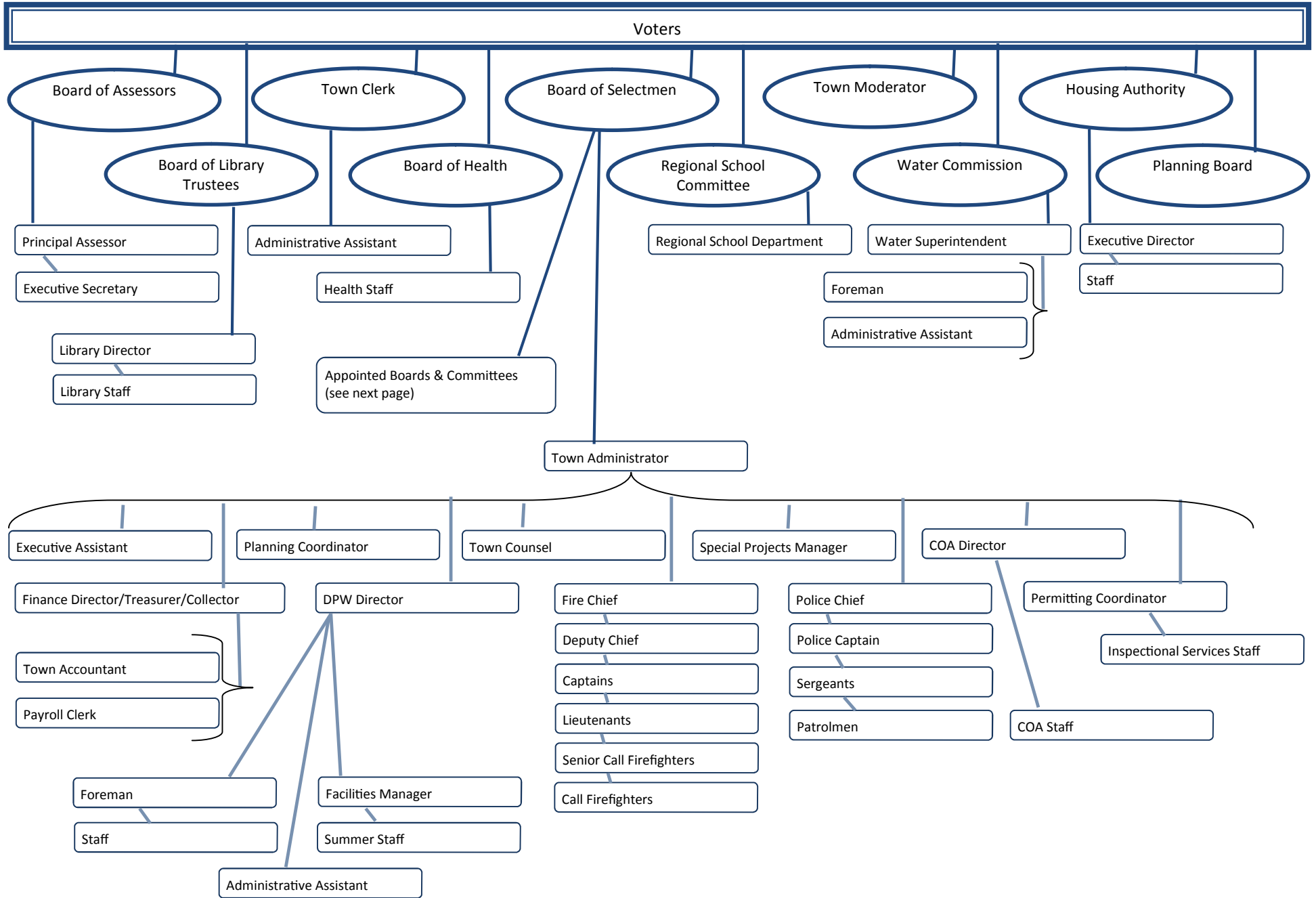
Budget Review Phase

January 4, 2018	HWRSD delivers SC approved tentative FY19 budget to Towns.
January 12, 2018	Nomination papers available.
January 23, 2018	FinCom Meeting: Presentation of FY19 Administration budget by Town Administrator and Finance Director.
January 24, 2018	FinCom Meeting: Departmental budgets presentation and review.
January 31, 2018	FinCom Meeting: Departmental budgets presentation and review.
February 7, 2018	HWRSD meeting with Joint Hamilton & Wenham FinComs (with BOS as invited guests)
February 8, 2018	Joint Hamilton & Wenham FinComs meet & review joint Department Budgets.
February 12, 2018	Draft warrant articles submitted to Town Counsel for preliminary review.
February 14, 2018	FinCom Meeting: Final review of all Departmental budgets and/or snow date placeholder for Departmental budget presentations.
February 14, 2018	School Committee to vote School Budget.
February 21, 2018	Deadline for School Committee to vote the School Budget (45 days prior to ATM).
February 21, 2018	Joint FinCom / BOS meeting for final budget review. FinCom recommendations to ATM finalized.
February 22, 2018	Last day to submit & file papers with registrars for certification.
February 26, 2018	School Committee Papers due to District Office.
March 6, 2018	Board of Selectmen meeting: Administration Budget completed with Article recommendations and vote to close warrant.

Budget Approval Phase

Feb. – Mar., 2018	Town Administrator and Town Counsel finalize proposed warrant, motions, & legal advertisement.
March 8, 2018	Last day to file with the Town Clerk.
March 9, 2018	Deadline for Board of Selectmen to close and sign warrant and approve ballot questions (if any).
March 9, 2018	Deadline for approved ballot questions to be submitted to Town Clerk.
March 12, 2018	Last day to object or withdraw.
March 15, 2018	Deadline for Town Meeting Warrant Book to be delivered to printer.
March 20, 2018	Warrant and Reports posted online (to include STM if needed).
March 23, 2018	Deadline to post Warrant prior to STM (14 day min).
March 30, 2018	Last day to register to vote for Town Meeting & Election.
March 30, 2018	Deadline to post Warrant prior to ATM (7 day min).
April 2, 2018	FinCom holds Warrant Hearing.
April 7, 2018	Annual Town Meeting.
April 12, 2018	Annual Election (Thursday, 7:00am - 8:00pm) Wenham and Hamilton.

Organizational Chart



See next page for appointed boards and committees. For more information about each department, please refer to the Departmental Budget section.



Organizational Chart

Voters

Board of Selectmen

Appointed Boards & Committees:

375th Anniversary Committee
Affordable Housing Trust (AHT)
Audit Committee
Board of Election Registrars
Cemetery Commission
Community Preservation Act Committee (CPC)
Conservation Commission (ConCom)
Council on Aging (COA)
Economic Development Committee (EDC)
Election Officers
Finance and Advisory Committee (FinCom)
Hamilton-Wenham Cable Access & Media Committee (HWCAM)
Hamilton-Wenham Cultural Council
Hamilton-Wenham Joint Recreation Committee
Historical Commission/Historic District Commission (HDC)
Iron Rail Commission
Open Space and Recreation Committee (OSRC)
Veterans Committee
WISSH (Wenham Issues of Social Service Help)
Zoning Board of Appeals (ZBA)

Volunteer Opportunities:

If you would like more information about serving on one of our many Boards and Committees, please contact Nicci Roebuck in the Town Administrator's Office at 978-468-5520 x2. Letters of interest and resumes (if applicable) should be addressed to the Board of Selectmen at Wenham Town Hall, 138 Main Street, Wenham, MA 01984 or emailed to nroebuck@wenhamma.gov in the Town Administrator/Board of Selectmen's Office. For a complete list of vacancies, please contact Nicole Roebuck or visit the Town of Wenham website under "Job and Volunteer Opportunities" tab.

For more information about elected official positions and when openings occur, please contact Town Clerk Dianne Bucco at 978-468-5520 x1. or dbucco@wenhamma.gov.

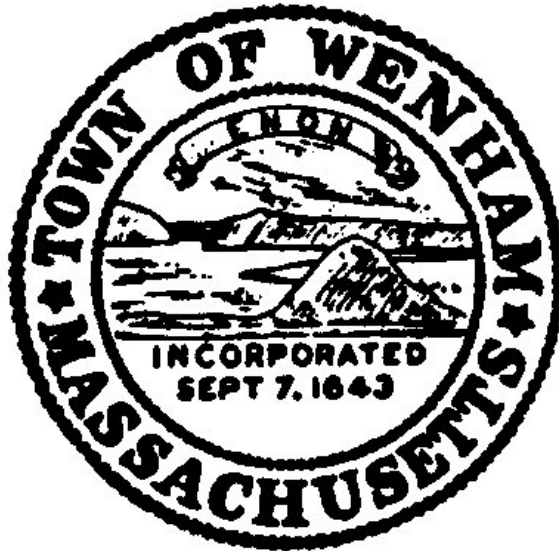
Key:

Voters

Elected Officials

Appointed Officials

Town of Wenham Massachusetts



Annual Report of the Finance & Advisory Committee: Budget Message

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

Wenham Finance and Advisory Committee

Fiscal 2019 Annual Report

To the Citizens of Wenham,

The Wenham Finance and Advisory Committee herein submits for your review, consideration, and action at the April 7, 2018 Annual Town Meeting, our recommended budget for the Fiscal Year 2019, which begins July 1, 2018.

It is apparent that the persistence of fiscal challenges before the Town - most notably the recent increases in Wenham's assessment for the Hamilton Wenham Regional School District (HWRSD) - has constrained its ability to manage operational and capital expenditures within its combined revenue and taxing authority. As a result, Wenham's Fiscal 2019 budget includes the Article 3 operating override for \$331,294 as a means of fully funding its share of the HWRSD cost. The Fiscal 2019 operating budget reflects an increase of \$1,147,876, or 6.43%, over the previous fiscal year, assuming the school operating override in Article 3 passes at Town Meeting and the ballot. If the override does not succeed, the Fiscal 2019 operating budget reflects an increase of \$816,573, or 4.6% over the previous fiscal year.

Schools Overview

The Finance and Advisory Committee has, in recent years, highlighted the need to balance our goal of meeting residents' expectations for our outstanding educational system with what the Town can afford. We believe a close look at the following three metrics is key to appreciating Wenham's education cost increases:

1. The HWRSD net operating budget increase,
2. Wenham's increasing apportionment of the HWRSD enrollment, relative to Hamilton's, and
3. The increase in Wenham's HWRSD assessment, as a function of #1 and #2.

First, the total proposed HWRSD net operating budget for Fiscal 2019 increases by \$1,694,242, or 6.9%, over Fiscal 2018. Key drivers of this increase include contractual salary increases, HWRSD's planned investment in special education programs, and the offsetting of \$177,000 in athletic user fee reductions.

Second, Wenham's enrollment-based apportionment for HWRSD is increasing to 35.4%, up from 34.6% in the current fiscal year. While this 0.75% increase may seem modest, a five-year view of Fiscal 2015 through Fiscal 2019 reveals a shift in HWRSD enrollment-based cost of 4.3% from Hamilton to Wenham. This enrollment shift has added \$1,058,000 to Wenham's assessment since 2015, independent of the annual HWRSD operating expense increases over that same period.

Third, Wenham's HWRSD Fiscal 2019 assessment, as impacted by the above factors, increases by 9.2% to \$10,053,013 (52.9% of Wenham's budgeted expenditures). Even a small increase in such a large budgetary item can have a significant effect: the increase in education costs represent 74% of Wenham's overall budget increase.

The suggestion that each of the metrics above be considered - not just the net cost alone - is to call out the importance of both managing operating budget increases and understanding the impact of student enrollment trends.

Town Overview

The Fiscal 2019 budget reflects an increase of 3.7% in Town expenses. Of this increase:

- 2.2% is attributed to increases in existing department salaries and other expenses detailed below,
- 1% is attributed to the new Shared Inspectional Services model, also described more in-depth below, and
- 0.5% is attributed to funding our OPEB (i.e. other post-employment benefits) liability within the operating budget, instead of using free cash.

Salaries

Town salaries increase by \$207,522 reflecting 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 will increase \$5,090 from the current fiscal year to \$562,245. The Town is seeking to issue debt (Article 14) for priority Iron Rail rental property infrastructure repairs (roofing and paving needs). Funding for this new debt issuance is expected to come from the Iron Rail Rental revolving account and, as such, it will have no impact on the operating budget or tax rate.

Free Cash and Capital Expenditures

Available free cash was certified at \$1,232,635. As with the prior two fiscal years, the operating budget includes the use of \$750,000 in free cash (Article 2). While these one-time funds had historically been applied to reduce the tax rate, they now are relied on to balance the budget. In addition,

- \$282,135 in free cash is retained in reserves per Town financial policies,
- \$200,500 in free cash is used to fund new capital items (Article 6), as was done in Fiscal 2018, including:
 - \$45,000 for Highway Dept. portable truck lift
 - \$45,000 for Highway Dept. road capital
 - \$40,000 for Highway Dept. front end loader
 - \$30,000 for Fire Dept. portable radios
 - \$18,000 for painting of Town Hall exterior
 - \$17,500 for Police Dept. administrative vehicle
 - \$5,000 for Building & Grounds Dept. purchase of Water Dept. truck.

The Water Dept. is also seeking to use \$54,000 of \$221,858 in available Water Surplus funds (Article 7) to purchase a new utility truck, and to transfer \$35,000 from the operating budget to a new Capital Reserve account (Article 8).

New Services

The proposed budget includes a new, shared Inspectional Services arrangement with Hamilton, designed to increase operational efficiencies and ensure the continuation of our already high level of service in this area. By aligning with Hamilton, we will bolster public safety and be better equipped to manage and support development within Wenham. As the lead community under this Intermunicipal Agreement, Wenham's budgeted costs will be mainly offset by receipts from Hamilton, with a net incremental impact on the Town's operating budget of less than \$5,000.

Group Insurance Commission (GIC) Cost Savings

Town employees voted to opt out of the state's health insurance program, saving the Town an estimated \$100,000 in premium costs from Fiscal 2018 actual to what was originally projected for Fiscal 2019. These one-time savings added significant levy capacity as we aimed to deliver a balanced budget during these challenging fiscal times.

Net Effect: Anticipated Tax Rate Impact¹ of Articles 1, 3, 4 and 5

Article 1 funds Wenham's Fiscal 2019 budget, inclusive of all departments and a portion of the HWRSD assessment equivalent to a 2.5% net HWRSD operating budget increase, the amount that could be accommodated within the levy limit after funding non-educational expenses. The net effect of Article 1 on the tax rate is estimated as follows:

¹ Override estimates based on the Fiscal 2019 Levy Limit of \$15,356,231 and \$792,256,064 Fiscal 2017 Total Valuation. Debt exclusion impacts based on a 20 year 4% bond with level annual debt service payments and declining interest payments.

- 3.1% tax rate increase, or an increase of \$0.59/1,000,
- Fiscal 2019 tax rate up to \$19.38 vs. current rate of \$18.79, and
- Tax bill increase of \$307 on a median home valued at \$520,450.

Article 3 invokes an operating override to fund the remaining HWRSD assessment not included in Article 1. If the operating override in Article 3 passes and is approved at the ballot, our Fiscal 2019 tax rate is projected to rise by 5.4%, resulting in an estimated tax bill increase of \$526 on a median home valued at \$520,450 when combined with Article 1. The net effect of Article 3 is estimated as follows:

- Exceeds (increases) levy limit by \$331,294,
- Incremental 2.2% tax rate increase, or an additional increase of \$0.42/1,000, which would mean a total tax rate of \$19.80.
 - \$0.34 for HWRSD Critical Priorities,
 - \$0.08 for Reduced Athletic User Fees, and
- Additional tax bill increase of \$219 on a median home valued at \$520,450.

Articles 4 and 5 allow for HWRSD debt exclusions in the amounts of \$850,000 for Winthrop Elementary sprinklers & fire alarms and \$2,600,000 for Safety, Accessibility, and Infrastructure projects respectively. The net effect of Articles 4 and 5 is estimated as follows:

- \$3,450,000 total project amount,
- 0.6% tax rate increase, or an additional increase of \$0.11/1,000, in Fiscal 2020
 - \$0.03 for the \$850,000 for Winthrop sprinklers & fire alarms
 - \$0.08 for the \$2,600,000 for Safety, Accessibility, & Infrastructure, and
- Additional tax bill increase of \$58 on a median home valued at \$520,450.

Fiscal Outlook for 2020 and Beyond

Wenham will continue to face the pressures of increasing municipal and educational costs carried by its residential tax base. While the Town will continue to manage its budget in a fiscally responsible manner, the possibility for future overrides remains. For practical purposes, a levy limit increase approved by residents this year represents a permanent increase in the taxing authority, but doesn't fully address increasing budget pressures. Thus, Wenham residents may well face an operating override in Fiscal 2020 – regardless of whether this year's override is approved.

In order to continue to provide quality Town services and an excellent education for our students, we must proactively address expense drivers as we seek creative sources of new revenues. Tax-efficient development is one way to address fiscal challenges - and while the Town has several permitted projects set to begin in the coming months, it will take a number of years to realize any significant additional new growth revenue from these efforts. We encourage the Towns of Wenham and Hamilton, together with HWRSD, to engage in collaborative discussion to seek opportunities for cost savings, jointly prioritize large-scale capital projects, and ensure the needs of our educators are met within a construct that is also affordable to our residents.

Given the complexities of the current budget process and override implications, the Wenham Finance and Advisory Committee seeks to hear opinions from residents, and to help them understand our role, recommendations for and potential impact of financial warrant articles. To that end, we are hosting a public budget forum on Thursday, March 22, 2018 at 7:00 PM at Town Hall. And as always, we hope you will join us at the Warrant Hearing on Monday, April 2, at 6:30 PM in The Buker Elementary School multi-purpose room.

WENHAM FINANCE AND ADVISORY COMMITTEE

Alex Begin, Chair

Michael Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy



COMMUNITY BUDGET FORUM

Wenham Finance & Advisory Committee

Alex Begin, Chair

Michael Therrien, Vice Chair

Carrie Jelsma

David Molitano

Jim Purdy

Town of Wenham, Massachusetts

March 22, 2018

Budget Process

August

- Town Administrator & Finance Director present long range budget forecast to Board of Selectmen (BOS) and Finance & Advisory Committee (FinCom), and budget guidelines are established.
- Town Administrator & Finance Director provide budget guidelines to Department Heads and begin budget building process.

September

- Department Heads submit department budgets to Town Administrator & Finance Director.
- Town Administrator & Finance Director meet with Department Heads to review initial submissions and make changes as appropriate.

October

- Town Administrator & Finance Director present preliminary budget projections to BOS/FinCom.
- Hamilton Wenham Regional School District (HWRSD) provides finalized enrollment data to Towns, establishing extent of enrollment shift.

November

- Department Heads present budget overview to BOS, with FinCom as invited guests.

Budget Process (continued)

December

- BOS review FY 19 budget projections and determines need for alternative funding scenarios to account for reduction of services and/or staffing due to potential override.
- Joint Hamilton/Wenham FinComs and BOS meeting with HWRSD leadership (administration and SC) for preliminary discussions regarding towns' funding capacity.

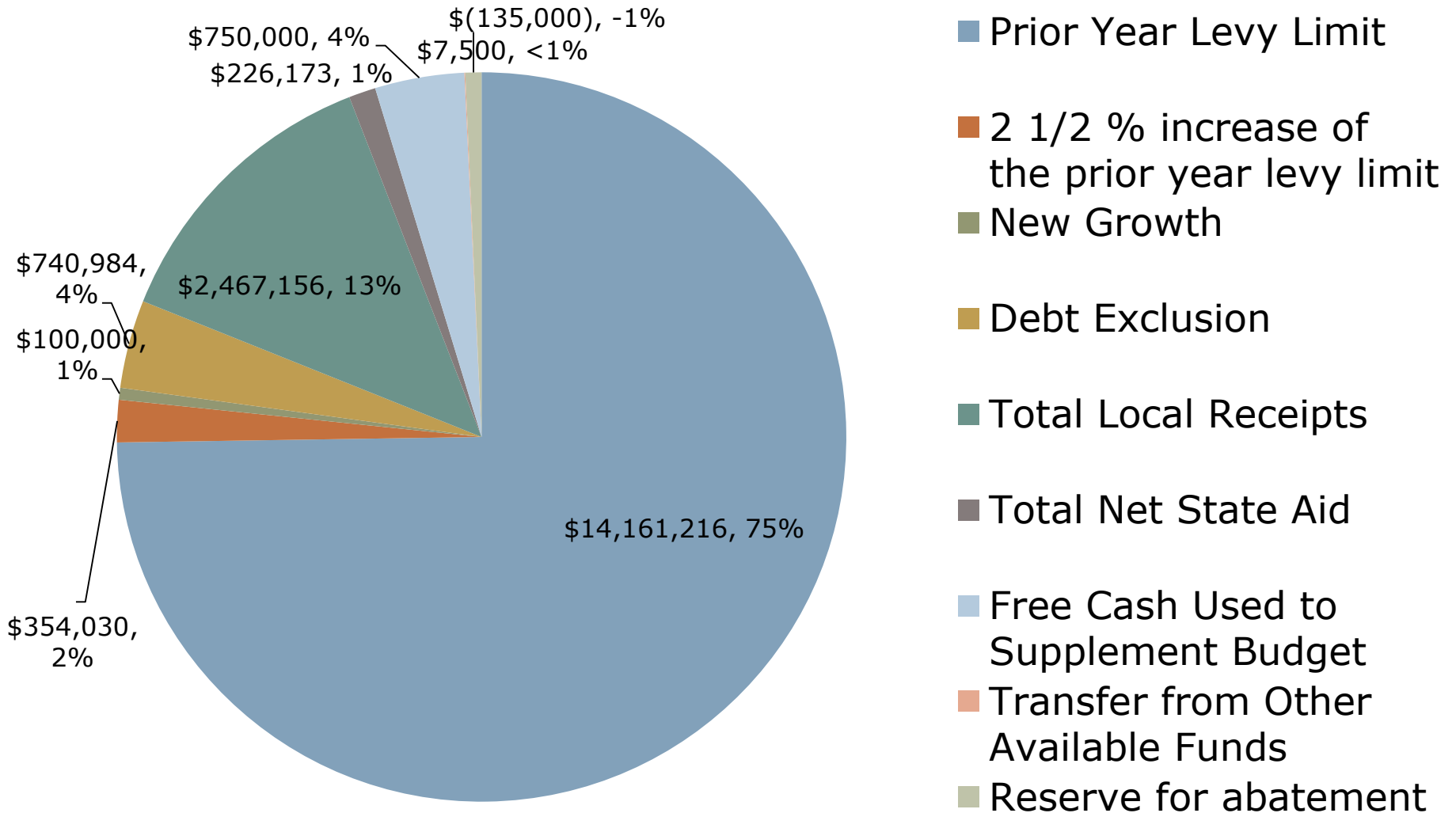
January

- HWRSD Superintendent's proposed budget released.
- BOS review of finalized Administration budget based on HWRSD proposed budget.
- Town Administrator and Finance Director present Administration budget to FinCom.
- Department Heads present budgets to FinCom for review.

February

- HWRSD meeting with Joint Hamilton & Wenham FinComs.
- Joint Hamilton & Wenham FinComs meet and review joint department budgets.
- FinCom final review and approval of departmental budgets.
- SC votes to adopt final HWRSD budget and notifies both towns.
- BOS and FinCom vote on their recommendations to Town Meeting on finalized budget.

FY19 Budget – Revenues



82% of revenues (rounded to the nearest percent) are derived from local property tax as indicated by the prior year levy limit, 2 1/2 increase, new growth, and debt exclusion

FY19 Budget: Expense Totals

- Town expenses are set to increase by 3.7%
 - .5% attributed to including \$40k for Town's contribution toward our unfunded liability for Other Post Employment Benefits in the operating budget instead of using Free Cash
 - 1.0% attributed to shared inspectional services (expenses covered entirely by Wenham but offset in local receipt revenues by Hamilton's contribution) – net impact of less than \$5k
 - Remaining 2.2% increase distributed across all other Town departments
 - \$255k for new capital items will be funded outside of operating budget (Free Cash & Water Surplus) as was done for FY18
- Only 2.5% of the FY19 HWRSD net operating expense increase fits within the Town's levy limit (actual operating expense increase of 5.4% based on budget adopted by Hamilton Wenham Regional School Committee on 2/13/18)

Expenditure Trends (FY15 – Present)

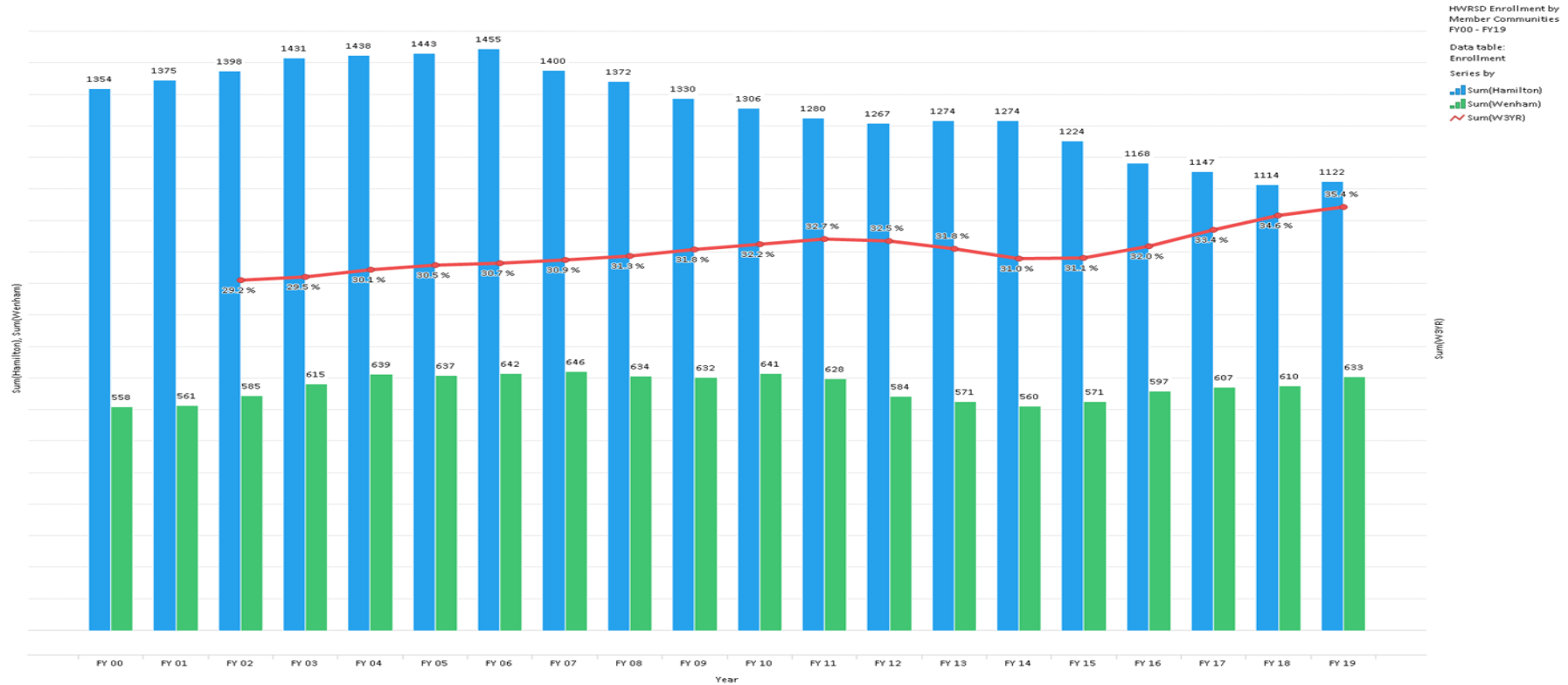
Town of Wenham Expenditure Forecast

	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 PROJECTED	FY 2019 PROJECTED	% Change 18/19	% Change 15/19
General Government	\$1,197,074	\$1,224,615	\$1,202,884	\$1,193,616	\$1,272,307	6.59%	6.28%
Public Safety	\$2,097,811	\$2,140,020	\$2,227,516	\$2,247,940	\$2,332,846	3.78%	11.20%
Education	\$7,790,651	\$8,196,009	\$8,963,193	\$9,370,420	\$10,213,059	8.99%	31.09%
Public Works	\$1,266,678	\$1,180,398	\$1,237,575	\$1,361,675	\$1,373,509	0.87%	8.43%
Water	\$431,150	\$423,365	\$417,438	\$421,617	\$427,388	1.37%	-0.87%
Health & Human Services	\$145,775	\$152,799	\$157,673	\$157,256	\$163,748	4.13%	12.33%
Culture & Recreation	\$915,169	\$943,060	\$953,575	\$978,568	\$1,038,499	6.12%	13.48%
Debt Service	\$611,714	\$554,628	\$655,092	\$557,155	\$562,245	0.91%	-8.09%
Other	\$1,293,218	\$1,417,279	\$1,466,354	\$1,567,229	\$1,619,753	3.35%	25.25%
Total	\$15,749,240	\$16,232,173	\$17,281,299	\$17,855,477	\$19,003,354	6.43%	20.66%

Town Operating Budget Increase FY15-19	10.45%
HWRSD Operating Budget Increase FY15-19	15.71%
Education Assessment Increase FY15-19	31.09%
Estimated Wenham Student Enrollment Increase FY 15-19	10.86%
Estimated Hamilton Student Enrollment Decrease FY 15-19	-8.33%

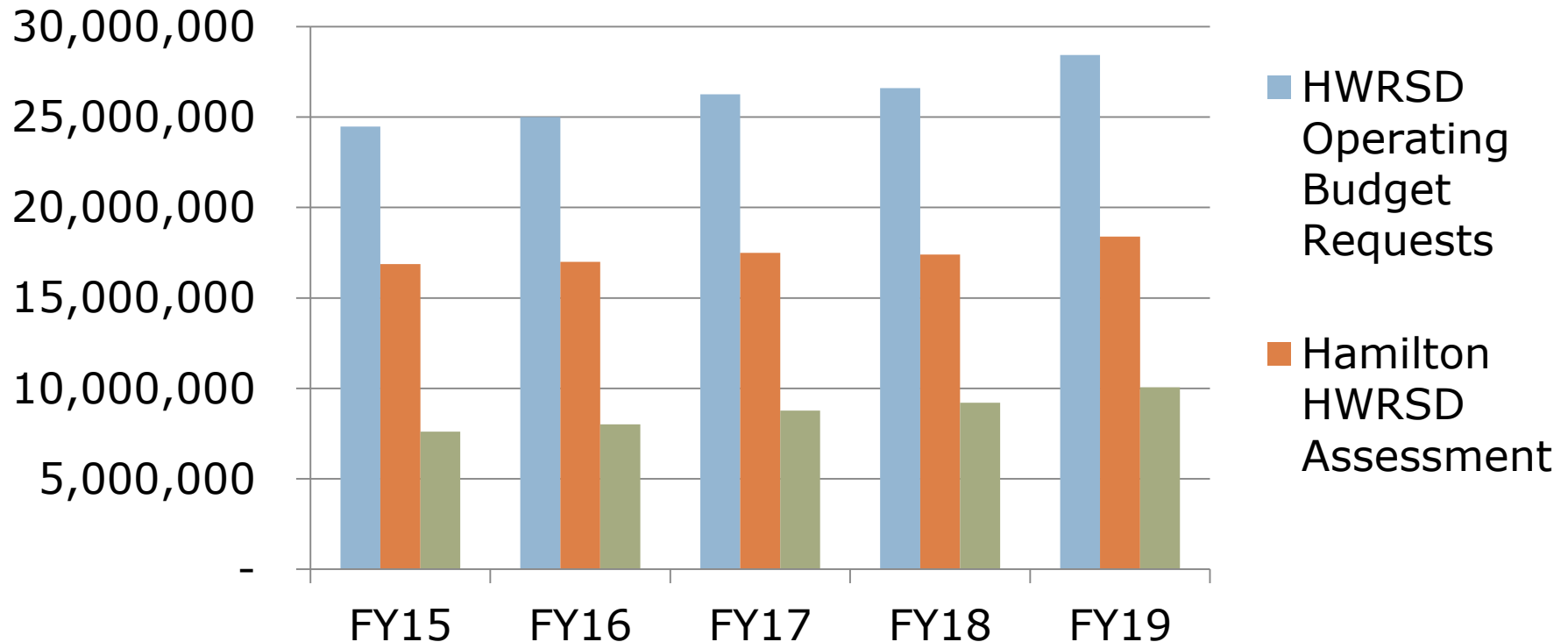
Combined HWRSD Enrollment & Wenham's Assessment %: FY 00 – Present

HWRSD Enrollment by Member Communities FY00 - FY19



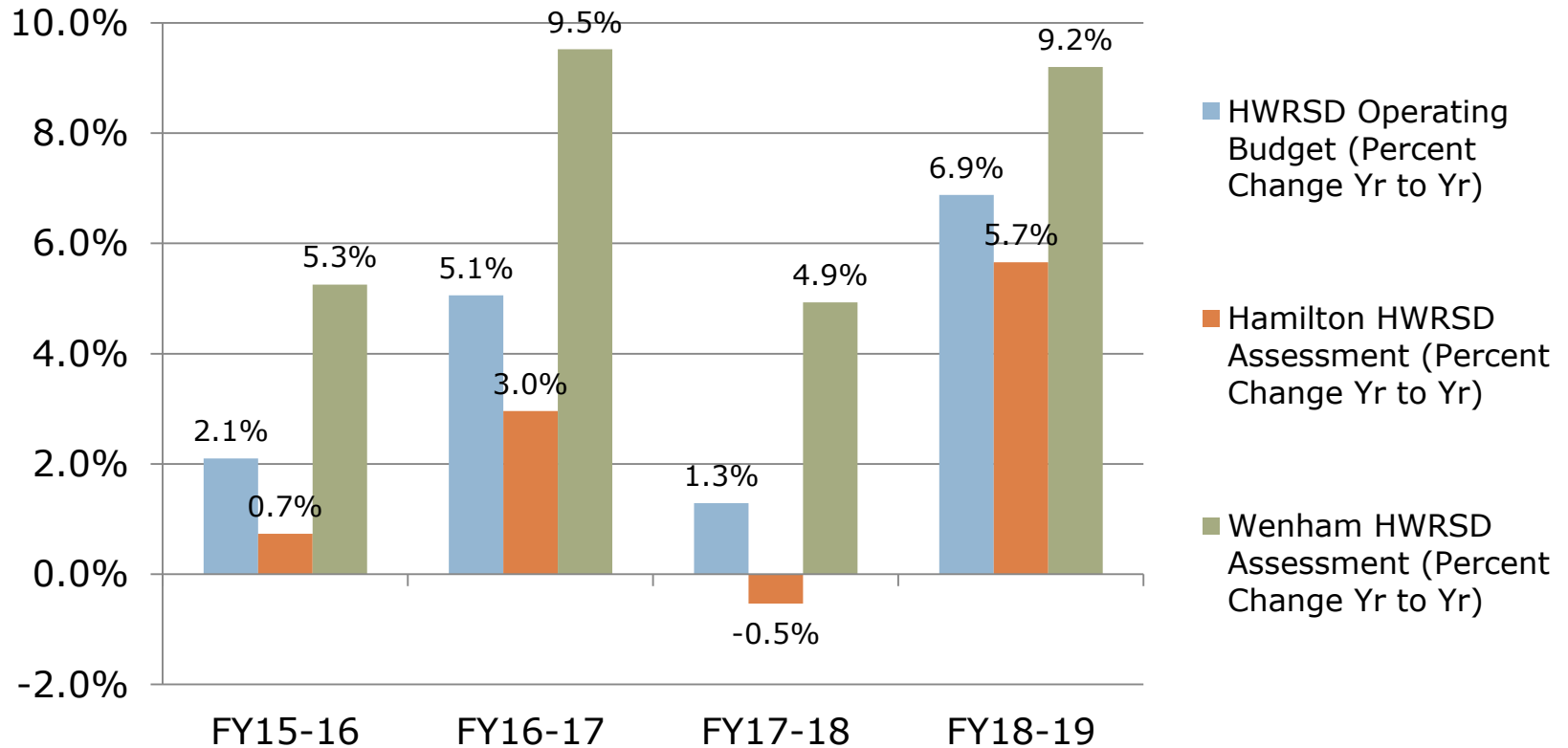
- HWRSD total enrollment has declined by 157 students since 2000. Over that time, Wenham enrollment has increased by 75 students while Hamilton's has decreased by 232.
- Accordingly, Wenham's Assessment (based on 3 year rolling average of enrollment in each town) has increased from 29.2% to 35.4% (or 21+%).

HWRSD Spending & Town Assessments by Dollar Amount: FY15-Present



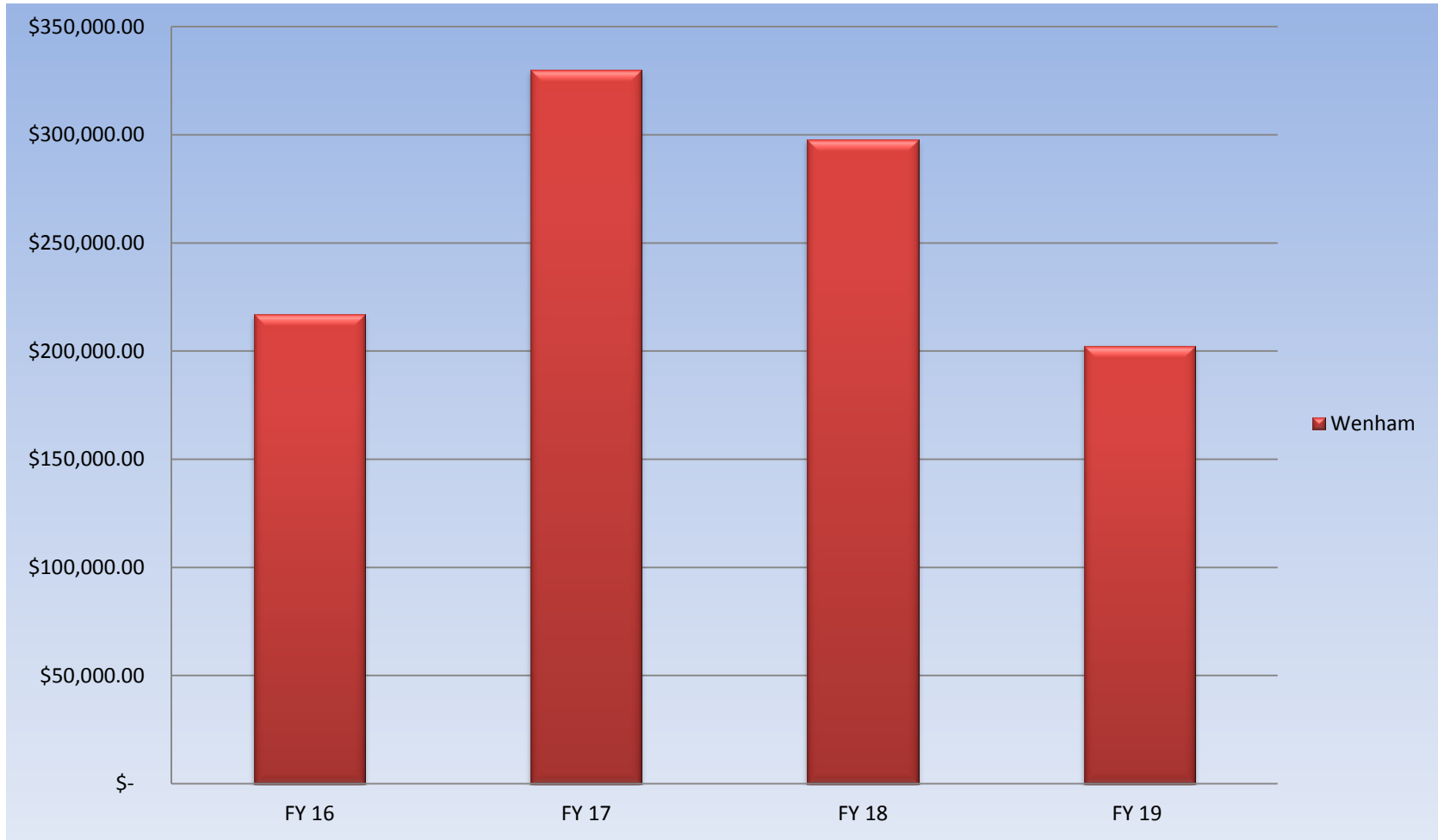
- HWRSD Operating Budget has increased by ~\$4M over past 4 years
- Wenham's Assessment has increased by ~\$2.5M over that same time, while Hamilton's has only increased by ~\$1.5M even though Hamilton has about twice as many children enrolled in the district

HWRSD Spending & Town Assessments by % Increase: FY15-Present



- HWRSD Operating Budget has increased by a total of 15.4% over past 4 years
- Wenham's Assessment has increased by 28.9% over that same time, while Hamilton's has only increased by 8.9%

Cost Impact of Student Enrollment Shift



Fiscal Impact of Student Enrollment Shift

- \$1,058,000 increase in Wenham's HWRSD Assessment over past 4 years from enrollment shift alone (average of \$265k each year)
- Wenham's levy capacity increases by about \$450k each year from all revenue sources (local and state)
- Over the past 4 years, Wenham has managed to fund all Town and HWRSD expense increases using the ~\$200k balance available in new levy capacity (after accounting for the enrollment shift) and any remaining excess levy capacity
- Starting with no excess levy capacity in FY18, Town and HWRSD annual operating expense increases needed to total less than 2.5% for FY19 to stay within levy limit based on these funding constraints and the continuing pressure caused by enrollment shift

2018 Annual Town Meeting Budget Articles

- Article 1 will seek approval of levy limit budget (3.7% Town expense increase and 2.5% School expense increase*)
- Article 2 will seek approval of use of \$750k in Free Cash to balance levy limit budget
- Article 3 will seek approval for balance needed to fully fund FY19 School budget (additional 2.9%, or \$331k)
- Articles 4 & 5 will seek approval for 2 School debt exclusion projects (\$850k and \$2.6M)

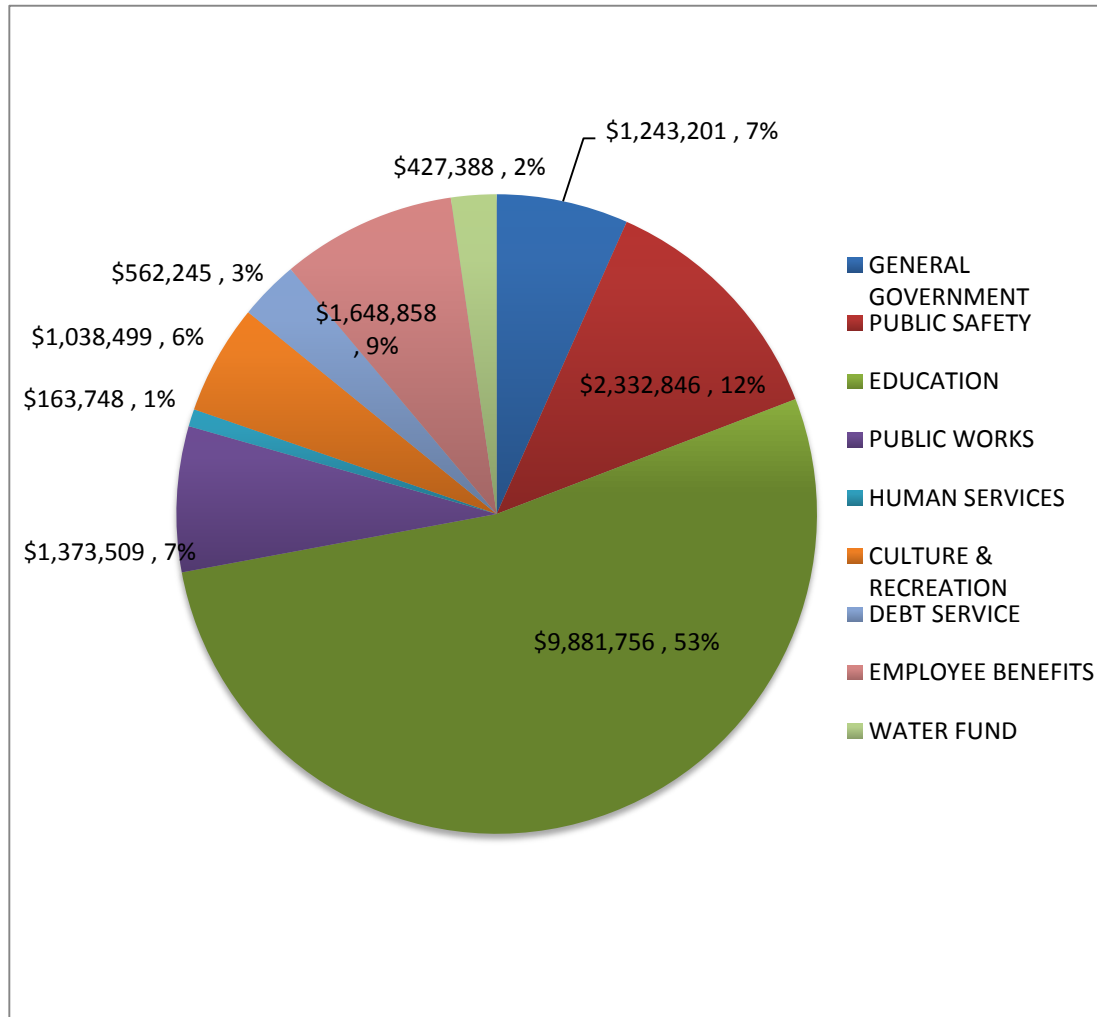
* Article 1 also includes \$214k for FY19 HWRSD student enrollment shift and \$78k from reduction of available Excess & Deficiency funds (School fixed costs)

Tax Rate Impact – Levy Limit Budget

FY19 Levy Limit	\$15,356,231
Total Valuation FY17	\$792,256,064
FY19 Projected Tax Rate	\$19.38 per \$1000

This is a projected increase of \$.59/1000, or 3.1%, on the current tax rate of \$18.79, resulting in an estimated tax bill increase of \$307 on a median home valued at \$520,450.

FY19 Proposed Budget – No Override

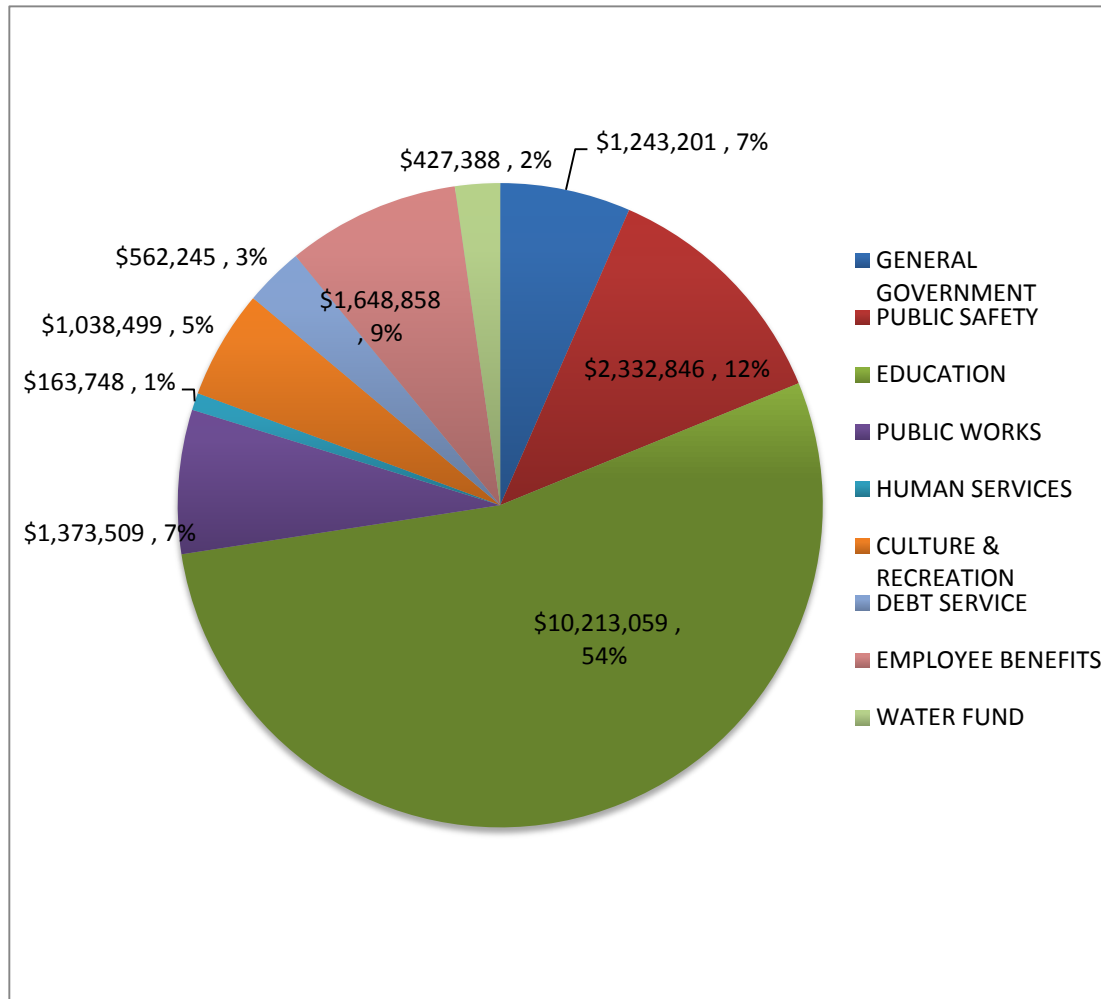


Tax Rate Impact – School Operating Override

Over Levy Limit	\$331,294
Total Valuation FY17	\$792,256,064
Tax Rate Impact per \$1,000	\$.42

This is a projected increase of an additional \$.42 (\$.34/Critical Priorities & \$.08/Reduced User Fees), or 2.2%, on the current tax rate of \$18.79, resulting in an additional estimated tax bill increase of \$219 on a median home valued at \$520,450.

FY19 Proposed Budget – With Override



Tax Rate Impact – Debt Exclusions

Total Project Amount	\$3,450,000
Total Valuation FY17	\$792,256,064
Tax Rate Impact per \$1,000	\$.11* in FY20

This is a projected increase of an additional \$.11 (\$.03/\$850K for Winthrop sprinklers & fire alarms and \$.08/\$2.6M for Safety, Accessibility, & Infrastructure), or .6%, on the current tax rate of \$18.79, resulting in an additional estimated tax bill increase of \$58 on a median home valued at \$520,450.

*based on 20 year bond at 4% and a declining interest payment with level annual debt service payments

Total Tax Rate Impact

FY18 Tax Rate	\$18.79
Levy Limit Increase	\$.59
Override Increase	\$.42
Total FY19 Tax Increase	\$ 1.01
Estimated FY19 Tax Rate	\$19.80/1000

If the operating override passes, our FY19 tax rate is projected to rise by 5.4%, resulting in an estimated tax bill increase of \$526 on a median home valued at \$520,450.

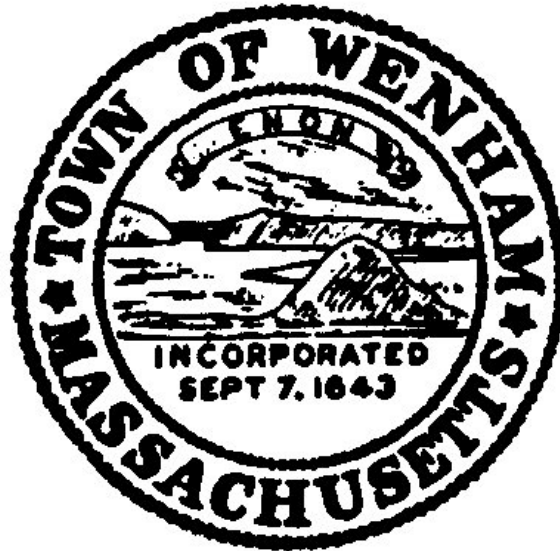
If both debt exclusions pass, our FY20 tax rate is projected to decrease by \$.29/1000 (\$.40/1000 reduction from last payment on Middle School debt plus \$.11/1000 increase from \$3.45M in total new debt – 35% of which Wenham residents will have to pay) – *this estimated decrease does not reflect Prop 2½ levy limit increases and/or any future operating overrides*

Important Dates

- Warrant Hearing – Monday April 2 at 7PM at Buker School Multi-Purpose Room
- Annual Town Meeting – Saturday April 7 at 1PM at Buker School Auditorium
- Annual Town Election – Thursday April 12 from 7AM to 8PM at Wenham Town Hall

We look forward to your continued participation!

Town of Wenham Massachusetts



Revenue Summary

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

REVENUE SUMMARY

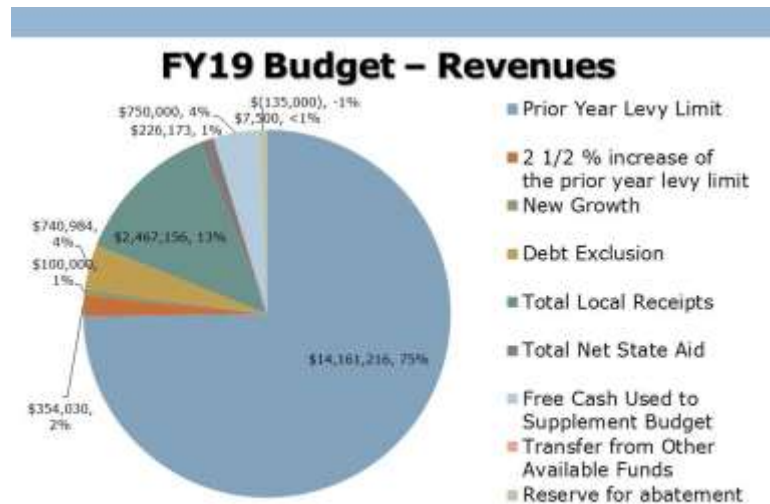
The Town’s General Fund revenues are derived from three main categories: property taxes, local receipts, state aid, and reserve funds.

Property Taxes

Property taxes are the single largest revenue source for the Town and will provide approximately 82% of the General Fund budget revenue in FY19, including the prior year levy limit, proposition 2 and ½ increase, new growth, and debt exclusion (see Chart 1).

Property taxes are levied on real property (land & buildings) and personal property. In accordance with State law, the Assessor determines the value of all real and personal property, which is revalued at fair market value at least every five years. Our next revaluation will occur this year in FY19. In FY 17 and FY 18, the Board of Assessors engaged a consultant who completed a measure and list project that will ensure all property values in town are accurately captured. Data from this project has been updated in the Assessors records with final data entry occurring in July 2018.

Under the provisions of Proposition 2 ½, property taxes, in the aggregate, may not exceed 2 ½ percent of their “full and fair cash value.” This limit is known as the “levy ceiling.” Additionally, annual levy increases may not exceed 2 ½ percent more than the previous year’s levy plus the taxes from any new growth value that arise from properties added to the tax rolls. Any property 2 ½ override or debt exclusion amounts approved by referendum are also added to the levy limit.



82% of revenues (rounded to the nearest percent) are derived from local property tax as indicated by the prior year levy limit, 2 ½ increase, new growth, and debt exclusion

Chart 1

Property taxes are expected to increase by approximately \$454k in FY19, to \$14,615,247. This increase includes the allowable 2.5% increase of \$354,030 plus an estimated \$100k from projected new growth. The Town continues to maintain a conservative approach to new growth projections since aggressive projections can have a negative impact on future reserve balances. Additionally, new growth revenue is derived from new development and substantial alterations to existing properties, both of which are influenced by private sector economic factors that are outside of the control of Town officials.

Local Receipts

The second largest source of revenue (13%) for the General Fund budget is Local Receipts, which includes a variety of fees, local options, permits, fines and license-related monies that the Town receives, as well as interest that is earned on investments or overdue tax bills. The FY19 projected local receipts are \$2,467,156, a year-over-year increase of 9%, or \$203,190, compared to the last year's revenue estimate. The projected increase is mainly driven by a \$35k increase in EMS Revenue from the new ambulance service, increases to special assessments from Hamilton including increases for contributions to the Pleasant Pond and Joint Library, as well as \$91k to cover the Hamilton share of costs for the new Hamilton-Wenham Joint Inspectional Services Program. Additionally, the Town saw minor revenue increases in the Charges for Water Services, Motor Vehicle Excise, rental income from the Iron Rail Property, and Permits and Licenses revenue. In spite of the pressure to deliver a balanced budget with the levy limit, the Town has tried to remain conservative in terms of setting our local receipts projections.

State Aid

State Aid is Wenham's third largest revenue source. The Town historically uses the House 1 (Governor's) budget proposal for the basis of its state aid projections. Based on the House 1 FY19 budget proposal, state aid is estimated to increase by approximately 3.63% in the aggregate, to \$ 464,915. Revenue from state aid, recognized as "Receipts" on the Cherry Sheet, are offset by charges and assessments. For FY19, we anticipate charges and assessments to decrease by 2.04% from FY18. Based on those factors, we projected a net state aid appropriation of \$ 226,173, a 6%, or almost \$12k, increase from FY18. Wenham's projected net state aid represents just 1% of the general fund revenue sources for FY19. It is important to note that Chapter 70 funding is directly distributed to the schools since we are a member of a regional district.

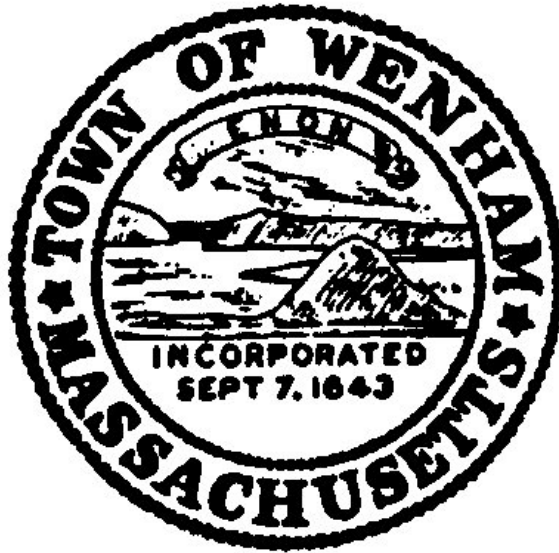
Reserves

The last category of revenue for the Town includes reserve funds such as certified Free Cash and our Stabilization Fund. Our Stabilization Fund balance is \$524k, a healthy 2.76% of the Town's annual operating budget.

When taking our \$1.23M Free Cash balance into account, our overall reserves exceed 10% of our operating budget. For FY19, \$750k in available Free Cash has been utilized in order to build a balanced budget, the same amount as was applied in FY18. However, in FY 2017, \$85k of this amount served to subsidize the tax rate, while we were within \$6k of our levy limit in FY 2018. For FY 2019, the Town will require a \$331k operating override to fully fund the school budget over the FY 2019 levy limit budget. This practice of applying a significant amount of one-time funds to building the operating budget has been consistent over time under the premise that the Free Cash that resulted from previous years' revenue and expense balances should be used to reduce next year's tax rate.

In the years up to and including FY14, the Town regularly applied about \$400k a year to subsidize the operating budget. Starting in FY15, this use of one-time funds increased to \$850k, due in large part to the influx of Excess and Deficiency funds from the regional school district. As a budget pressures have increased in the past several years, particularly due to the almost \$1M in additional expenses resulting from the school enrollment shift, this approach has transitioned from serving to reduce the tax rate to an essential element of delivering a balanced budget, as we have become increasingly reliant on these one-time funds as a revenue source. The use of \$750k in Free Cash to build the operating budget is consistent with the Town's financial policy to maintain a minimum of \$250k in Free Cash.

Town of Wenham Massachusetts



Expenditure Summary

Board of Selectmen

Jack Wilhelm, Chair

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John Clemenzi, Clerk

Town Administrator

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Finance Committee

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Finance Director

Leslie Davidson

voted to increase this salary to be more in line with managers in comparable communities and to account for a merit increase. Based on this data, the salary range for this position in the compensation and classification schedule for non-union employees was adjusted accordingly.

Town Counsel/Legal **+\$5,000 (+10.0%)**

Legal costs are largely driven by ongoing litigation, which has increased in the past year. The Town had decreased this line item for FY18 by \$5,000, so this increase brings it back in line with FY17 funding levels.

Information Technology **+\$8,760 (+14.1%)**

This increase is based on contractual increases to service and license agreements and projected IT support increases based on initial solicitations to continue the same level of service.

Town Hall **+\$8,451 (+6.5%)**

This increase reflects a reclassification of the Special Projects position based on the nature and complexity of the work currently undertaken.

Town Clerk **+\$12,748 (+16.4%)**

This increase largely reflects an increase in the number of hours the Town Clerk works to mirror Town Hall hours.

Planning & Land Use **+\$13,272 (+21.4%)**

The full-time 32.5 hour/week Planning Coordinator position was separated into two 19 hour/week positions: the Planning Coordinator will continue to support the Zoning Board of Appeals and the Planning Board while the new Conservation and Open Space Coordinator will support those two land use committees in order to properly manage the workload, particularly the night meeting schedules.

Permitting **+\$89,720 (+133.5%)**

As the lead community for the new shared inspectional service program, Wenham is showing the full expense increase to cover staffing costs for both Wenham and Hamilton. However, per the Intermunicipal Agreement that governs this arrangement, there is a proportional increase in projected revenues from Hamilton that will effectively offset the net impact of this change to our inspectional service model.

Regional School District **+\$846,836 (+9.2%)**

HWRSD Total Enrollment has declined by 157 students since 2000. Over that time, Wenham enrollment has increased by 75 students while Hamilton's has decreased by 232. Accordingly, Wenham's Assessment (based on 3 year rolling average of enrollment in each town) has increased from 29.2% to 35.4% (or 21+%).

HWRSD Operating Budget has increased by ~\$4M over past 4 years. Wenham's Assessment has increased by \$2.5M over that same time while Hamilton's has only increased by \$1.5M even though Hamilton has twice the number of students in the district.

HWRSD Operating Budget has increased by 15.4% over past 4 years. Wenham's Assessment has increased by 28.9% over that same time while Hamilton's has only increased by 8.9%.

There has been a \$1,058,000 increase in Wenham's HWRSD Assessment over past 4 years from enrollment shift alone (average of \$265k each year). Wenham's levy capacity increases by about \$450k each year from all revenue sources (local and state). Over the past 4 years, Wenham has managed to fund all Town and HWRSD expense increases using the ~\$200k balance available in new levy capacity (after accounting for the enrollment shift) and any remaining excess levy capacity.

Starting with no excess levy capacity in FY18, Town and HWRSD annual operating expense increases needed to total less than 2.5% for FY19 to stay within levy limit based on these funding constraints and the continuing pressure caused by enrollment shift.

Furthermore, no excess levy capacity will be available for FY20 even if school operating override is approved this year.

Street Lighting **-\$12,574 (-41.1%)**

The Town bought back its streetlights from National Grid in FY16 and converted the

Employee Benefits

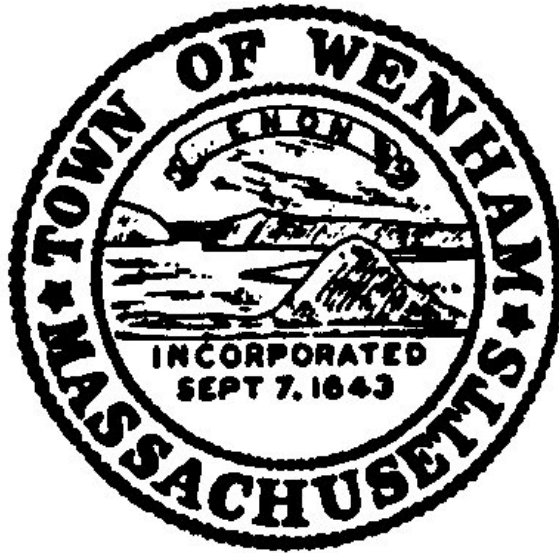
-\$53,281 (-7.6%)

The Town opted out of the Group Insurance Commission effective FY19 and realized significant savings after going through a competitive solicitation based on our experience and market conditions.

Town of Wenham

Personnel Summary	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Board of Assessors	1.03	1.03	1.03
Board of Health	0.233	0.233	0.233
Board of Selectmen and Town Administrator	2.5	2.75	2.75
Council on Aging	2.82	2.82	2.82
Department of Public Works	8.64	8.64	8.64
Building & Grounds Department	1.0	1.0	1.0
Finance Department	-	2.82	2.82
Fire Department	3.125	3.125	3.125
Inspectional Services/Permitting Office Dept.	1.15	1.15	1.15
Iron Rail Commission	.19	.19	.19
Land Use Department	1.0	1.0	1.04
Hamilton-Wenham Public Library	9.0	9.0	9.0
Police Department	10.875	10.875	10.875
Town Clerk's Office Department	1.22	1.22	1.22
Water Department	2.36	2.36	2.36
Total Town Full-Time Equivalent	45.143	48.213	48.253

Town of Wenham Massachusetts



Board of Selectmen Annual Goal Setting FY 16-18

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Town Administrator
RE: FY16 Goals
DATE: August 17, 2015

Following up on our retreat of July 27 in which we collectively worked to identify and prioritize five achievable goals for this coming fiscal year, I have outlined a number of action items and/or deliverables for each objective along with a related target date for completion. They are as follows:

Goal #1: Successful Annual Town Meeting

- Create comprehensive budget document that presents achievements, challenges, goals, and objectives in line with Government Finance Officer Association (GFOA) Distinguished Budget Presentation Award standards
 - Action #1: Share best practices with Board of Selectmen (BOS), Finance Committee, and Department Heads and request initial Department submissions
Target date: October 2015
 - Action #2: Work with Department Heads on developing and refining narratives
Target date: November-December 2015
 - Action #3: Work with Finance Director and other key staff to develop additional elements outside of Department narratives
Target date: January-February 2016
 - Action #4: Complete and present draft document to BOS
Target date: February-March 2016
 - Action #5: Finalize and print budget document and post online
Target date: March 2016
 - Action #6: Submit budget document to GFOA for consideration
Target date: May-June 2016

- Create model Annual Town Report document in line with MMA Annual Town Report contest standards
 - Action #1: Solicit quotes and select printing vendor
Target date: December 2015 - January 2016
 - Action #2: Receive and review Department Head and Board, Committee & Commission submissions
Target date: January 2016
 - Action #3: Assemble document and edit content as needed
Target date: February 2016
 - Action #4: Submit finalized document to printer
Target date: March 2016
 - Action #5: Distribute copies to residents and post online
Target date: March 2016
 - Action #6: Submit annual report document to MMA for consideration
Target date: September 2016

- Coordinate warrant articles and budget schedule
 - Action #1: Present draft FY17 budget schedule to BOS and FinCom
Target date: June-August 2015
 - Action #2: Adopt finalized FY17 budget schedule and present to Department Heads
Target date: September 2015
 - Action #3: Adhere to agreed upon budget schedule, making minor modifications as needed
Target date: October 2015 – March 2016
 - Action #4: Solicit input from Departments, Boards, Committees, and Commissions regarding potential warrant articles related to their charge and coordinate with Town Counsel
Target date: December 2015 - February 2016
 - Action #5: Send draft warrant, motions, and legal advertisements to Town Counsel for final review and comments
Target date: March 2016

- Action #6: Finalize warrant and motions, send warrant book to printer, and hold warrant hearing
Target date: March 2016
- Action #7: Distribute copies to residents and post online
Target date: March 2016

Goal #2: Advance Human Resource Management

- Successfully negotiate all expiring collective bargaining agreements (Police, Fire, AFSCME) and several Department Head contracts (DPW Director, Library Director, etc) in time to incorporate increases into FY17 budget
 - Action #1: Complete and present financial forecasting to BOS and FinCom
Target date: September 2015
 - Action #2: Initiate contract negotiations
Target date: September 2015
 - Action #3: Settle negotiations, including union, employee, and BOS approval
Target date: January-February 2016
- Complete comprehensive update of personnel policies and procedures
 - Action #1: Identify potential funding sources and solicit proposals
Target date: September 2015
 - Action #2: Engage consultant and create workplan
Target date: October 2015
 - Action #3: Solicit feedback from Department Heads on draft policies
Target date: January-February 2016
 - Action #4: Present draft personnel policies to BOS
Target date: February-March 2016
 - Action #5: Finalize and approve new personnel policies
Target date: March-April 2016
- Implement market driven and equitable wages for non-union employees
 - Action #1: Complete and present financial forecasting to BOS and FinCom
Target date: September 2015

- Action #2: Complete and present draft Collins Center wage and classification study and implementation recommendation to BOS
Target date: September 2015
- Action #3: Finalize wage and classification policy, and apply approved findings including updated job descriptions
Target date: October-November 2015
- Action #4: Incorporate wage adjustments into FY17 budget process as applicable
Target date: November-December 2015

Goal #3: Improve Communications

- Make all necessary repairs/upgrades to improve phone system
 - Action #1: Identify outstanding issues and work with vendors/utility to troubleshoot
Target date: August-September 2015
 - Action #2: Coordinate with vendors/utility on scope of work, and solicit quotes and secure funding as needed
Target date: September 2015
 - Action #3: Implement necessary changes
Target date: September-October 2015
- Improve communications between Town Hall departments/employees, and between elected/appointed officials on Town Boards, Committees, and Commissions
 - Action #1: Continue to hold structured monthly Department Head meetings
Target date: Ongoing
 - Action #2: Continue to distribute bi-weekly updates to Department Heads and solicit feedback
Target date: Ongoing
 - Action #3: Evaluate scheduling regular presentations to BOS by Town Board, Committee, and Commission Chairs
Target date: September 2015
- Improve outreach and provide more information via Town website
 - Action #1: Continue posting bi-weekly Town Administrator updates
Target date: Ongoing

- Action #2: Continue working with Department Heads on monthly profiles for Chronicle and post online
Target date: Ongoing
- Action #3: Work with vendor to install new e-subscription feature page on website
Target date: October-November 2015
- Action #4: Evaluate content on each page and update as necessary
Target date: September-December 2015
- Action #4: Post new comprehensive documents (CIP, Budget, Annual Report, welcome packet, etc) and relevant archived material as appropriate
Target date: Ongoing
- Action #4: Research, evaluate and recommend open data tools (eg. Visual Budget, ClearGov, etc)
Target date: Ongoing, with specific incorporation and follow up to coincide with engagement strategy
- Repair (or install new) Town bulletin board adjacent to Fire station
 - Action #1: Identify volunteer who will take lead on project and determine scope of work
Target date: August-September 2015
 - Action #2: Initiate project and provide Town resources as necessary (manpower, funding, etc)
Target date: September-October 2015
 - Action #3: Finish repairs/installation
Target date: October-November 2015
- Develop and formalize community sign policy
 - Action #1: Identify potential areas for community signage (public & private)
Target date: September 2015
 - Action #2: Make recommendation to the Board for policy adoption
Target date: October 2015
 - Action #3: Finalize and implement policy
Target date: October-November 2015

- ****Improve resident engagement**
 - Action #1: Work with Town Clerk to develop welcome packet for new residents
Target date: August-October 2015
 - Action #2: Finalize and distribute welcome packet, and post online
Target date: November 2015
 - Action #3: Complete and submit application for Community Compact regarding a citizen engagement strategy that focuses on providing information to residents in a more responsive and interactive format
Target date: September 2015
 - Action #4: Receive approval to move forward with technical assistance and begin work with consultant/state to generate citizen engagement strategy
Target date: October 2015
 - Action #5: Continue to work with consultant/state on strategy
Target date: October 2015 - January 2016
 - Action #6: Present draft strategy to BOS
Target date: January-February 2016
 - Action #7: Finalize, adopt, and implement strategy
Target date: February-March 2016
 - Action #8: Research, evaluate, and recommend alternative communication platforms to reach residents (eg. Revize Email Newsletter App, See Click Fix, mySidewalk, Acela's Civic Platform, Guilfoil PR, Goodsnitch, etc)
Target date: Ongoing, with specific incorporation and follow up to coincide with engagement strategy

Goal #4: Initiate Strategic Planning Measures

- Implement financial planning model
 - Action #1: Complete and present 5-year financial forecasting to BOS and FinCom based on historical trends and known fixed costs
Target date: September 2015
 - Action #2: Use findings from model to inform collective bargaining process, non-union wage adjustments, and FY17 budget recommendations
Target date: October 2015 - March 2016
- **** Draft and implement 5-Year Capital Improvement Plan (CIP)**

- Action #1: Complete and submit application for Community Compact
Target date: September 2015
- Action #2: Receive approval to move forward with technical assistance, and begin review of prior Wenham CIP documents and best practices from other communities
Target date: October 2015
- Action #3: Work with Department Heads and consultant/state to identify agreed upon priority capital needs, realistic funding sources, and a reasonable schedule
Target date: November-December 2015
- Action #4: Present draft CIP findings to BOS and FinCom
Target date: January 2016
- Action #5: Adopt finalized CIP document and implement recommendations into FY17 budget as appropriate and if possible
Target date: February 2016
- Action #6: Incorporate CIP into comprehensive budget document
Target date: March 2016
- Draft updated Open Space and Recreation Plan (OSRP)
 - Action #1: Evaluate expired plan and current draft documents
Target date: September 2015
 - Action #2: Recommend and appoint OSRP Committee
Target date: October 2015
 - Action #3: Apply for state grant funding through MA Department of Energy and Environmental Affairs
Target date: November 2015 – March 2016
 - Action #4: Solicit proposals and engage consultant
Target date: December 2015 – April 2016
 - Action #5: Create workplan to deliver updated document
Target date: January – May 2016
 - Action #6: Work with Committee and consultant to revise document
Target date: February 2016 – December 2016
 - Action #6: Present draft document to and solicit feedback from BOS, Planning Board, Conservation Commission, Joint Recreation Commission, and residents

Target date: January-February 2017

- Action #7: Finalize and submit updated OSRP to state
Target date: February-March 2017
- Action #8: Publish approved OSRP and post online
Target date: March-April 2017
- Action #9: Apply for related state grant funding as necessary and as applicable
Target date: 2017 and beyond
- Manage transition of legal counsel services model
 - Action #1: Solicit Requests For Information for general counsel and special counsel services
Target date: August-September 2015
 - Action #2: Solicit proposals to present existing Town by-laws online and to codify findings from legal base study into by-law framework
Target date: August-September 2015
 - Action #3: Evaluate firm submissions, conduct interviews, check references, and make recommendation to BOS
Target date: September-October 2015
 - Action #4: Evaluate codification submissions, secure funding as needed, and make recommendation to FinCom and BOS as applicable
Target date: September-October 2015
 - Action #5: Engage counsel services and codification vendor under agreed upon terms
Target date: October 2015
 - Action #6: Work with codification vendor and legal counsel to publish existing Town by-laws online and to make changes to by-laws consistent with the findings of the legal base study
Target date: October 2015 – January 2017
 - Action #7: Integrate recommendations of codification vendor and legal counsel into warrant articles for Annual Town Meeting
Target date: February-March 2017
 - Action #8: Evaluate any new firms and contract terms and recommend long-term legal services arrangement
Target date: February-March 2016

Goal #5: Facilitate Economic Development

- Examine potential for cellphone towers on public property and improve cellphone reception (especially in West Wenham)
 - Action #1: Evaluate existing feasibility studies
Target date: September-October 2015
 - Action #2: Engage vendor to update study as necessary, identifying key potential public and private parcels
Target date: November-December 2015
 - Action #3: Present draft findings to BOS, including any recommended by-law changes
Target date: January 2016
 - Action #4: Incorporate any suggested by-law changes into warrant
Target date: February 2016
 - Action #5: Develop and issue solicitation for public siting of cell towers if applicable
Target date: March-May 2016
- Develop workable plan to potentially develop Boulder Lane
 - Action #1: Engage vendor and complete commercial assessment of Town- and privately-owned parcels
Target date: September-October 2015
 - Action #2: Negotiate agreed upon values for parcels with private landowner
Target date: November-December 2015
 - Action #3: Create legal entity that would serve as vehicle for development and draft relevant article for warrant
Target date: January-February 2016
 - Action #4: If approved by Town Meeting, implement development plan, including marketing and solicitation
Target date: April-June 2016
- Identify estate properties that may be redeveloped and create policy framework regarding Town's role
 - Action #1: Create inventory of existing parcels that have development potential
Target date: September-November 2015

- Action #2: Solicit volunteers and appoint ad hoc committee
Target date: November-December 2015
- Action #3: Work with staff and committee to finalize inventory and create policy framework based on best practices
Target date: January-May 2016
- Determine Wenham's role in downtown Hamilton/Wenham Village concept as envisioned by the Hamilton Development Corporation
 - Action #1: Invite Hamilton Development Corporation representatives to BOS meeting to present on findings from recent studies and updated plans
Target date: October-November 2015
 - Action #2: Assess benefit to Wenham to actively participate in ongoing planning process, determine Town's role, and, if applicable, appoint select individuals to represent the Town's interests and perspectives going forward
Target date: November-December 2015

As part of this goal setting process, I have identified two objectives that clearly fit within the Community Compact program – they are marked with a (**) asterisk: drafting a Capital Improvement Plan and creating a citizen engagement strategy. As discussed, I would strongly encourage the Town to take advantage of this new opportunity as we will greatly benefit from the best practices employed in these policy areas across the Commonwealth. I have outlined specific goals throughout this year that coincide with applying for and participating in the program. Since it is an entirely new program, the schedule that I have suggested relative to the Community Compact may or may not coincide with the actual timing of the resources that the state can provide through this partnership.

I look forward to hearing your feedback on both the action items and the proposed timelines.



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Town Administrator
RE: FY17 Goal Setting Follow-up
DATE: October 25, 2016

Following up on our annual retreat and goal setting session in August, listed below is a summary of the goals and objectives that were agreed to for FY17. Based on further input from the Board, the items in **bold** were the consensus priority areas to try to address first in the months ahead.

Goal #1: Successful Annual Town Meeting

- **Coordinate warrant articles and budget schedule, with focus on understanding policy options in developing FY18 operating budget**
- Assemble Annual Town Report document in line with MMA Annual Town Report contest standards
- **Create comprehensive budget document that presents achievements, challenges, goals, and objectives in line with Government Finance Officer Association (GFOA) Distinguished Budget Presentation Award standards**

Goal #2: Advance Human Resource Management

- **Complete comprehensive update of personnel policies and procedures**
- Evaluate concept of implementing merit steps for non-union employees based on performance evaluation process
- Develop and execute succession plan for key management positions

Goal #3: Improve Communication

- Continue to improve communication between Town Hall departments/employees, and between elected/appointed officials on Town Boards, Committees, and Commissions
- Continue to improve outreach and provide more information via Town website
- Complete all necessary repairs/upgrades to improve phone system
- **Develop and formalize community sign policy**
- Continue to improve resident engagement

Goal #4: Initiate Strategic Planning Measures

- Draft and implement 5-Year Capital Improvement Plan (CIP)
- Draft updated Open Space and Recreation Plan (OSRP), including identifying estate properties that may be redeveloped and creating a policy framework regarding Town's role
- **Draft updated Joint Recreation Intermunicipal Agreement**
- Determine feasibility of expanding shared services and regionalization efforts
- **Appoint and support efforts of 375th Anniversary Committee**

Goal #5: Facilitate Economic Development

- Examine potential for cellphone towers on public property and improve cellphone reception (especially in West Wenham)
- **Develop workable plan to potentially develop Boulder Lane**
- Identify Town-owned properties and outline potential disposition plan

We will review progress toward these goals in December and January as part of the annual performance evaluation process for the Town Administrator and will evaluate more fully next summer in considering goals for the upcoming fiscal year.



Town of Wenham

Town Hall
138 Main Street
Wenham, MA 01984

Selectmen / Town Administrator
TEL 978-468-5520 FAX 978-468-8014

MEMORANDUM

TO: Board of Selectmen
FROM: Peter Lombardi, Town Administrator
RE: FY18 Goal Setting Follow-up
DATE: August 7, 2017

Following up on our discussion at our annual retreat last week, here are the top priority goals for this coming year that were collectively agreed upon (in no particular rank order):

Goal #1: Advance Human Resource Management

- Successfully coordinate hiring process of new Fire Chief who fits the needs of the department and the community
- Complete update of Employee Handbook and implement select recommendations of Human Resources Audit

Goal #2: Implement Strategic Planning Measures

- Manage inclusive and transparent FY19 budget building process that balances goal of mitigating tax rate increases with service expectations of residents by providing a variety of policy options to deliver a balanced budget, including determining the merits of and need for an operating override
- Successfully deliver updated Joint Recreation Intermunicipal Agreement
- Evaluate long-term operational and financial sustainability of regional dispatch program and recommend alternative service options if necessary
- Determine feasibility of shared inspectional services and make policy recommendations to Selectmen

Goal #3: Improve Communication

- Develop and implement citizen engagement strategy to educate residents about Town's financial condition, with a focus on the FY19 budget
- Conduct town-wide resident survey

Goal #4: Enhance Public Safety

- Improve vehicular and pedestrian safety in downtown corridor on Main Street, including determining feasibility of installing traffic signal

Besides these consensus priority goals, listed below are a number of essential functions of the Town Administrator that are in line with previous recognized Town-wide goals, which are important to continue to address, and against which my overall performance will be evaluated:

Annual Town Meeting

- Coordinate warrant articles and budget schedule
- Assemble Annual Town Report document in line with best practices
- Provide recommendations on comprehensive recodification of Town bylaws

Budget

- Deliver comprehensive budget document in line with best practices
- Continue to update and implement 5-Year Capital Improvement Program

Human Resource Management

- Complete performance evaluations and implement merit steps for non-union employees based on performance evaluation process
- Work with consultant and Public Employee Committee to evaluate employee health insurance alternatives

Strategic Planning

- Recommend adoption of 3rd best practice in Community Compact program and apply for additional grant funding

Communications

- Develop and formalize community sign policy
- Continue to improve resident engagement, including providing support for second annual citizens leadership academy
- Continue to improve outreach and provide more information via Town website
- Continue to improve communication between Town Hall departments/employees, and between elected/appointed officials on Town Boards, Committees, and Commissions

Economic Development

- Work with Board of Selectmen and Economic Development Committee to: examine potential for cellphone towers on public property and improve cellphone reception; develop workable plan to potentially develop Boulder Lane; identify Town-owned properties and outline potential disposition plan

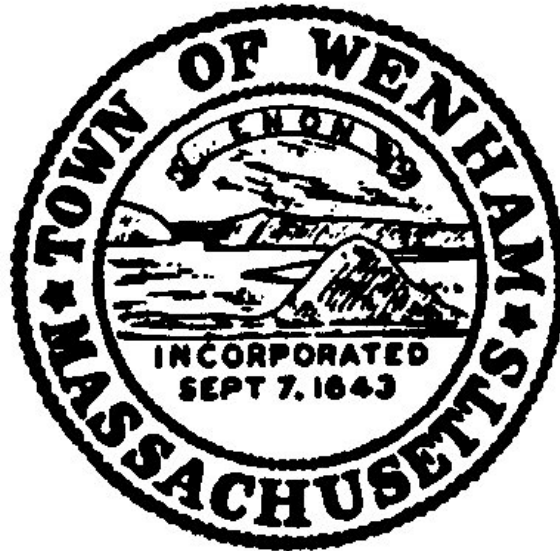
Board/Committee Support

- Support efforts of the 375th Anniversary Committee
- Support efforts of the Longmeadow Study Committee
- Support efforts of Open Space and Recreation Committee
- Examine staffing needs of Historic District Committee and Affordable Housing Trust

Operational

- Implement one-year Fire-based EMS pilot program
- Coordinate installation of Enon One facility and Pingree Park playground
- Remain engaged in regional water resource planning efforts
- Support efforts of permitting and planning departments to develop Guide to Doing Business in Wenham

Town of Wenham Massachusetts



Financial Forecasting

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

WENHAM BUDGET FORECAST

PREPARING FOR FY19 (& BEYOND)

Peter Lombardi, Town Administrator
Leslie Davidson, Finance Director

Town of Wenham, Massachusetts
August 2, 2017

Agenda

- Where are we now: Recap of the FY18 Budget
- What can we afford: FY19 Budget Capacity
- How did we get here: FY15 to Present
- Where do we go from here: Process Implications

Overview of FY18 Budget

- Budget built using 2% COLA and level services
- Assumed slight increase in new growth and local receipts, and the continued reliance on \$750k in Free Cash
- \$238k in capital and other one-time needs funded outside of operating budget using Free Cash and other one-time revenue sources
- HWRSD net operating increase limited to 1.3% (3.9% gross) by applying \$570k in available Excess & Deficiency funding
- Delivered balanced budget by cutting \$150k in Town expenses
- Excess levy capacity reduced from \$85k to \$6k
- Tax rate increased from \$18.12/1000 to an estimated \$18.87

FY19 Budget Projection: Expense Assumptions

- Expenses 1-1.5%
- Personnel 2-4%*
- Pension 7.5% (\$51k)
- Health Insurance 7% (\$48k)
- CIP (Capital Needs) \$141k
- OPEB \$40k

* Varies by department but includes 2% COLA + max 2% merit step for non-union employees and 2% COLA + 2% longevity step for Library employees

Assumed FY19 School Expense Increases

- Assumes no increase in Essex Tech enrollment and 3% net operating increase
- Total HWRSD “preliminary” estimated increase of \$777k includes:
 - Enrollment shift from FY18 to FY19 of 1.2% (+\$314k)*
 - Assumes no Excess & Deficiency (+\$197k)
 - Estimated 3.0% net operating increase (+\$266k)

*Enrollment shift based on most recent NESDEC report of December 2016 (-26 Hamilton and +24 Wenham students projected for next year)

FY19 Budget Forecast: Revenue Assumptions

- Slight increase in new growth based on preliminary estimates from Assessor and initial returns of measure and list project
- 0.8% increase in local receipts based on FY17 actuals
- Does not include any EMS revenues from pilot program
- State aid assumed to be level
- Continued use of \$750k in Free Cash
- Allowance for abatements assumed to be level

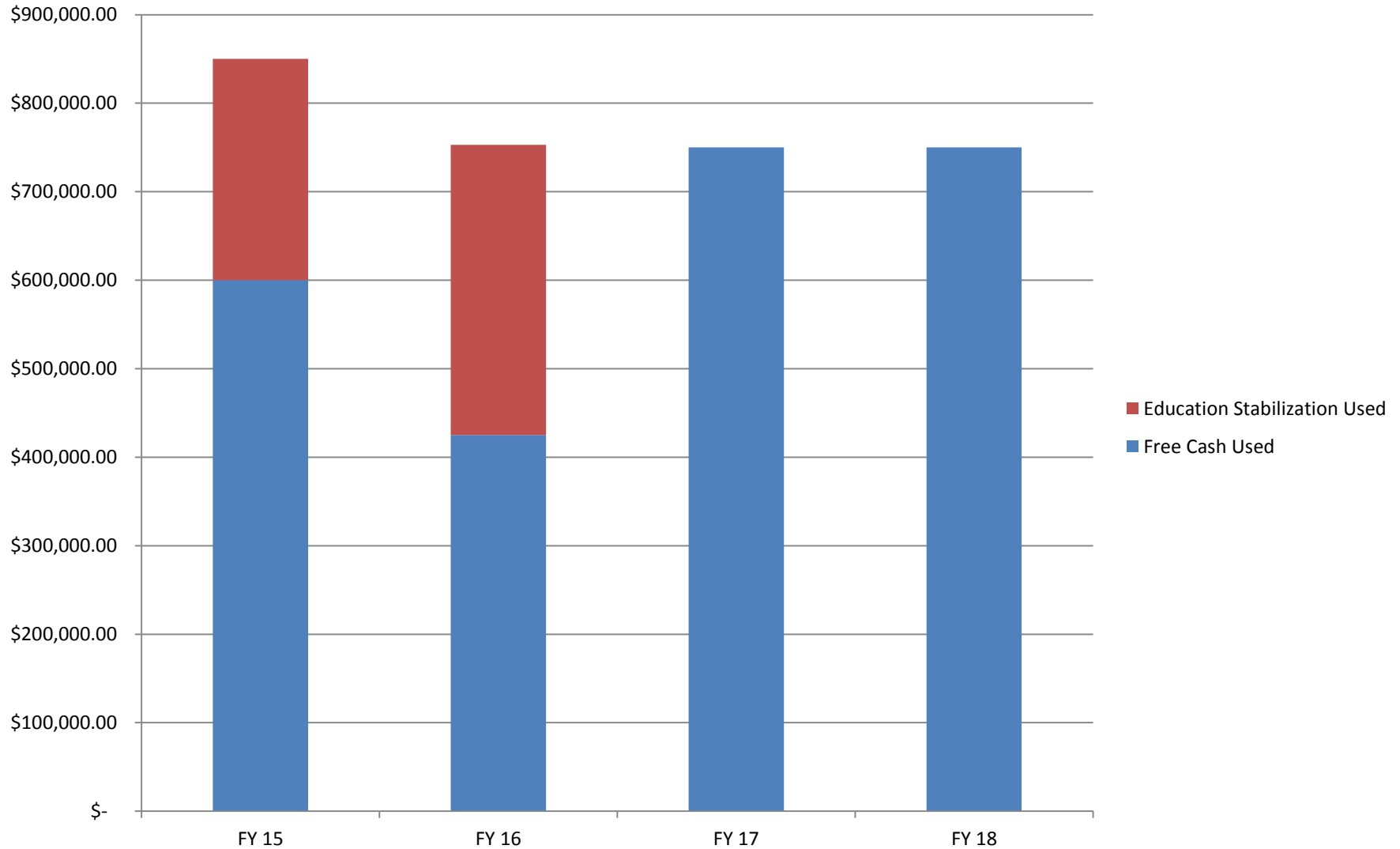
Revenue Projection

REVENUE PROJECTION	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	BUDGET	BUDGET	BUDGET	BUDGET	PROJECTED
PROPERTY TAXES					
Prior Year Levy Limit	12,377,702	12,809,253	13,192,579	13,612,731	14,048,049
2 1/2 % Increase	309,443	320,231	329,814	340,318	351,201
New Growth (1)	122,108	63,095	90,337	95,000	100,000
TOTAL LEVY LIMIT	12,809,253	13,192,579	13,612,731	14,048,049	14,499,250
Debt Exclusion	836,461	792,482	807,410	723,316	711,331
TOTAL MAXIMUM LEVY LIMIT	13,645,714	13,985,061	14,420,141	14,771,365	15,210,581
LOCAL RECEIPTS					
Motor Vehicle Excise	551,671	551,671	639,186	640,000	630,000
Other Excise					
Pen & Int on Tax & Exc	37,500	37,500	40,000	50,000	50,000
Payments in Lieu of Taxes	12,500	12,500	11,000	11,000	11,061
Charges for Services - Water	431,150	423,365	417,438	421,617	424,934
Other Charges for Services	35,000		29,758	50,000	50,200
Fees	15,000	15,000	15,000	25,000	25,039
Rentals	122,000	147,000	140,000	138,000	141,450
Dept. Revenue Libraries	4,000	4,000	3,170	3,218	3,247
Dept. Revenue Cemeteries	8,000	8,000	11,000	13,000	12,764
Other Dept. Revenue	30,000	30,000	25,000	26,000	25,963
Licenses and Permits	65,000	65,000	85,000	108,000	102,109
Special Assessments	661,657	703,625	725,635	751,203	778,320
Fines & Forfeits	6,000	10,000	22,000	25,000	24,612
Investment Income	1,700	1,700	1,900	1,929	1,777
Miscellaneous Recurring					
Miscellaneous Non-Recurring					
TOTAL LOCAL RECEIPTS	1,981,178	2,009,361	2,166,087	2,263,966	2,281,475
<i>Local Receipts % Increase</i>	<i>1.2%</i>	<i>0.6%</i>	<i>7.8%</i>	<i>4.45%</i>	<i>0.8%</i>
Cherry Sheet Receipts	409,930	415,625	443,170	448,610	448,610
Less Offsets	-9,079	-9,070	-9,433	-9,317	-9,690
Less Charges and Assessments	-216,756	-219,987	-238,223	-225,093	-225,093
TOTAL NET STATE AID	184,095	186,568	195,514	214,200	213,827
TOTAL REVENUE	\$ 15,677,275	\$ 15,982,523	\$ 16,646,742	\$ 17,114,531	\$ 17,570,883

FY19 Budget Forecast Implications

- Annual estimated revenue (not including one-time funds) totals \$17,570,883
- Projected FY19 appropriations are \$19,055,367
- FY19 structural deficit of \$1.5M
- Applying \$750k in Free Cash, **FY19 projected budget deficit is \$734k**
- Continued reliance on Free Cash to subsidize operating budget at same level is not sustainable in the long-term given Town expense reductions and local receipt increases made in FY17 and FY18

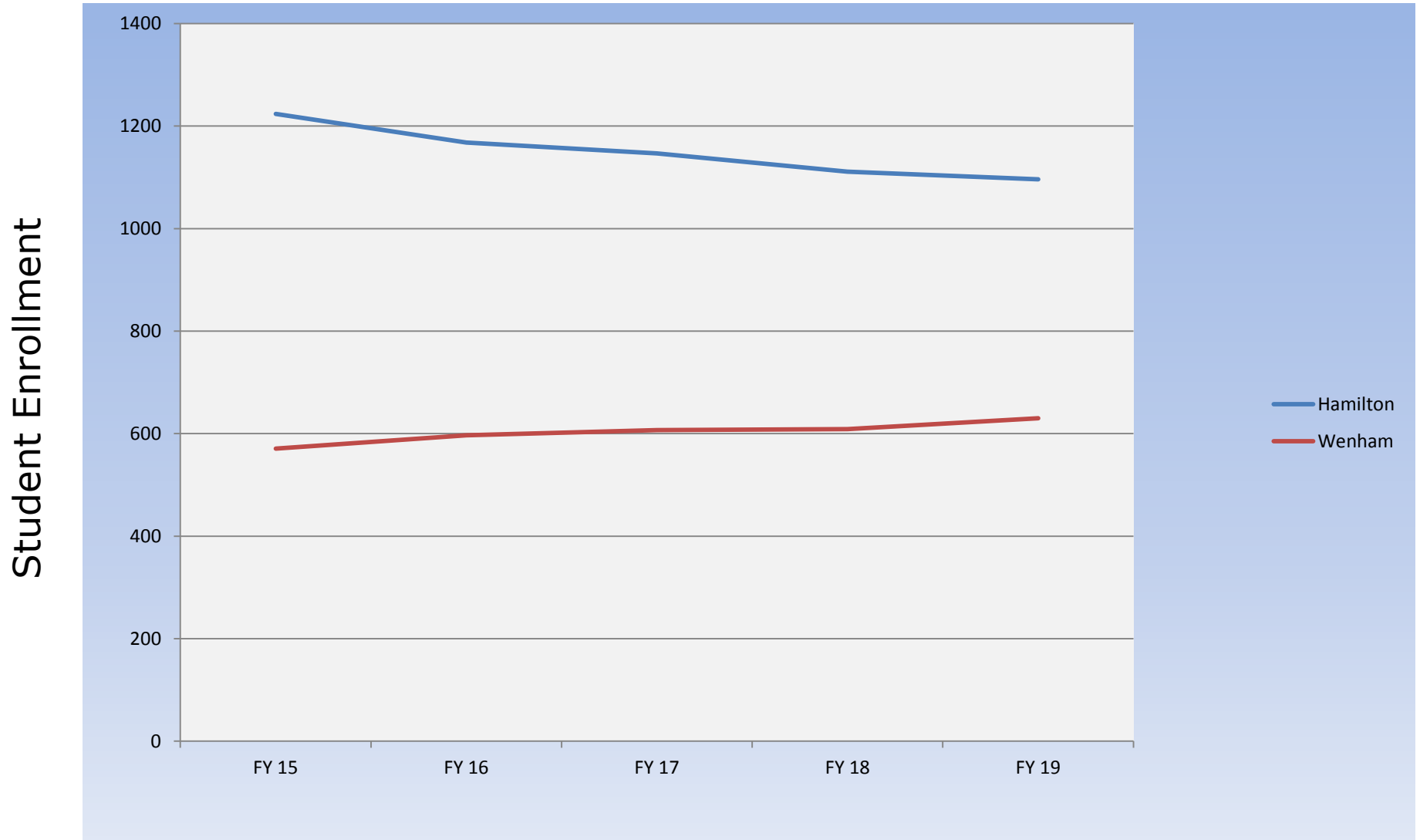
Use of Free Cash and Excess & Deficiency



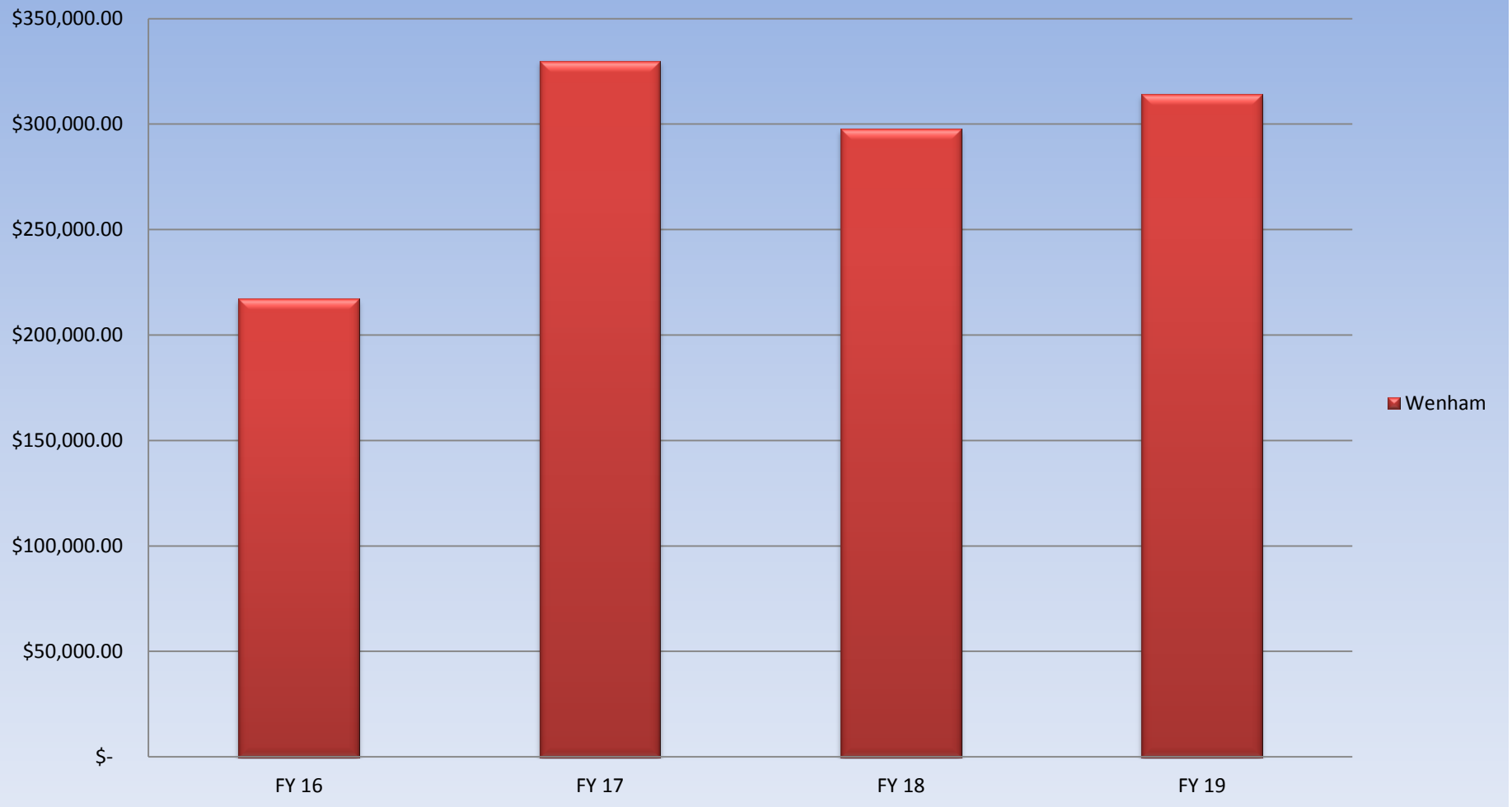
Expenditure Projection

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	15/19 \$ Change	% Change 15/19
General Government	\$ 1,179,429	\$ 1,270,389	\$ 1,202,884	\$ 1,193,616	\$ 1,231,488	\$ 52,059	4.4%
Public Safety	\$ 2,099,461	\$ 2,141,520	\$ 2,227,516	\$ 2,247,940	\$ 2,279,927	\$ 180,466	8.6%
Education	\$ 7,755,651	\$ 8,187,049	\$ 8,963,193	\$ 9,370,420	\$ 10,132,906	\$ 2,377,255	30.7%
Public Works	\$ 1,293,888	\$ 1,167,084	\$ 1,237,575	\$ 1,361,675	\$ 1,394,708	\$ 100,820	7.8%
Water	\$ 431,150	\$ 423,365	\$ 417,438	\$ 421,617	\$ 427,294	\$ -3,856	-.009%
Health & Human Services	\$ 145,775	\$ 152,799	\$ 157,673	\$ 157,256	\$ 161,208	\$ 15,433	10.6%
Culture & Recreation	\$ 931,944	\$ 943,060	\$ 953,575	\$ 978,568	\$ 1,012,484	\$ 80,540	8.6%
Debt Service	\$ 611,714	\$ 554,628	\$ 655,092	\$ 557,155	\$ 562,245	\$ -49,469	-.081%
Other	\$ 1,300,228	\$ 1,392,279	\$ 1,486,220	\$ 1,567,229	\$ 1,853,106	\$ 552,878	42.5%
Total (Expenditures)	\$ 15,754,240	\$ 16,232,173	\$ 17,301,165	\$ 17,855,477	\$ 19,055,367	\$ 3,301,127	21.0%
Total (Revenues)	\$ 15,677,275	\$ 15,982,523	\$ 16,646,742	\$ 17,114,531	\$ 17,570,883	\$ 1,893,608	12.1%

HWRSD Enrollment Trends



Additional Budget Impact due to Enrollment Shift



FY19 Budget Building Process

- Similar to last year - begin work with Department Heads now to have a clear understanding of Town expense projections early on
- Suggested guidance to prepare level services budget – avoiding any increases (absent compelling rationale) and suggesting limited cuts where possible without impacting staffing or services
- Set expectations with Department Heads for probability of needing to deliver second iteration that keeps Town within our levy limit if an operating override is needed so that we can understand the impacts if it were to fail – this is likely to result in staffing and service cuts

FY19 Budget Building Process - Cont'd...

- Schedule follow-up presentation to BOS and FinCom in late September based on more concrete Town expense and revenue numbers
- Schedule meeting with HWRSD leadership and Hamilton in October to review initial Town findings and discuss anticipated challenges, limited fiscal capacity, and potential for override
- If operating override or need for significant cuts still seems likely in November, organize public forum to educate residents
- Continue to engage with HWRSD leadership and Hamilton to agree on scope of work for enrollment study aimed at better understanding reasons behind demographic shifts and to examine potential for long-term changes to apportionment formula (recognizing that it will not impact short-term issue)

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
REVENUE PROJECTION										
PROPERTY TAXES										
Prior Year Levy Limit	11,948,355	12,377,702	12,809,253	13,192,579	13,612,731	14,048,049	14,499,250	14,961,732	15,435,775	15,921,669
2 1/2 % Increase	298,709	309,443	320,231	329,814	340,318	351,201	362,481	374,043	385,894	398,042
New Growth (1)	130,638	122,108	63,095	90,337	95,000	100,000	100,000	100,000	100,000	100,000
TOTAL LEVY LIMIT	12,377,702	12,809,253	13,192,579	13,612,731	14,048,049	14,499,250	14,961,732	15,435,775	15,921,669	16,419,711
Debt Exclusion	824,274	836,461	792,482	807,410	723,316	690,377	429,747	356,931	344,530	338,788
TOTAL MAXIMUM LEVY LIMIT	13,201,976	13,645,714	13,985,061	14,420,141	14,771,365	15,189,627	15,391,479	15,792,706	16,266,199	16,758,499
LOCAL RECEIPTS										
Motor Vehicle Excise	525,000	551,671	551,671	639,186	640,000	630,000	630,802	631,606	632,410	633,215
Other Excise										
Pen & Int on Tax & Exc	37,500	37,500	37,500	40,000	50,000	50,000	51,500	53,045	54,636	56,275
Payments in Lieu of Taxes	12,500	12,500	12,500	11,000	11,000	11,061	11,061	11,061	11,061	11,061
Charges for Services - Water	446,120	431,150	423,365	417,438	421,617	424,934	433,432	442,101	450,943	459,962
Other Charges for Services	35,000	35,000		29,758	50,000	50,200	50,401	50,602	50,805	51,008
Fees	15,000	15,000	15,000	15,000	25,000	25,039	25,077	25,116	25,155	25,194
Rentals	122,000	122,000	147,000	140,000	138,000	141,450	151,049	161,299	172,244	183,932
Dept. Revenue Libraries	4,000	4,000	4,000	3,170	3,218	3,247	3,276	3,306	3,336	3,366
Dept. Revenue Cemeteries	8,000	8,000	8,000	11,000	13,000	12,764	12,532	12,304	12,080	11,860
Other Dept. Revenue	30,000	30,000	30,000	25,000	26,000	25,963	26,223	26,485	26,750	27,017
Licenses and Permits	65,000	65,000	65,000	85,000	108,000	102,109	96,539	91,274	86,295	81,588
Special Assessments	619,751	661,657	703,625	725,635	751,203	778,320	806,416	835,527	865,688	896,938
Fines & Forfeits	6,000	6,000	10,000	22,000	25,000	24,612	24,231	23,855	23,485	23,121
Investment Income	1,700	1,700	1,700	1,900	1,929	1,777	1,637	1,508	1,390	1,280
Miscellaneous Recurring										
Miscellaneous Non-Recurring	29,781									
TOTAL LOCAL RECEIPTS	1,957,352	1,981,178	2,009,361	2,166,087	2,263,966	2,281,475	2,324,176	2,369,087	2,416,277	2,465,818
<i>Local Receipts % Increase</i>	<i>-8.3%</i>	<i>1.2%</i>	<i>0.6%</i>	<i>7.8%</i>	<i>4.45%</i>	<i>0.8%</i>	<i>1.9%</i>	<i>1.9%</i>	<i>2.0%</i>	<i>2.1%</i>
Cherry Sheet Receipts	393,504	409,930	415,625	443,170	448,610	448,610	456,556	464,642	472,871	481,247
Less Offsets	-7,310	-9,079	-9,070	-9,433	-9,317	-9,690	-10,078	-10,481	-10,900	-11,336
Less Charges and Assessments	-224,787	-216,756	-219,987	-238,223	-225,093	-225,093	-234,097	-243,461	-253,199	-263,327
TOTAL NET STATE AID	161,407	184,095	186,568	195,514	214,200	213,827	212,381	210,701	208,772	206,584
TOTAL REVENUE	\$ 15,190,046	\$ 15,677,275	\$ 15,982,523	\$ 16,646,742	\$ 17,114,531	\$ 17,549,929	\$ 17,793,036	\$ 18,237,494	\$ 18,756,249	\$ 19,295,901
<i>(Estimated town Revenue - not including Free Cash)</i>		3.11%	1.91%	3.99%	2.73%	2.48%				
Free Cash Used to Supplement Budget	\$ 395,000	\$ 600,000	\$ 425,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 675,000	\$ 600,000	\$ 525,000	\$ 450,000
Education Stabilization Used to Supplement Budget		\$ 250,000	\$ 328,000							
Transfer from Other Available Funds	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 7,500					
TOTAL REVENUE & Free Cash	\$ 15,595,046	\$ 16,537,275	\$ 16,740,523	\$ 17,401,742	\$ 17,872,031	\$ 18,299,929	\$ 18,468,036	\$ 18,837,494	\$ 19,281,249	\$ 19,745,901
Annual % Increase: Total Revenue & Free Cash	0.9%	6.0%	1.2%	3.5%	2.5%	2.6%	0.9%	2.0%	2.4%	2.4%
RESERVES (9)										
General Stabilization Fund	508,197	512,315	522,561	530,400	516,856	524,609	532,478	540,465	548,572	556,801

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
EXPENDITURE PROJECTION										
(001) GENERAL FUND										
(114) MODERATOR										
(007) EXPENSES	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
(114) MODERATOR Total	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
(122) SELECTMEN										
(001) SALARIES & WAGES	\$ 10,812	\$ 10,812	\$ 10,812	\$ 10,920	\$ 11,139	11,362	\$ 11,589	\$ 11,821	\$ 12,057	\$ 12,298
(007) EXPENSES	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
(122) SELECTMEN Total	\$ 12,812	\$ 12,812	\$ 12,812	\$ 12,920	\$ 13,139	\$ 13,362	\$ 13,589	\$ 13,821	\$ 14,057	\$ 14,298
1%										
(123) TOWN ADMINISTRATOR										
(001) SALARIES & WAGES	\$ 100,385	\$ 72,893	\$ 105,001	\$ 106,050	\$ 114,240	118,810	\$ 123,562	\$ 128,504	\$ 133,645	\$ 138,990
(007) EXPENSES	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	2,525	\$ 2,550	\$ 2,576	\$ 2,602	\$ 2,628
(123) TOWN ADMINISTRATOR Total	\$ 102,885	\$ 75,393	\$ 107,501	\$ 108,550	\$ 116,740	\$ 121,335	\$ 126,112	\$ 131,080	\$ 136,246	\$ 141,618
1%										
(130) FINANCE DEPARTMENT										
(001) SALARIES & WAGES			\$ 172,226	\$ 170,853	\$ 187,551	195,053	\$ 202,855	\$ 210,969	\$ 219,408	\$ 228,184
(007) EXPENSES			\$ 29,490	\$ 26,400	\$ 27,500	27,775	\$ 28,053	\$ 28,333	\$ 28,617	\$ 28,903
(130) FINANCE DEPARTMENT Total	\$ -	\$ -	\$ 201,716	\$ 197,253	\$ 215,051	\$ 222,828	\$ 230,908	\$ 239,303	\$ 248,025	\$ 257,087
1%										
(131) FINANCE & ADVISORY COMMITTEE										
(007) EXPENSES	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	250	\$ 250	\$ 250	\$ 250	\$ 250
(131) FINANCE & ADVISORY COMMITTEE Total	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
(132) RESERVE FUND										
(007) EXPENSES	\$ 200,000	\$ 7,868	\$ 125,310	\$ 190,000	\$ 125,000	125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
(132) RESERVE FUND Total	\$ 200,000	\$ 7,868	\$ 125,310	\$ 190,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
(135) TOWN ACCOUNTANT										
(001) SALARIES & WAGES	\$ 54,035	\$ 11,650		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(002) CONTRACT SERVICES		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 2,700	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(135) TOWN ACCOUNTANT Total	\$ 56,735	\$ 11,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(139) MUNICIPAL AUDIT										
(002) CONTRACT SERVICES	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 23,500	23,500	\$ 23,500	\$ 24,205	\$ 24,931	\$ 25,679
(002) CONTRACT SERVICES-ACTUARIAL VAL			\$ 5,000					\$ 5,000		
(139) MUNICIPAL AUDIT Total	\$ 22,000	\$ 22,000	\$ 27,000	\$ 22,000	\$ 23,500	\$ 23,500	\$ 23,500	\$ 29,205	\$ 24,931	\$ 25,679
(141) ASSESSORS DEPARTMENT										
(001) SALARIES & WAGES	\$ 81,286	\$ 59,173	\$ 63,153	\$ 59,679	\$ 61,280	63,731	\$ 66,280	\$ 68,932	\$ 71,689	\$ 74,556
(007) EXPENSES	\$ 10,574	\$ 10,574	\$ 12,150	\$ 12,150	\$ 12,150	12,272	\$ 12,394	\$ 12,518	\$ 12,643	\$ 12,770

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(008) CAPITAL			\$ 10,000	\$ -	\$ -					
(141) ASSESSORS DEPARTMENT Total	\$ 91,860	\$ 69,747	\$ 85,303	\$ 71,829	\$ 73,430	\$ 76,003	\$ 78,675	\$ 81,450	\$ 84,332	\$ 87,326
(145) TREASURER'S DEPARTMENT										
(001) SALARIES & WAGES	\$ 50,151	\$ 135,357		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
(002) CONTRACT SERVICES	\$ 55,000	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 25,875	\$ 60,010		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-TAX LIEN	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
(145) TREASURER'S DEPARTMENT Total	\$ 131,026	\$ 195,367	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
(151) LEGAL										
(002) CONTRACT SERVICES	\$ 15,000	\$ 89,105	\$ 103,000	\$ 48,000	\$ 50,000	55,000	\$ 60,000	\$ 65,000	\$ 70,000	\$ 75,000
(007) EXPENSES	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	0	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-LEGAL BASE STUDY		\$ 10,000	\$ 4,000							
(151) LEGAL Total	\$ 22,000	\$ 106,105	\$ 114,000	\$ 55,000	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000	\$ 70,000	\$ 75,000
(152) INFORMATION TECHNOLOGY										
(002) CONTRACT SERVICES	\$ 40,496	\$ 5,432		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 22,050	\$ 60,624	\$ 64,036	\$ 50,387	\$ 55,254	58,017	\$ 60,918	\$ 63,963	\$ 67,162	\$ 70,520
(008) CAPITAL	\$ 13,150	\$ 52,000	\$ 10,000	\$ 10,000	\$ 7,000	7,700	\$ 8,470	\$ 9,317	\$ 10,249	\$ 11,274
(152) INFORMATION TECHNOLOGY Total	\$ 75,696	\$ 118,056	\$ 74,036	\$ 60,387	\$ 62,254	\$ 65,717	\$ 69,388	\$ 73,280	\$ 77,410	\$ 81,793
(160) TOWN HALL										
(001) SALARIES & WAGES	\$ 41,052	\$ 61,169	\$ 75,909	\$ 74,568	\$ 76,060	79,102	\$ 82,266	\$ 85,557	\$ 88,979	\$ 92,538
(002) CONTRACT SERVICES-MINUTES CLERK	\$ 4,600	\$ 9,692	\$ 9,601	\$ 8,401	\$ 8,569	8,740	\$ 8,915	\$ 9,094	\$ 9,275	\$ 9,461
(007) EXPENSES	\$ 47,000	\$ 87,870	\$ 64,870	\$ 47,720	\$ 47,720	48,197	\$ 48,679	\$ 49,166	\$ 49,658	\$ 50,154
(160) TOWN HALL DEPARTMENT Total	\$ 92,652	\$ 158,731	\$ 150,380	\$ 130,689	\$ 132,349	\$ 136,040	\$ 139,861	\$ 143,816	\$ 147,912	\$ 152,153
(161) TOWN CLERK'S DEPARTMENT										
(001) SALARIES & WAGES	\$ 46,583	\$ 82,349	\$ 64,991	\$ 65,818	\$ 65,039	67,315	\$ 69,671	\$ 72,110	\$ 74,634	\$ 77,246
(007) EXPENSES	\$ 3,060	\$ 14,234	\$ 14,365	\$ 16,930	\$ 12,555	12,681	\$ 12,807	\$ 12,935	\$ 13,065	\$ 13,195
(161) TOWN CLERK'S DEPARTMENT Total	\$ 49,643	\$ 96,583	\$ 79,356	\$ 82,748	\$ 77,594	\$ 79,996	\$ 82,479	\$ 85,045	\$ 87,699	\$ 90,441
(162) ELECTIONS & REGISTRATIONS										
(001) SALARIES & WAGES	\$ 156			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 8,425			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(163) ELECTIONS & REGISTRATIONS Total	\$ 8,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(170) LAND USE										
(001) SALARIES & WAGES	\$ 66,240	\$ 77,029	\$ 67,783	\$ 47,797	\$ 57,105	59,389	\$ 61,764	\$ 64,235	\$ 66,804	\$ 69,477
(007) EXPENSES	\$ 3,645	\$ 3,990	\$ 7,450	\$ 6,250	\$ 4,900	4,949	\$ 4,998	\$ 5,048	\$ 5,099	\$ 5,150
(170) PLANNING & LAND USE Total	\$ 69,885	\$ 81,019	\$ 75,233	\$ 54,047	\$ 62,005	\$ 64,338	\$ 66,763	\$ 69,283	\$ 71,903	\$ 74,627
1.0%										
(192) BUILDINGS & GROUNDS										
(001) SALARIES & WAGES	\$ 97,324	\$ 96,874	\$ 77,177	\$ 88,069	\$ 81,194	84,036	\$ 86,977	\$ 90,021	\$ 93,172	\$ 96,433

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(291) EMERGENCY MANAGEMENT										
(007) EXPENSES	\$ 6,300			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(291) EMERGENCY MANAGEMENT Total	\$ 6,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(292) ANIMAL CONTROL										
(001) SALARIES & WAGES	\$ 13,440			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 750			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(292) ANIMAL CONTROL Total	\$ 14,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(294) TREE WARDEN										
(001) SALARIES & WAGES	\$ 1,518	\$ 1,549	\$ 1,579	\$ 1,595	\$ 1,627	1,660	\$ 1,693	\$ 1,727	\$ 1,761	\$ 1,796
(002) CONTRACT SERVICES	\$ 17,000			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 1,800	\$ 24,600	\$ 30,300	\$ 25,800	\$ 25,800	26,187	\$ 26,580	\$ 26,979	\$ 27,383	\$ 27,794
(007) EXPENSES - TREE REPLACEMENT	\$ 1,500									
(294) TREE WARDEN Total	\$ 21,818	\$ 26,149	\$ 31,879	\$ 27,395	\$ 27,427	\$ 27,847	\$ 28,273	\$ 28,705	\$ 29,144	\$ 29,590
(310) REGIONAL SCHOOL										
(002) CONTRACT SERVICES	\$ 7,168,026	\$ 7,338,512	\$ 7,734,075	\$ 8,433,233	\$ 8,870,591	9,648,135	\$ 9,937,579	\$ 10,235,706	\$ 10,542,777	\$ 10,859,061
(009) DEBT - CUTLER ROOF-DEBT EXCL		\$ 38,797	\$ 39,802	\$ 42,610	\$ 45,265	\$ 44,487	\$ 45,257	\$ 44,271	\$ 43,285	\$ 44,003
(009) DEBT - '97 MIDDLE SCHOOL-DEBT EXCL	\$ 232,995	\$ 233,655	\$ 237,053	\$ 245,696	\$ 248,192	\$ 249,060				
(009) DEBT - BUKER & WINTHROP BOILER-DEBT EXCL				\$ 52,104	\$ 42,129	\$ 41,157	\$ 40,534	\$ 41,624	\$ 41,966	\$ 40,309
(009) DEBT - '10 CUTLER HVAC										
(310) REGIONAL SCHOOL Total	\$ 7,401,021	\$ 7,610,963	\$ 8,010,930	\$ 8,773,643	\$ 9,206,177	\$ 9,982,839	\$ 10,023,370	\$ 10,321,601	\$ 10,628,028	\$ 10,943,373
<i>(est school operating exp increase-no debt)</i>		2.32%	5.11%	8.29%	4.93%	8.06%	0.40%	3.28%	5.69%	5.68%
(320) VOC SCHOOL										
(002) CONTRACT SERVICES	\$ 124,668	\$ 144,688	\$ 149,029	\$ 189,550	\$ 145,894	150,271	\$ 154,779	\$ 159,422	\$ 164,205	\$ 169,131
(009) DEBT - NEW SCHOOL	\$ 13,881		\$ 27,090	\$ -	\$ 18,349	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
(320) VOC SCHOOL Total	\$ 138,549	\$ 144,688	\$ 176,119	\$ 189,550	\$ 164,243	\$ 170,271	\$ 174,779	\$ 179,422	\$ 184,205	\$ 189,131
(422) HIGHWAY DEPARTMENT										
(001) SALARIES & WAGES	\$ 512,094	\$ 484,258	\$ 520,498	\$ 523,131	\$ 548,447	562,158	\$ 576,212	\$ 590,617	\$ 605,383	\$ 620,517
(007) EXPENSES	\$ 98,044	\$ 272,344	\$ 257,030	\$ 223,344	\$ 219,304	222,594	\$ 225,932	\$ 229,321	\$ 232,761	\$ 236,253
(007) EXPENSES-TREE STUDY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-STREET MAINT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-VEHICLE MAINT	\$ 61,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-VEHICLE GAS & OIL	\$ 82,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(008) CAPITAL	\$ 56,600	\$ 86,500	\$ -	\$ 96,000	\$ 83,020	87,171	\$ 91,530	\$ 96,106	\$ 100,911	\$ 105,957
(422) HIGHWAY DEPARTMENT Total	\$ 811,038	\$ 843,102	\$ 777,528	\$ 842,475	\$ 850,771	\$ 871,923	\$ 893,674	\$ 916,045	\$ 939,055	\$ 962,727
(423) SNOW & ICE										
(001) SALARIES & WAGES	\$ 36,050	\$ 59,090	\$ 21,950	\$ 36,050	\$ 36,050	36,050	\$ 36,050	\$ 36,050	\$ 36,050	\$ 36,050
(007) EXPENSES	\$ 70,000	\$ 74,170	\$ 71,100	\$ 70,000	\$ 70,000	71,050	\$ 72,116	\$ 73,197	\$ 74,295	\$ 75,410
(423) SNOW & ICE Total	\$ 106,050	\$ 133,260	\$ 93,050	\$ 106,050	\$ 106,050	\$ 107,100	\$ 108,166	\$ 109,247	\$ 110,345	\$ 111,460

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(424) STREET LIGHTING										
(007) EXPENSES-STREET LIGHTING	\$ 42,000	\$ 47,947	\$ 52,000	\$ 40,000	\$ 30,574	31,491	\$ 32,436	\$ 33,409	\$ 34,411	\$ 35,444
(424) STREET LIGHTING	\$ 42,000	\$ 47,947	\$ 52,000	\$ 40,000	\$ 30,574	\$ 31,491	\$ 32,436	\$ 33,409	\$ 34,411	\$ 35,444
(433) REFUSE COLLECTION AND DISPOSAL										
(007) EXPENSES-REFUSE	\$ 261,648	\$ 262,000	\$ 233,659	\$ 240,669	\$ 365,000	375,950	\$ 387,229	\$ 398,845	\$ 410,811	\$ 423,135
(433) REFUSE COLLECTION AND DISPOSAL Total	\$ 261,648	\$ 262,000	\$ 233,659	\$ 240,669	\$ 365,000	\$ 375,950	\$ 387,229	\$ 398,845	\$ 410,811	\$ 423,135
(491) CEMETERY										
(001) SALARIES & WAGES	\$ 3,312	\$ 3,379	\$ 5,947	\$ 3,481	\$ 3,180	3,244	\$ 3,308	\$ 3,375	\$ 3,442	\$ 3,511
(007) EXPENSES	\$ 3,500	\$ 4,200	\$ 4,900	\$ 4,900	\$ 6,100	5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
(007) EXPENSES-MEMORIAL DAY	\$ 500									
(007) EXPENSES-VETERANS GRAVES	\$ 200									
(491) CEMETERY Total	\$ 7,512	\$ 7,579	\$ 10,847	\$ 8,381	\$ 9,280	\$ 8,244	\$ 8,308	\$ 8,375	\$ 8,442	\$ 8,511
(510) HEALTH DEPARTMENT										
(001) SALARIES & WAGES	\$ 7,025	\$ 8,012	\$ 6,670	\$ 12,023	\$ 12,261	12,506	\$ 12,756	\$ 13,011	\$ 13,272	\$ 13,537
(002) CONTRACT SERVICES-HEALTH AGENT	\$ 16,070	\$ 18,820	\$ 1,500	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
(002) CONTRACT SERVICES-HAZARD WASTE										
(007) EXPENSES	\$ 3,750	\$ -	\$ 18,820	\$ 19,370	\$ 19,935	20,134	\$ 20,336	\$ 20,539	\$ 20,744	\$ 20,952
(510) HEALTH DEPARTMENT Total	\$ 26,845	\$ 26,832	\$ 26,990	\$ 31,393	\$ 32,196	\$ 32,641	\$ 33,092	\$ 33,551	\$ 34,016	\$ 34,489
(541) COUNCIL ON AGING										
(001) SALARIES & WAGES	\$ 9,761	\$ 72,247	\$ 75,535	\$ 84,021	\$ 81,886	84,752	\$ 87,718	\$ 90,788	\$ 93,966	\$ 97,255
(001) SALARIES & WAGES-VAN	\$ 56,317									
(007) EXPENSES	\$ 7,900	\$ 24,920	\$ 28,874	\$ 20,274	\$ 20,274	20,477	\$ 20,682	\$ 20,888	\$ 21,097	\$ 21,308
(007) EXPENSES-VAN	\$ 9,800									
(541) COUNCIL ON AGING Total	\$ 83,778	\$ 97,167	\$ 104,409	\$ 104,295	\$ 102,160	\$ 105,229	\$ 108,400	\$ 111,677	\$ 115,063	\$ 118,563
(543) VETERANS' DEPARTMENT										
(002) CONTRACT SERVICES	\$ 20,000	\$ 20,000	\$ 19,500	\$ 20,085	\$ 21,000	21,420	\$ 21,848	\$ 22,285	\$ 22,731	\$ 23,186
(007) EXPENSES	\$ 1,776	\$ 1,776	\$ 1,900	\$ 1,900	\$ 1,900	1,919	\$ 1,938	\$ 1,958	\$ 1,977	\$ 1,997
(543) VETERANS' DEPARTMENT Total	\$ 21,776	\$ 21,776	\$ 21,400	\$ 21,985	\$ 22,900	\$ 23,339	\$ 23,787	\$ 24,243	\$ 24,708	\$ 25,183
(620) LIBRARY DEPARTMENT										
(001) SALARIES & WAGES-DIRECTOR	\$ 65,358	\$ 74,795	\$ 76,644	\$ 80,647	\$ 83,483	86,822	\$ 90,295	\$ 93,907	\$ 97,663	\$ 101,570
(001) SALARIES & WAGES-HEAD REFERENCE	\$ 40,600	\$ 47,488	\$ 47,320	\$ 49,943	\$ 51,743	53,813	\$ 55,965	\$ 58,204	\$ 60,532	\$ 62,953
(001) SALARIES & WAGES-REFERENCE	\$ 38,224	\$ 45,992	\$ 46,380	\$ 48,744	\$ 51,327	53,380	\$ 55,515	\$ 57,736	\$ 60,045	\$ 62,447
(001) SALARIES & WAGES-YOUNG ADULT	\$ 37,782	\$ 46,660	\$ 46,713	\$ 49,941	\$ 52,748	54,858	\$ 57,052	\$ 59,334	\$ 61,708	\$ 64,176
(001) SALARIES & WAGES-CHILDRENS	\$ 37,652	\$ 47,567	\$ 48,518	\$ 49,562	\$ 51,015	53,056	\$ 55,178	\$ 57,385	\$ 59,680	\$ 62,068

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
DEBT-HW TRACKLESS MACHINE-DEBT EXCL.	\$ 30,000	\$ 30,000	\$ 25,000							
DEBT -'15 STATE HOUSE NOTE				\$ 127,000	\$ 120,000	\$ 120,000	\$ 115,000	\$ 110,000		
(710) DEBT Total	\$ 483,000	\$ 458,000	\$ 462,800	\$ 555,000	\$ 479,000	\$ 495,000	\$ 485,000	\$ 405,000	\$ 290,000	\$ 290,000
(751) DEBT INT										
DEBT INT-FIRE TRUCK	\$ 698									
DEBT INT-JT LIB CONSTN - DEBT EXCL.	\$ 21,613	\$ 18,125	\$ 4,966	\$ 3,800	\$ 2,600	\$ 1,500	\$ 500			
DEBT INT-JT LIB LEASE PURCHASE-DEBT EXCL.	\$ 5,348	\$ 4,418	\$ 1,291	\$ 1,050	\$ 750	\$ 450	\$ 150			
DEBT INT-TOWN HALL \$244K	\$ 3,880	\$ 3,183	\$ 861	\$ 700	\$ 500	\$ 300	\$ 100			
DEBT INT-TOWN HALL POLICE STATION-DEBT EXCL.	\$ 110,823	\$ 101,473	\$ 62,178	\$ 54,075	\$ 47,150	\$ 43,050	\$ 39,100	\$ 35,200	\$ 31,350	\$ 27,550
DEBT INT-QUINT FIRE TRUCK-DEBT EXCL.	\$ 6,694	\$ 4,782	\$ 2,869	\$ 956						
DEBT INT-CULVERTS/DRAINS/ROADS-DEBT EXCL.	\$ 15,508	\$ 14,728	\$ 13,948	\$ 13,119	\$ 12,230	\$ 10,830	\$ 8,740	\$ 6,460	\$ 3,895	\$ 1,235
DEBT INT-ESCO	\$ 6,000	\$ 5,520	\$ 5,040	\$ 4,530	\$ 3,990	\$ 3,420	\$ 2,760	\$ 2,040	\$ 1,230	\$ 390
DEBT INT-HW TRACKLESS MACHINE-DEBT EXCL.	\$ 2,295	\$ 1,485	\$ 675							
DEBT INT-TEMP LOANS										
DEBT INT-'15 STATE HOUSE NOTE				\$ 21,862	\$ 10,935	\$ 7,695	\$ 4,523	\$ 1,485		
(751) DEBT INT Total	\$ 172,859	\$ 153,714	\$ 91,828	\$ 100,092	\$ 78,155	\$ 67,245	\$ 55,873	\$ 45,185	\$ 36,475	\$ 29,175
(911) RETIREMENT										
(007) EXPENSES	\$ 464,470	\$ 510,403	\$ 564,214	\$ 597,599	\$ 668,111	718,219	\$ 772,086	\$ 829,992	\$ 864,603	\$ 899,187
(007) EXPENSES-FORMER EMPLOYEE PENSION	\$ 5,800	\$ 5,800	\$ 6,206	\$ 6,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) ECO RETIREMENT			\$ 19,250	\$ 19,866	\$ 20,101	21,609	\$ 23,229	\$ 24,971	\$ 26,013	\$ 27,053
(911) RETIREMENT Total	\$ 470,270	\$ 516,203	\$ 589,670	\$ 624,105	\$ 688,212	\$ 739,828	\$ 795,315	\$ 854,964	\$ 890,616	\$ 926,240
(914) EMPLOYEE BENEFITS										
(007) EXPENSES - GROUP INSURANCE	\$ 578,775	\$ 562,930	\$ 604,154	\$ 646,445	\$ 691,696	740,115	\$ 791,923	\$ 847,357	\$ 906,672	\$ 970,139
(001) SALARIES & WAGES	\$ 5,000	\$ 33,695	\$ 5,000	\$ 17,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
(007) EXPENSES-OTHER BUYBACK	\$ -									
(914) INSURANCE GROUP Total	\$ 583,775	\$ 596,625	\$ 609,154	\$ 663,445	\$ 698,696	\$ 747,115	\$ 798,923	\$ 854,357	\$ 913,672	\$ 977,139
(916) FICA / MEDICARE										
(007) EXPENSES-FICA MEDICARE	\$ 46,000	\$ 50,000	\$ 53,455	\$ 55,069	\$ 56,721	57,856	\$ 59,013	\$ 60,193	\$ 61,397	\$ 62,625
(916) FICA / MEDICARE Total	\$ 46,000	\$ 50,000	\$ 53,455	\$ 55,069	\$ 56,721	\$ 57,856	\$ 59,013	\$ 60,193	\$ 61,397	\$ 62,625
(945) GENERAL INSURANCE										
(007) EXPENSES	\$ 113,900	\$ 117,400	\$ 120,000	\$ 123,600	\$ 123,600	127,308	\$ 131,127	\$ 135,061	\$ 139,113	\$ 143,286
(945) GENERAL INSURANCE Total	\$ 113,900	\$ 117,400	\$ 120,000	\$ 123,600	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061	\$ 139,113	\$ 143,286
(990) INTERFUND TRANSFERS OUT										
(010) OTHER FINANCING USES	\$ 576,694	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000
(990) INTERFUND TRANSFERS OUT Total	\$ 576,694	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ 40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000
Merit increases for Non-union personnel					\$ 28,000	29,120	\$ 30,285	\$ 31,496	\$ 32,756	\$ 34,066

Town of Wenham FY19 Administration Budget

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	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Total Capital				\$ -	\$ 131,000	\$ 141,000	\$ 141,000	\$ 141,000	\$ 141,000	\$ 141,000
TOTAL GENERAL FUND	<u>\$ 15,195,375</u>	<u>\$ 15,318,090</u>	<u>\$ 15,808,808</u>	<u>\$ 16,883,727</u>	<u>\$ 17,433,860</u>	<u>\$ 18,443,032</u>	<u>\$ 18,748,417</u>	<u>\$ 19,273,728</u>	<u>\$ 19,734,342</u>	<u>\$ 20,334,838</u>
(029) WATER FUND										
(450) WATER DEPARTMENT										
(001) SALARIES & WAGES	\$ 152,532	\$ 160,968	\$ 160,853	\$ 163,948	\$ 168,828	173,893	\$ 179,110	\$ 184,483	\$ 190,017	\$ 195,718
(002) CONTRACT SERVICES		\$ -		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 124,231	\$ 127,957	\$ 134,315	\$ 129,863	\$ 134,503	136,521	\$ 138,568	\$ 140,647	\$ 142,757	\$ 144,898
(008) CAPITAL OUTLAY	\$ 27,055	\$ 4,150	\$ -	\$ -	\$ 4,631	39,631	\$ 39,631	\$ 39,631	\$ 39,631	\$ 39,631
(009) DEBT SERVICE -WAT TOWER CONSTRUCTION	\$ 75,000	\$ 75,000	\$ 82,400	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000		\$ -	\$ -
(009) DEBT SERVICE -WAT TOWER PAINTING	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 36,000					
(009) DEBT INT -WAT TOWER CONSTRUCTION	\$ 26,810	\$ 23,323	\$ 6,784	\$ 5,400	\$ 2,250	\$ 2,250	\$ 750			
(009) DEBT INT -WAT TOWER PAINTING	\$ 3,493	\$ 2,753	\$ 2,013	\$ 1,226	\$ 405					
(008) ART-PLEASANT ST PUMP										
(450) WATER DEPARTMENT Total	<u>\$ 446,120</u>	<u>\$ 431,150</u>	<u>\$ 423,365</u>	<u>\$ 417,438</u>	<u>\$ 421,617</u>	<u>\$ 427,294</u>	<u>\$ 433,059</u>	<u>\$ 364,761</u>	<u>\$ 372,405</u>	<u>\$ 380,247</u>
(990) INTERFUND TRANSFERS OUT										
(010) OTHER FINANCING USES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(990) INTERFUND TRANSFERS OUT Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(060) WATER FUND Total	<u>\$ 446,120</u>	<u>\$ 431,150</u>	<u>\$ 423,365</u>	<u>\$ 417,438</u>	<u>\$ 421,617</u>	<u>\$ 427,294</u>	<u>\$ 433,059</u>	<u>\$ 364,761</u>	<u>\$ 372,405</u>	<u>\$ 380,247</u>
Grand Total	<u>\$ 15,641,495</u>	<u>\$ 15,749,240</u>	<u>\$ 16,232,173</u>	<u>\$ 17,301,165</u>	<u>\$ 17,855,477</u>	<u>\$ 18,870,326</u>	<u>\$ 19,181,476</u>	<u>\$ 19,638,489</u>	<u>\$ 20,106,747</u>	<u>\$ 20,715,085</u>
<i>(estimated Town Operating Expense Increase)</i>		0.68%	2.98%	6.18%	3.10%					
General Government	\$ 1,181,312	\$ 1,179,429	\$ 1,270,389	\$ 1,202,884	\$ 1,193,616	\$ 1,231,488	\$ 1,240,348	\$ 1,285,313	\$ 1,321,636	\$ 1,364,374
Public Safety	\$ 1,872,546	\$ 2,099,461	\$ 2,141,520	\$ 2,227,516	\$ 2,247,940	\$ 2,074,683	\$ 2,120,622	\$ 2,180,559	\$ 2,226,520	\$ 2,273,528
Education	\$ 7,539,570	\$ 7,755,651	\$ 8,187,049	\$ 8,963,193	\$ 9,370,420	\$ 10,153,110	\$ 10,198,149	\$ 10,501,023	\$ 10,812,233	\$ 11,132,504
Public Works	\$ 1,228,248	\$ 1,293,888	\$ 1,167,084	\$ 1,237,575	\$ 1,361,675	\$ 1,394,708	\$ 1,010,148	\$ 1,033,667	\$ 1,057,843	\$ 1,082,698
Water	\$ 446,120	\$ 431,150	\$ 423,365	\$ 417,438	\$ 421,617	\$ 427,294	\$ 433,059	\$ 364,761	\$ 372,405	\$ 380,247
Health & Human Services	\$ 132,399	\$ 145,775	\$ 152,799	\$ 157,673	\$ 157,256	\$ 161,208	\$ 165,278	\$ 169,470	\$ 173,788	\$ 178,235
Culture & Recreation	\$ 794,802	\$ 931,944	\$ 943,060	\$ 953,575	\$ 978,568	\$ 1,012,484	\$ 1,047,672	\$ 1,084,184	\$ 1,122,072	\$ 1,161,389
Debt Service	\$ 655,859	\$ 611,714	\$ 554,628	\$ 655,092	\$ 557,155	\$ 562,245	\$ 540,873	\$ 450,185	\$ 326,475	\$ 319,175
Other	\$ 1,790,639	\$ 1,300,228	\$ 1,392,279	\$ 1,486,220	\$ 1,567,229	\$ 1,853,106	\$ 1,775,365	\$ 1,904,382	\$ 2,013,401	\$ 2,126,666
Total	<u>\$ 15,641,495</u>	<u>\$ 15,749,240</u>	<u>\$ 16,232,173</u>	<u>\$ 17,301,165</u>	<u>\$ 17,855,477</u>	<u>\$ 18,870,326</u>	<u>\$ 18,531,514</u>	<u>\$ 18,973,545</u>	<u>\$ 19,426,372</u>	<u>\$ 20,018,815</u>

Town of Wenham FY19 Administration Budget

FOR ILLUSTRATIVE PURPOSES ONLY

	FY2014 BUDGET	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
TOTAL REVENUE & FREE CASH	\$ 15,595,046	\$ 16,537,275	\$ 16,740,523	\$ 17,401,742	\$ 17,872,031	\$ 18,299,929	\$ 18,468,036	\$ 18,837,494	\$ 19,281,249	\$ 19,745,901
AVAILABLE BALANCE PER BUDGET	\$ (46,448)	\$ 788,035	\$ 508,351	\$ 100,577	\$ 16,554	\$ (570,397)	\$ (713,440)	\$ (800,995)	\$ (825,498)	\$ (969,184)

HWRSD School Enrollment Historical Actuals and Projections through FY20

**FYs16-18 reflect budget & enrollment shift actuals

School Enrollment -- HWRSD Assessment and Debt						
Year	Hamilton	% Incr.	3 Year Avg	Wenham	% Incr.	3 Year Avg
FY 00	1354			558		
FY 01	1375			561		
FY 02	1398	1.67%	70.78%	585	4.28%	29.22%
FY 03	1431	2.36%	70.48%	615	5.13%	29.52%
FY 04	1438	0.49%	69.88%	639	3.90%	30.12%
FY 05	1443	0.35%	69.51%	637	-0.31%	30.49%
FY 06	1455	0.83%	69.33%	642	0.78%	30.67%
FY 07	1400	-3.78%	69.07%	646	0.62%	30.93%
FY 08	1372	-2.00%	68.74%	634	-1.86%	31.26%
FY 09	1330	-3.06%	68.21%	632	-0.32%	31.79%
FY 10	1306	-1.80%	67.76%	641	1.42%	32.24%
FY 11	1280	-1.99%	67.32%	628	-2.03%	32.68%
FY 12	1267	-1.02%	67.53%	584	-7.01%	32.47%
FY 13	1274	0.55%	68.18%	571	-2.23%	31.82%
FY 14	1274	0.00%	68.99%	560	-1.93%	31.01%
FY 15	1224	-3.92%	68.91%	571	1.96%	31.09%
FY 16	1168	-4.58%	67.96%	597	4.55%	32.04%
FY 17	1147	-1.80%	66.60%	607	1.68%	33.40%
FY 18	1114	-2.88%	65.40%	610	0.49%	34.60%
FY 19	1122	0.72%	64.65%	633	3.77%	35.35%
FY 20	1022	-8.91%	63.30%	646	2.05%	36.70%
Current 3 Year Total	3539.00			1775.00		
Current Combined Total	5314.00					
Current %	66.60%			33.40%		

	Hamilton	Wenham	Total
FY15-FY19 Change	-102	62	-40 1755

	% Enroll Increase	School Budget w/ annual 2.5% increase (FYs 19 & 20)	Wenham Projected	Annual Inc
FY 16	0.94%	\$ 25,002,902.00	\$ 8,009,828.45	
FY 17	1.37%	\$ 26,268,392.00	\$ 8,774,255.89	\$ 764,427.44
FY 18	1.20%	\$ 26,607,448.00	\$ 9,205,781.17	\$ 431,525.28
FY 19	0.75%	\$ 27,842,919.20	\$ 9,843,187.56	\$ 637,406.39
FY 20	1.35%	\$ 28,538,992.18	\$ 10,474,092.91	\$ 630,905.35
				\$ 2,464,264.46
	% Enroll Increase	School Budget w/ annual 2% increase (FYs 19 & 20)	Wenham Projected	Annual Inc
FY 16	0.94%	\$ 25,002,902.00	\$ 8,009,828.45	
FY 17	1.37%	\$ 26,268,392.00	\$ 8,774,255.89	\$ 764,427.44
FY 18	1.20%	\$ 26,607,448.00	\$ 9,205,781.17	\$ 431,525.28
FY 19	0.75%	\$ 27,709,881.96	\$ 9,796,155.48	\$ 590,374.31
FY 20	1.35%	\$ 28,264,079.60	\$ 10,373,197.27	\$ 577,041.79
				\$ 2,363,368.82
	% Enroll Increase	School Budget w/ annual 1% increase (FYs 19 & 20)	Wenham Projected	Annual Inc
FY 16	0.94%	\$ 25,002,902.00	\$ 8,009,828.45	
FY 17	1.37%	\$ 26,268,392.00	\$ 8,774,255.89	\$ 764,427.44
FY 18	1.20%	\$ 26,607,448.00	\$ 9,205,781.17	\$ 431,525.28
FY 19	0.75%	\$ 27,443,807.48	\$ 9,702,091.31	\$ 496,310.14
FY 20	1.35%	\$ 27,718,245.55	\$ 10,172,870.77	\$ 470,779.46
				\$ 2,163,042.32
	% Enroll Increase	School Budget w/ annual 0% increase (FYs 19 & 20)	Wenham Projected	Annual Inc
FY 16	0.94%	\$ 25,002,902.00	\$ 8,009,828.45	
FY 17	1.37%	\$ 26,268,392.00	\$ 8,774,255.89	\$ 764,427.44
FY 18	1.20%	\$ 26,607,448.00	\$ 9,205,781.17	\$ 431,525.28
FY 19	0.75%	\$ 27,177,733.00	\$ 9,608,027.15	\$ 402,245.98
FY 20	1.35%	\$ 27,177,733.00	\$ 9,974,497.31	\$ 366,470.16
				\$ 1,964,668.86
			**FY 19 Enrollment Shift	\$ 204,935.85
			**FY 19 Budget Increase @ 0%	\$ 197,310.13

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
REVENUE PROJECTION						
PROPERTY TAXES						
Prior Year Levy Limit	13,612,731	14,048,049	14,499,250	14,961,732	15,435,775	15,921,669
2 1/2 % Increase	340,318	351,201	362,481	374,043	385,894	398,042
New Growth (1)	95,000	100,000	100,000	100,000	100,000	100,000
TOTAL LEVY LIMIT	14,048,049	14,499,250	14,961,732	15,435,775	15,921,669	16,419,711
Debt Exclusion	723,316	711,331	462,363	388,819	377,292	370,616
TOTAL MAXIMUM LEVY LIMIT	14,771,365	15,210,581	15,424,095	15,824,594	16,298,961	16,790,327
LOCAL RECEIPTS						
Motor Vehicle Excise	640,000	630,000	630,802	631,606	632,410	633,215
Other Excise						
Pen & Int on Tax & Exc	50,000	50,000	51,500	53,045	54,636	56,275
Payments in Lieu of Taxes	11,000	11,061	11,061	11,061	11,061	11,061
Charges for Services - Water	421,617	446,395	455,323	464,429	473,718	483,192
Other Charges for Services	50,000	50,200	50,401	50,602	50,805	51,008
Fees	25,000	25,039	25,077	25,116	25,155	25,194
Rentals	138,000	141,450	151,049	161,299	172,244	183,932
Dept. Revenue Libraries	3,218	3,247	3,276	3,306	3,336	3,366
Dept. Revenue Cemeteries	13,000	12,764	12,532	12,304	12,080	11,860
Other Dept. Revenue	26,000	25,963	26,223	26,485	26,750	27,017
EMS Revenue	0	35,000	35,350	35,704	36,061	36,421
Licenses and Permits	108,000	102,109	96,539	91,274	86,295	81,588
Special Assessments	751,203	778,320	806,416	835,527	865,688	896,938
Fines & Forfeits	25,000	24,612	24,231	23,855	23,485	23,121
Investment Income	1,929	1,777	1,637	1,508	1,390	1,280
Miscellaneous Recurring						
Miscellaneous Non-Recurring						
TOTAL LOCAL RECEIPTS	2,263,966	2,337,936	2,381,417	2,427,119	2,475,113	2,525,470
<i>Local Receipts % Increase</i>	<i>4.45%</i>	<i>3.3%</i>	<i>1.9%</i>	<i>1.9%</i>	<i>2.0%</i>	<i>2.0%</i>
Cherry Sheet Receipts	448,610	448,610	456,556	464,642	472,871	481,247
Less Offsets	-9,317	-9,690	-10,078	-10,481	-10,900	-11,336
Less Charges and Assessments	-225,093	-225,093	-234,097	-243,461	-253,199	-263,327
TOTAL NET STATE AID	214,200	213,827	212,381	210,701	208,772	206,584
TOTAL REVENUE	\$ 17,114,531	\$ 17,627,344	\$ 17,882,893	\$ 18,327,414	\$ 18,847,846	\$ 19,387,380

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
Free Cash Used to Supplement Budget	\$ 750,000	\$ 750,000	\$ 675,000	\$ 600,000	\$ 525,000	\$ 450,000
Education Stabilization Used to Supplement Budget						
Transfer from Other Available Funds	\$ 7,500	\$ 7,500				
TOTAL REVENUE & Free Cash	\$ 17,872,031	\$ 18,384,844	\$ 18,557,893	\$ 18,927,414	\$ 19,372,846	\$ 19,837,380
Annual % Increase: Total Revenue & Free Cash	2.5%	3.1%	0.9%	2.0%	2.4%	2.4%
RESERVES (9)						
General Stabilization Fund	516,856	524,609	532,478	540,465	548,572	556,801
Free Cash	621,147	250,000	600,000	600,000	600,000	600,000
TOTAL RESERVES	1,138,003	774,609	1,132,478	1,140,465	1,148,572	1,156,801
RESERVE FOR ABATEMENT (10)	-135,000	-135,000	-135,000	-135,000	-135,000	-135,000
EXPENDITURE PROJECTION						
(001) GENERAL FUND						
(114) MODERATOR						
(007) EXPENSES	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
(114) MODERATOR Total	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
(122) SELECTMEN						
(001) SALARIES & WAGES	\$ 11,139	\$ 11,362	\$ 11,589	\$ 11,821	\$ 12,057	\$ 12,298
(007) EXPENSES	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
(122) SELECTMEN Total	\$ 13,139	\$ 13,362	\$ 13,589	\$ 13,821	\$ 14,057	\$ 14,298
(123) TOWN ADMINISTRATOR						
(001) SALARIES & WAGES	\$ 114,240	\$ 118,810	\$ 123,562	\$ 128,504	\$ 133,645	\$ 138,990
(007) EXPENSES	\$ 2,500	\$ 2,500	\$ 2,525	\$ 2,550	\$ 2,576	\$ 2,602
(123) TOWN ADMINISTRATOR Total	\$ 116,740	\$ 121,310	\$ 126,087	\$ 131,055	\$ 136,220	\$ 141,592
(130) FINANCE DEPARTMENT						
(001) SALARIES & WAGES	\$ 187,551	\$ 195,778	\$ 203,609	\$ 211,753	\$ 220,224	\$ 229,033
(007) EXPENSES	\$ 37,500	\$ 32,950	\$ 33,280	\$ 33,612	\$ 33,948	\$ 34,288
(130) FINANCE DEPARTMENT Total	\$ 225,051	\$ 228,728	\$ 236,889	\$ 245,366	\$ 254,172	\$ 263,320
(131) FINANCE & ADVISORY COMMITTEE						
(007) EXPENSES	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
(131) FINANCE & ADVISORY COMMITTEE Total	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(132) RESERVE FUND						
(007) EXPENSES	\$ 125,000	125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
(132) RESERVE FUND Total	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
(135) TOWN ACCOUNTANT						
(001) SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(002) CONTRACT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(135) TOWN ACCOUNTANT Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(139) MUNICIPAL AUDIT						
(002) CONTRACT SERVICES	\$ 23,500	23,500	\$ 23,500	\$ 24,205	\$ 24,931	\$ 25,679
(002) CONTRACT SERVICES-ACTUARIAL VAL				\$ 5,000		
(139) MUNICIPAL AUDIT Total	\$ 23,500	\$ 23,500	\$ 23,500	\$ 29,205	\$ 24,931	\$ 25,679
(141) ASSESSORS DEPARTMENT						
(001) SALARIES & WAGES	\$ 61,280	63,103	\$ 65,627	\$ 68,252	\$ 70,982	\$ 73,822
(007) EXPENSES	\$ 12,150	13,150	\$ 13,282	\$ 13,414	\$ 13,548	\$ 13,684
(008) CAPITAL	\$ -					
(141) ASSESSORS DEPARTMENT Total	\$ 73,430	\$ 76,253	\$ 78,909	\$ 81,667	\$ 84,531	\$ 87,506
(145) TREASURER'S DEPARTMENT						
(001) SALARIES & WAGES		\$ -	\$ -	\$ -	\$ -	\$ -
(002) CONTRACT SERVICES		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-TAX LIEN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(145) TREASURER'S DEPARTMENT Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(151) LEGAL						
(002) CONTRACT SERVICES	\$ 50,000	55,000	\$ 60,000	\$ 65,000	\$ 70,000	\$ 75,000
(007) EXPENSES	\$ -	0	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-LEGAL BASE STUDY						
(151) LEGAL Total	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000	\$ 70,000	\$ 75,000
(152) INFORMATION TECHNOLOGY						

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(002) CONTRACT SERVICES		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 55,254	58,017	\$ 60,918	\$ 63,963	\$ 67,162	\$ 70,520
(008) CAPITAL	\$ 7,000	7,700	\$ 8,470	\$ 9,317	\$ 10,249	\$ 11,274
(152) INFORMATION TECHNOLOGY Total	\$ 62,254	\$ 65,717	\$ 69,388	\$ 73,280	\$ 77,410	\$ 81,793
(160) TOWN HALL						
(001) SALARIES & WAGES	\$ 76,060	79,102	\$ 82,266	\$ 85,557	\$ 88,979	\$ 92,538
(002) CONTRACT SERVICES-MINUTES CLERK	\$ 8,569	8,740	\$ 8,915	\$ 9,094	\$ 9,275	\$ 9,461
(007) EXPENSES	\$ 47,720	48,197	\$ 48,679	\$ 49,166	\$ 49,658	\$ 50,154
(160) TOWN HALL DEPARTMENT Total	\$ 132,349	\$ 136,040	\$ 139,861	\$ 143,816	\$ 147,912	\$ 152,153
(161) TOWN CLERK'S DEPARTMENT						
(001) SALARIES & WAGES	\$ 65,039	69,765	\$ 72,207	\$ 74,734	\$ 77,350	\$ 80,057
(007) EXPENSES	\$ 12,555	12,855	\$ 12,984	\$ 13,113	\$ 13,245	\$ 13,377
(161) TOWN CLERK'S DEPARTMENT Total	\$ 77,594	\$ 82,620	\$ 85,190	\$ 87,847	\$ 90,594	\$ 93,434
(162) ELECTIONS & REGISTRATIONS						
(001) SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(163) ELECTIONS & REGISTRATIONS Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(170) LAND USE						
(001) SALARIES & WAGES	\$ 57,105	59,161	\$ 61,527	\$ 63,989	\$ 66,548	\$ 69,210
(007) EXPENSES	\$ 4,900	6,155	\$ 6,217	\$ 6,279	\$ 6,342	\$ 6,405
(170) PLANNING & LAND USE Total	\$ 62,005	\$ 65,316	\$ 67,744	\$ 70,267	\$ 72,890	\$ 75,615
(192) BUILDINGS & GROUNDS						
(001) SALARIES & WAGES	\$ 81,194	81,247	\$ 84,091	\$ 87,034	\$ 90,080	\$ 93,233
(002) CONTRACT SERVICES		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 73,989	81,989	\$ 83,219	\$ 84,467	\$ 85,734	\$ 87,020
(008) CAPITAL	\$ -	23,000				
(192) BUILDINGS & GROUNDS Total	\$ 155,183	\$ 186,236	\$ 167,309	\$ 171,501	\$ 175,814	\$ 180,253
(195) TOWN REPORT						
(007) EXPENSES	\$ 5,500	5,700	\$ 5,757	\$ 5,815	\$ 5,873	\$ 5,931
(195) TOWN REPORT Total	\$ 5,500	\$ 5,700	\$ 5,757	\$ 5,815	\$ 5,873	\$ 5,931

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(198) COMMUNITY REC BUILDING						
(007) EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(008) CAPITAL						
(198) COMMUNITY REC BUILDING Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(199) IRON RAIL						
(001) SALARIES & WAGES	\$ 7,102	6,973	\$ 7,112	\$ 7,255	\$ 7,400	\$ 7,548
(002) CONTRACT SERVICES						
(007) EXPENSES	\$ 36,470	36,470	\$ 37,017	\$ 37,572	\$ 38,136	\$ 38,708
(008) CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(199) IRON RAIL Total	\$ 43,572	\$ 43,443	\$ 44,130	\$ 44,827	\$ 45,536	\$ 46,256
(210) POLICE DEPARTMENT						
(001) SALARIES & WAGES	\$ 1,237,224	1,271,226	\$ 1,296,651	\$ 1,322,584	\$ 1,349,035	\$ 1,376,016
(007) EXPENSES	\$ 125,266	122,766	\$ 124,607	\$ 126,477	\$ 128,374	\$ 130,299
(008) CAPITAL	\$ 40,000	54,000	\$ 54,000	\$ 54,000	\$ 55,000	\$ 55,000
(007) EXPENSES - POLICE STAT EXP						
(210) POLICE DEPARTMENT Total	\$ 1,402,490	\$ 1,447,992	\$ 1,475,258	\$ 1,503,060	\$ 1,532,409	\$ 1,561,315
(220) FIRE DEPARTMENT						
(001) SALARIES & WAGES	\$ 401,285	361,690	\$ 372,541	\$ 383,717	\$ 395,228	\$ 407,085
(001) SALARIES & WAGES-ON CALL	\$ 201,220	202,995	\$ 207,055	\$ 211,196	\$ 215,420	\$ 219,728
(007) EXPENSES-TRAINING		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 133,286	123,961	\$ 125,820	\$ 127,708	\$ 129,623	\$ 131,568
(008) CAPITAL	\$ 15,000	30,000	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
(007) EXPENSES - FIRE STAT EXP						
(220) FIRE DEPARTMENT Total	\$ 750,791	\$ 718,646	\$ 705,416	\$ 737,621	\$ 755,272	\$ 773,381
(240) PERMITTING						
(001) SALARIES & WAGES	\$ 60,475	61,708	\$ 63,559	\$ 65,466	\$ 67,430	\$ 69,453
(007) EXPENSES	\$ 6,757	6,757	\$ 6,825	\$ 6,893	\$ 6,962	\$ 7,031
(240) PERMITTING Total	\$ 67,232	\$ 68,465	\$ 70,384	\$ 72,359	\$ 74,392	\$ 76,484
(249) FIRE ALARM						
(007) EXPENSES						
(002) CONTRACT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(249) FIRE ALARM Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(291) EMERGENCY MANAGEMENT						
(007) EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(291) EMERGENCY MANAGEMENT Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(292) ANIMAL CONTROL						
(001) SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(292) ANIMAL CONTROL Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(294) TREE WARDEN						
(001) SALARIES & WAGES	\$ 1,627	1,660	\$ 1,693	\$ 1,727	\$ 1,761	\$ 1,796
(002) CONTRACT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 25,800	25,800	\$ 26,187	\$ 26,580	\$ 26,979	\$ 27,383
(007) EXPENSES - TREE REPLACEMENT						
(294) TREE WARDEN Total	\$ 27,427	\$ 27,460	\$ 27,880	\$ 28,306	\$ 28,740	\$ 29,180
(310) REGIONAL SCHOOL						
(002) CONTRACT SERVICES	\$ 8,870,591	9,648,135	\$ 9,937,579	\$ 10,235,706	\$ 10,542,777	\$ 10,859,061
(009) DEBT - CUTLER ROOF-DEBT EXCL	\$ 45,265	\$ 76,279	\$ 77,873	\$ 76,159	\$ 76,047	\$ 75,831
(009) DEBT - '97 MIDDLE SCHOOL-DEBT EXCL	\$ 248,192	\$ 238,222				
(009) DEBT - BUKER & WINTHROP BOILER-DEBT EXCL	\$ 42,129					
(009) DEBT - '10 CUTLER HVAC						
(310) REGIONAL SCHOOL Total	\$ 9,206,177	\$ 9,962,636	\$ 10,015,452	\$ 10,311,865	\$ 10,618,824	\$ 10,934,891
(320) VOC SCHOOL						
(002) CONTRACT SERVICES	\$ 145,894	150,271	\$ 154,779	\$ 159,422	\$ 164,205	\$ 169,131
(009) DEBT - NEW SCHOOL	\$ 18,349	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
(320) VOC SCHOOL Total	\$ 164,243	\$ 170,271	\$ 174,779	\$ 179,422	\$ 184,205	\$ 189,131
(422) HIGHWAY DEPARTMENT						
(001) SALARIES & WAGES	\$ 548,447	551,069	\$ 564,846	\$ 578,967	\$ 593,441	\$ 608,277
(007) EXPENSES	\$ 219,304	219,304	\$ 222,594	\$ 225,932	\$ 229,321	\$ 232,761
(007) EXPENSES-TREE STUDY						
(007) EXPENSES-STREET MAINT		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-VEHICLE MAINT		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES-VEHICLE GAS & OIL		\$ -	\$ -	\$ -	\$ -	\$ -
(008) CAPITAL	\$ 83,020	177,610	\$ 186,491	\$ 195,815	\$ 205,606	\$ 215,886
(422) HIGHWAY DEPARTMENT Total	\$ 850,771	\$ 947,983	\$ 973,930	\$ 1,000,714	\$ 1,028,368	\$ 1,056,924

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(423) SNOW & ICE						
(001) SALARIES & WAGES	\$ 36,050	36,050	\$ 36,050	\$ 36,050	\$ 36,050	\$ 36,050
(007) EXPENSES	\$ 70,000	70,000	\$ 71,050	\$ 72,116	\$ 73,197	\$ 74,295
(423) SNOW & ICE Total	\$ 106,050	\$ 106,050	\$ 107,100	\$ 108,166	\$ 109,247	\$ 110,345
(424) STREET LIGHTING						
(007) EXPENSES-STREET LIGHTING	\$ 30,574	31,491	\$ 32,436	\$ 33,409	\$ 34,411	\$ 35,444
(424) STREET LIGHTING Total	\$ 30,574	\$ 31,491	\$ 32,436	\$ 33,409	\$ 34,411	\$ 35,444
(433) REFUSE COLLECTION AND DISPOSAL						
(007) EXPENSES-REFUSE	\$ 365,000	375,950	\$ 387,229	\$ 398,845	\$ 410,811	\$ 423,135
(433) REFUSE COLLECTION AND DISPOSAL Total	\$ 365,000	\$ 375,950	\$ 387,229	\$ 398,845	\$ 410,811	\$ 423,135
(491) CEMETERY						
(001) SALARIES & WAGES	\$ 3,180	3,244	\$ 3,308	\$ 3,375	\$ 3,442	\$ 3,511
(007) EXPENSES	\$ 6,100	5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
(007) EXPENSES-MEMORIAL DAY						
(007) EXPENSES-VETERANS GRAVES						
(491) CEMETERY Total	\$ 9,280	\$ 8,244	\$ 8,308	\$ 8,375	\$ 8,442	\$ 8,511
(510) HEALTH DEPARTMENT						
(001) SALARIES & WAGES	\$ 12,261	12,384	\$ 12,632	\$ 12,884	\$ 13,142	\$ 13,405
(002) CONTRACT SERVICES-HEALTH AGENT		\$ -	\$ -	\$ -	\$ -	\$ -
(002) CONTRACT SERVICES-HAZARD WASTE						
(007) EXPENSES	\$ 19,935	20,643	\$ 20,849	\$ 21,058	\$ 21,269	\$ 21,481
(510) HEALTH DEPARTMENT Total	\$ 32,196	\$ 33,027	\$ 33,481	\$ 33,942	\$ 34,411	\$ 34,886
(541) COUNCIL ON AGING						
(001) SALARIES & WAGES	\$ 81,886	87,108	\$ 90,157	\$ 93,312	\$ 96,578	\$ 99,958
(001) SALARIES & WAGES-VAN						
(007) EXPENSES	\$ 20,274	20,274	\$ 20,477	\$ 20,682	\$ 20,888	\$ 21,097
(007) EXPENSES-VAN						
(541) COUNCIL ON AGING Total	\$ 102,160	\$ 107,382	\$ 110,634	\$ 113,994	\$ 117,467	\$ 121,056
(543) VETERANS' DEPARTMENT						
(002) CONTRACT SERVICES	\$ 21,000	21,420	\$ 21,848	\$ 22,285	\$ 22,731	\$ 23,186
(007) EXPENSES	\$ 1,900	1,919	\$ 1,938	\$ 1,958	\$ 1,977	\$ 1,997
(543) VETERANS' DEPARTMENT Total	\$ 22,900	\$ 23,339	\$ 23,787	\$ 24,243	\$ 24,708	\$ 25,183
(620) LIBRARY DEPARTMENT						

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(001) SALARIES & WAGES-DIRECTOR	\$ 83,483	86,801	\$ 90,273	\$ 93,884	\$ 97,639	\$ 101,545
(001) SALARIES & WAGES-HEAD REFERENCE	\$ 51,743	53,818	\$ 55,971	\$ 58,210	\$ 60,538	\$ 62,959
(001) SALARIES & WAGES-REFERENCE	\$ 51,327	53,406	\$ 55,542	\$ 57,764	\$ 60,074	\$ 62,477
(001) SALARIES & WAGES-YOUNG ADULT	\$ 52,748	54,859	\$ 57,053	\$ 59,335	\$ 61,709	\$ 64,177
(001) SALARIES & WAGES-CHILDRENS	\$ 51,015	53,074	\$ 55,197	\$ 57,405	\$ 59,701	\$ 62,089
(001) SALARIES & WAGES-HEAD OF CIRCULATION	\$ 50,518	52,576	\$ 54,679	\$ 56,866	\$ 59,141	\$ 61,506
(001) SALARIES & WAGES-ADMIN LIBRARIAN	\$ 58,615	59,766	\$ 62,157	\$ 64,643	\$ 67,229	\$ 69,918
(001) SALARIES & WAGES-TECH SERVICES	\$ 58,056	60,418	\$ 62,835	\$ 65,348	\$ 67,962	\$ 70,681
(001) SALARIES & WAGES-ASST DIRECTOR	\$ 50,965	53,036	\$ 55,157	\$ 57,364	\$ 59,658	\$ 62,045
(001) SALARIES & WAGES-SUPPORT STAFF	\$ 105,776	110,209	\$ 114,617	\$ 119,202	\$ 123,970	\$ 128,929
(007) EXPENSES-LIBRARY BOOKS	\$ 127,814	130,814	\$ 133,430	\$ 136,099	\$ 138,821	\$ 141,597
(007) EXPENSES-SUBS & PERIODICALS	\$ 10,000	10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824
(007) EXPENSES-TECHNOLOGY	\$ 48,668	49,694	\$ 50,688	\$ 51,702	\$ 52,736	\$ 53,790
(007) EXPENSES-GENERAL SUPPLIES	\$ 12,765	12,627	\$ 12,880	\$ 13,137	\$ 13,400	\$ 13,668
(007) EXPENSES-MBRSHPS/CONF/TRAVEL	\$ 916	916	\$ 934	\$ 953	\$ 972	\$ 992
(007) EXPENSES-PROGRAMS	\$ 500	500	\$ 510	\$ 520	\$ 531	\$ 541
(007) EXPENSES-HEAT & UTILITIES	\$ 53,540	53,540	\$ 54,611	\$ 55,703	\$ 56,817	\$ 57,953
(007) EXPENSES-BUILD & GROUNDS	\$ 41,135	41,135	\$ 41,958	\$ 42,797	\$ 43,653	\$ 44,526
(008) CAPITAL	\$ -	0	\$ -	\$ -	\$ -	\$ -
(620) LIBRARY DEPARTMENT Total	\$ 909,584	\$ 937,189	\$ 968,692	\$ 1,001,336	\$ 1,035,163	\$ 1,070,218
(640) JOINT RECREATION						
(002) CONTRACT SERVICES	\$ 68,784	72,223	\$ 75,834	\$ 79,626	\$ 83,607	\$ 87,788
(007) EXPENSES-TURF STUDY						
(007) EXPENSES-POOL STUDY						
(640) JOINT RECREATION Total	\$ 68,784	\$ 72,223	\$ 75,834	\$ 79,626	\$ 83,607	\$ 87,788
(650) PARKS COMMISSION						
(001) SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(650) PARKS COMMISSION Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(691) HISTORIC COMMISSION						
(007) EXPENSES	\$ 200	200	\$ 200	\$ 200	\$ 200	\$ 200
(691) HISTORIC COMMISSION Total	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
(693) TOWN CLOCK						
(001) SALARIES & WAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(007) EXPENSES						
(007) EXPENSES - BAND						
(693) TOWN CLOCK Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(710) DEBT						
DEBT-FIRE TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEBT -JT LIB CONSTN - DEBT EXCL.	\$ 60,000	\$ 50,000	\$ 50,000			
DEBT -JT LIB LEASE PURCHASE - DEBT EXCL.	\$ 15,000	\$ 15,000	\$ 15,000			
DEBT-TOWN HALL \$244K	\$ 10,000	\$ 10,000	\$ 10,000			
DEBT -TOWN HALL POLICE STATION- DEBT EXCL.	\$ 210,000	\$ 200,000	\$ 195,000	\$ 195,000	\$ 190,000	\$ 190,000
DEBT -QUINT FIRE TRUCK- DEBT EXCL.						
DEBT-CULVERTS/DRAINS/ROADS- DEBT EXCL.	\$ 40,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000
DEBT -ESCO	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
DEBT-HW TRACKLESS MACHINE- DEBT EXCL.						
DEBT -'15 STATE HOUSE NOTE	\$ 120,000	\$ 120,000	\$ 115,000	\$ 110,000		
(710) DEBT Total	\$ 479,000	\$ 495,000	\$ 485,000	\$ 405,000	\$ 290,000	\$ 290,000
(751) DEBT INT						
DEBT INT-FIRE TRUCK						
DEBT INT-JT LIB CONSTN - DEBT EXCL.	\$ 2,600	\$ 1,500	\$ 500			
DEBT INT-JT LIB LEASE PURCHASE- DEBT EXCL.	\$ 750	\$ 450	\$ 150			
DEBT INT-TOWN HALL \$244K	\$ 500	\$ 300	\$ 100			
DEBT INT-TOWN HALL POLICE STATION- DEBT EXCL.	\$ 47,150	\$ 43,050	\$ 39,100	\$ 35,200	\$ 31,350	\$ 27,550
DEBT INT-QUINT FIRE TRUCK- DEBT EXCL.						
DEBT INT-CULVERTS/DRAINS/ROADS- DEBT EXCL.	\$ 12,230	\$ 10,830	\$ 8,740	\$ 6,460	\$ 3,895	\$ 1,235
DEBT INT-ESCO	\$ 3,990	\$ 3,420	\$ 2,760	\$ 2,040	\$ 1,230	\$ 390
DEBT INT-HW TRACKLESS MACHINE- DEBT EXCL.						
DEBT INT-TEMP LOANS						
DEBT INT-'15 STATE HOUSE NOTE	\$ 10,935	\$ 7,695	\$ 4,523	\$ 1,485		
(751) DEBT INT Total	\$ 78,155	\$ 67,245	\$ 55,873	\$ 45,185	\$ 36,475	\$ 29,175
(911) RETIREMENT						
(007) EXPENSES	\$ 668,111	\$ 718,219	\$ 772,086	\$ 829,992	\$ 864,603	\$ 899,187
(007) EXPENSES-FORMER EMPLOYEE PENSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(007) ECO RETIREMENT	\$ 20,101	\$ 21,609	\$ 23,229	\$ 24,971	\$ 26,013	\$ 27,053
(911) RETIREMENT Total	\$ 688,212	\$ 739,828	\$ 795,315	\$ 854,964	\$ 890,616	\$ 926,240
(914) EMPLOYEE BENEFITS						
(007) EXPENSES - GROUP INSURANCE	\$ 691,696	\$ 740,115	\$ 791,923	\$ 847,357	\$ 906,672	\$ 970,139

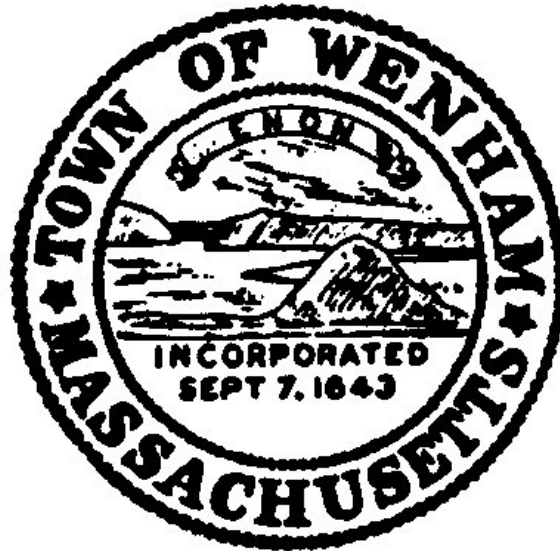
Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
(001) SALARIES & WAGES	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
(007) EXPENSES-OTHER BUYBACK						
(914) INSURANCE GROUP Total	\$ 698,696	\$ 747,115	\$ 798,923	\$ 854,357	\$ 913,672	\$ 977,139
(916) FICA / MEDICARE						
(007) EXPENSES-FICA MEDICARE	\$ 56,721	57,856	\$ 59,013	\$ 60,193	\$ 61,397	\$ 62,625
(916) FICA / MEDICARE Total	\$ 56,721	\$ 57,856	\$ 59,013	\$ 60,193	\$ 61,397	\$ 62,625
(945) GENERAL INSURANCE						
(007) EXPENSES	\$ 123,600	127,308	\$ 131,127	\$ 135,061	\$ 139,113	\$ 143,286
(945) GENERAL INSURANCE Total	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061	\$ 139,113	\$ 143,286
(990) INTERFUND TRANSFERS OUT						
(010) OTHER FINANCING USES	\$ -	40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000
(990) INTERFUND TRANSFERS OUT Total	\$ -	\$ 40,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 80,000
Merit increases for Non-union personnel	\$ 28,000	29,105	\$ 30,269	\$ 31,480	\$ 32,739	\$ 34,049
TOTAL GENERAL FUND	\$ 17,433,860	\$ 18,570,527	\$ 18,980,970	\$ 19,511,490	\$ 19,980,929	\$ 20,589,718
(029) WATER FUND						
(450) WATER DEPARTMENT						
(001) SALARIES & WAGES	\$ 168,828	174,055	\$ 179,277	\$ 184,655	\$ 190,195	\$ 195,900
(002) CONTRACT SERVICES		\$ -	\$ -	\$ -	\$ -	\$ -
(007) EXPENSES	\$ 134,503	136,458	\$ 138,505	\$ 140,582	\$ 142,691	\$ 144,832
(008) CAPITAL OUTLAY	\$ 4,631	58,632	\$ 58,632	\$ 58,632	\$ 58,632	\$ 58,632
(009) DEBT SERVICE -WAT TOWER CONSTRUCTION	\$ 75,000	\$ 75,000	\$ 75,000		\$ -	\$ -
(009) DEBT SERVICE -WAT TOWER PAINTING	\$ 36,000					
(009) DEBT INT -WAT TOWER CONSTRUCTION	\$ 2,250	\$ 2,250	\$ 750			
(009) DEBT INT -WAT TOWER PAINTING	\$ 405					
(008) ART-PLEASANT ST PUMP						
(450) WATER DEPARTMENT Total	\$ 421,617	\$ 446,395	\$ 452,164	\$ 383,869	\$ 391,518	\$ 399,364
(990) INTERFUND TRANSFERS OUT						
(010) OTHER FINANCING USES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(990) INTERFUND TRANSFERS OUT Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(060) WATER FUND Total	\$ 421,617	\$ 446,395	\$ 452,164	\$ 383,869	\$ 391,518	\$ 399,364
Grand Total	\$ 17,855,477	\$ 19,016,922	\$ 19,433,134	\$ 19,895,359	\$ 20,372,446	\$ 20,989,082

Town of Wenham FY19-23 Budget Projections

	FY 2018 BUDGET	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	FY 2022 PROJECTED	FY 2023 PROJECTED
General Government	\$ 1,193,616	\$ 1,257,629	\$ 1,243,652	\$ 1,288,767	\$ 1,325,240	\$ 1,368,131
Public Safety	\$ 2,247,940	\$ 2,262,563	\$ 2,278,938	\$ 2,341,346	\$ 2,390,812	\$ 2,440,360
Education	\$ 9,370,420	\$ 10,132,906	\$ 10,190,231	\$ 10,491,288	\$ 10,803,029	\$ 11,124,022
Public Works	\$ 1,361,675	\$ 1,469,718	\$ 1,089,338	\$ 1,117,255	\$ 1,146,058	\$ 1,175,781
Water	\$ 421,617	\$ 446,395	\$ 452,164	\$ 383,869	\$ 391,518	\$ 399,364
Health & Human Services	\$ 157,256	\$ 163,748	\$ 167,901	\$ 172,179	\$ 176,585	\$ 181,124
Culture & Recreation	\$ 978,568	\$ 1,009,612	\$ 1,044,726	\$ 1,081,162	\$ 1,118,970	\$ 1,158,206
Debt Service	\$ 557,155	\$ 562,245	\$ 540,873	\$ 450,185	\$ 326,475	\$ 319,175
Other	\$ 1,567,229	\$ 1,712,106	\$ 1,775,365	\$ 1,904,382	\$ 2,013,401	\$ 2,126,666
Total	\$ 17,855,477	\$ 19,016,922	\$ 18,783,187	\$ 19,230,432	\$ 19,692,088	\$ 20,292,830
TOTAL REVENUE & FREE CASH	\$ 17,872,031	\$ 18,384,844	\$ 18,557,893	\$ 18,927,414	\$ 19,372,846	\$ 19,837,380
AVAILABLE BALANCE PER BUDGET	\$ 16,554	\$ (632,078)	\$ (875,241)	\$ (967,946)	\$ (999,600)	\$ (1,151,702)

Town of Wenham Massachusetts



Final Budget for Annual Town Meeting Approved 4.23.2018

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

4/7/2018 & 4/23/2018

All FY 2019 salaries listed are based on a 52.0 week year

ITEM NO.	ITEM <u>GENERAL GOVERNMENT</u>	Adopted Budget 7/1/2014 6/30/2015	Adopted Budget 7/1/2015 6/30/2016	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Proposed Budget 7/1/2018 6/30/2019
114	MODERATOR					
114-5200	EXPENSES	50	50	50	50	50
122	SELECTMEN					
122-5100	SALARIES <i>(Chairman @ \$4,351/year, 2 Members @ \$3,339/year)</i>	10,812	10,812	10,920	11,139	11,029
122-5200	EXPENSES	2,000	2,000	2,000	2,000	2,000
	TOTAL - SELECTMEN	12,812	12,812	12,920	13,139	13,029
123	TOWN ADMINISTRATOR					
123-5100	SALARY <i>(Town Administrator @ 132,000/year)</i>	102,393	104,441	106,050	114,240	132,000
123-5200	EXPENSES	2,500	2,500	2,500	2,500	2,500
	TOTAL - TOWN ADMINISTRATOR	104,893	106,941	108,550	116,740	134,500
131	FINANCE & ADVISORY COMMITTEE					
131-5200	EXPENSES	250	250	250	250	250
132	RESERVE FUND MGL C.40, S.6					
132-5700	RESERVE FUND	150,000	175,000	190,000	125,000	125,000
135	TOWN ACCOUNTANT (MOVED TO FINANCE)					
135-5100	SALARY & WAGES	0	0	0	0	0
135-5200	EXPENSES	56,650	0	0	0	0
	TOTAL - TOWN ACCOUNTANT	56,650	0	0	0	0
139	MUNICIPAL AUDIT					
139-5300	CONTRACT SERVICES - Municipal Audit	24,000	22,000	22,000	23,500	23,500
	CONTRACT SERVICES - Actuarial Valuation		5,000	0	0	0
	TOTAL - MUNICIPAL AUDIT	24,000	27,000	22,000	23,500	23,500
141	ASSESSORS					
141-5100	SALARY & WAGES <i>(P/T Chief Assessor @ \$37,143/year for 20 hrs/wk)</i> <i>(Asst Assessor @ \$25,960/year for 18 hrs/wk)</i>	58,423	60,453	59,679	61,280	63,103
141-5200	EXPENSES	10,574	12,150	12,150	12,150	13,150
141-5800	CAPITAL - Measure List		10,000	0	0	0
	TOTAL - ASSESSORS	68,997	82,603	71,829	73,430	76,253
145	TREASURER / COLLECTOR (MOVED TO FINANCE)					
145-5100	SALARY & WAGES	63,357	0	0	0	0
145-5200	EXPENSES	77,010	0	0	0	0
	TOTAL - FINANCE DIR. TREASURER/COLLECTOR	140,367	0	0	0	0

4/7/2018 & 4/23/2018

All FY 2019 salaries listed are based on a 52.0 week year

ITEM NO.	ITEM	Adopted Budget 7/1/2014 6/30/2015	Adopted Budget 7/1/2015 6/30/2016	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Proposed Budget 7/1/2018 6/30/2019
149	FINANCE DEPARTMENT					
149-5100	SALARY & WAGES <i>(Finance Director / Treasurer/Collector @ \$85,246/year for 40 hrs/wk)</i> <i>Town Accountant @ \$76,742/year for 40 hrs/wk)</i> <i>(Finance Assistant @ \$33,790/year for 30 hrs/wk)</i>	0	172,226	170,853	187,551	195,778
149-5200	EXPENSES	10,574	25,400	26,400	37,500	32,950
	TOTAL - FINANCE DEPARTMENT	<u>10,574</u>	<u>197,626</u>	<u>197,253</u>	<u>225,051</u>	<u>228,728</u>
151	TOWN COUNSEL / LEGAL					
151-5210	CONTRACT SERVICES - RETAINER	7,000	7,000	7,000	0	0
151-5220	CONTRACT SERVICES - OUTSIDE COUNSEL	15,000	40,000	48,000	50,000	55,000
	TOTAL - TOWN COUNSEL/LEGAL	<u>22,000</u>	<u>47,000</u>	<u>55,000</u>	<u>50,000</u>	<u>55,000</u>
155	INFORMATION TECHNOLOGY					
155-5200	EXPENSES	56,124	61,036	50,387	55,254	64,014
155-5800	CAPITAL	35,000	10,000	10,000	7,000	7,000
	TOTAL - INFORMATION TECHNOLOGY	<u>91,124</u>	<u>71,036</u>	<u>60,387</u>	<u>62,254</u>	<u>71,014</u>
160	TOWN HALL					
160-5100	SALARY & WAGES <i>(Administrative Assistant @ \$55,941/year for 36.5/hrs/wk)</i> <i>(Special Projects Asst. @ \$27,765/year for 18.25/hrs/wk)</i> <i>(Minute Taker - \$9,454/year)</i> <i>(\$29,105k Placeholder for Potential 2% Merit Increases for non-union staff)</i>	61,169	75,909	74,568	104,060	122,265
160-5200	EXPENSES	51,870	51,870	47,720	47,720	47,720
160-5310	Minutes Taker - Moved to Salary & Wages	4,692	8,401	8,401	8,569	0
	TOTAL - TOWN HALL	<u>117,731</u>	<u>136,180</u>	<u>130,689</u>	<u>160,349</u>	<u>169,985</u>
161	TOWN CLERK					
161-5100	SALARY & WAGES <i>(Town Clerk @ \$61,369/year for 36.5 hrs./wk.)</i> <i>(Registrar Stipend \$169/year)</i> <i>(Election coverage totaling \$4,160)</i> <i>(Administrative Assistant @ \$10,789/year 680 hours/yr @\$15.87)</i> <i>(Town Clerk Certification Stipend \$1,000/year)</i>	87,349	64,991	65,818	65,039	77,487
161-5200	EXPENSES	11,034	10,765	16,930	12,555	12,855
	TOTAL - TOWN CLERK	<u>98,383</u>	<u>75,756</u>	<u>82,748</u>	<u>77,594</u>	<u>90,342</u>
170	PLANNING & LAND USE					
170-5100	SALARY & WAGES <i>(Planning Coordinator @ \$69,122/year for 38 hrs/wk)</i>	77,029	67,783	47,797	57,105	69,122
171-5200	EXPENSES - Conservation/Planning/Zoning	2,990	6,450	6,250	4,900	6,155
175-5200	EXPENSES - Planning	500	500	0	0	0
176-5200	EXPENSES - Board of Appeals	500	500	0	0	0
	TOTAL - PLANNING & LAND USE	<u>81,019</u>	<u>75,233</u>	<u>54,047</u>	<u>62,005</u>	<u>75,277</u>

4/7/2018 & 4/23/2018

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ITEM NO.	ITEM	Adopted Budget 7/1/2014 6/30/2015	Adopted Budget 7/1/2015 6/30/2016	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Proposed Budget 7/1/2018 6/30/2019
192	BUILDING & GROUNDS MAINTENANCE					
192-5100	SALARIES & WAGES <i>(Facilities Director @ \$70,006/year for 40 hrs/wk)</i> <i>(Summer help - 2 workers @ \$10,000)</i> <i>(Clock Winder - \$1,241/year - Stipend)</i>	101,874	82,177	88,069	81,194	81,247
192-5200	EXPENSES	70,347	73,347	73,347	73,989	78,989
192-5800	CAPITAL	4,750	0	0	0	0
	TOTAL - BUILDING & GROUNDS MAINTENANCE	<u>176,971</u>	<u>155,524</u>	<u>161,416</u>	<u>155,183</u>	<u>160,236</u>
195	TOWN REPORT					
195-5200	EXPENSES	0	5,000	5,000	5,500	5,700
199	IRON RAIL PROPERTY					
199-5100	SALARY & WAGES <i>(Janitorial staff @ \$6,973/year for 7 hrs/wk)</i>	13,857	14,134	14,275	7,102	6,973
199-5200	EXPENSES	34,970	36,470	36,470	36,470	36,470
199-5800	CAPITAL	3,000	6,000	0	0	0
	TOTAL - IRON RAIL PROPERTY	<u>51,827</u>	<u>56,604</u>	<u>50,745</u>	<u>43,572</u>	<u>43,443</u>
	TOTAL GENERAL GOVERNMENT	<u>1,197,074</u>	<u>1,224,615</u>	<u>1,202,884</u>	<u>1,193,617</u>	<u>1,272,307</u>
	<u>PROTECTION OF PERSONS AND PROPERTY</u>					
210	POLICE					
210-5100	SALARIES & WAGES <i>(Chief @ \$128,896/year)</i> <i>(9 officers totaling \$746,091)</i> <i>(Part Time Officers totaling \$196,244)</i> <i>(Administrative Assistant @ \$48,248/year)</i> <i>(Overtime totaling \$111,418)</i> <i>(Animal Control Officer @ \$20,569/year)</i> <i>(Pleasant Pond Life Guards & Gatekeepers @ \$19,760/year)</i>	1,099,873	1,188,792	1,251,067	1,237,224	1,271,226
210-5200	EXPENSES	109,109	109,680	122,930	125,266	123,216
210-5800	CAPITAL <i>Purchase of new front line cruiser @ \$40,000</i>	87,600	38,000	38,000	40,000	40,000
	TOTAL - POLICE	<u>1,296,582</u>	<u>1,336,472</u>	<u>1,411,997</u>	<u>1,402,490</u>	<u>1,434,442</u>
220	FIRE					
220-5100	SALARIES & STIPENDS <i>(Chief @ \$104,463/year)</i> <i>(Fire Prevention Officer @ \$94,711/year)</i> <i>(F/T Firefighter @ \$51,612/year)</i> <i>(Administrative Assistant @ \$6,684/year)</i> <i>(Training, OT & EMT, Deputy, Captain, Lieutenant Stipends, \$129,566)</i>	579,297	623,636	384,288	401,285	387,036

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220-5110	ON-CALL WAGES	0	0	206,091	201,220	202,995
220-5200	EXPENSES	84,048	94,270	116,820	133,286	123,961
220-5800	CAPITAL	77,978	15,000	15,000	15,000	0
	TOTAL - FIRE	<u>741,323</u>	<u>732,906</u>	<u>722,199</u>	<u>750,791</u>	<u>713,992</u>
240	PERMITTING - INSPECTIONAL SERVICES					
240-5100	SALARIES & WAGES <i>(Permitting Coordinator @ \$27,961/year for 18.25 hrs/wk.)</i> <i>Building Commissioner @ \$68,316/year</i> <i>(Plumbing Inspector @ \$10,800/year)</i> <i>(Electrical Inspector @ \$24,000/year)</i> <i>(Back-up Plumbing & Gas Inspector @ \$2,400/year)</i> <i>(Back-up Electrical Inspector @\$3,000/year)</i> <i>(Back-up Building Inspector @\$2,475/year)</i>	35,300	36,006	58,369	60,475	138,952
240-5200	EXPENSES (Building, Plumbing & Electrical)	2,757	2,757	7,557	6,757	15,000
240-5800	CAPTIAL					3,000
	TOTAL - PERMITTING - INSPECTIONAL SERVICES	<u>38,057</u>	<u>38,763</u>	<u>65,926</u>	<u>67,232</u>	<u>156,952</u>
294	TREE WARDEN					
294-5100	SALARY (@ \$1,660/year)	1,549	1,579	1,595	1,627	1,660
294-5200	EXPENSES	20,300	30,300	25,800	25,800	25,800
	TOTAL - TREE WARDEN	<u>21,849</u>	<u>31,879</u>	<u>27,395</u>	<u>27,427</u>	<u>27,460</u>
	TOTAL PROTECTION OF PERSONS & PROPERTY	<u>2,097,811</u>	<u>2,140,020</u>	<u>2,227,517</u>	<u>2,247,940</u>	<u>2,332,846</u>
	<u>SCHOOLS</u>					
310	REGIONAL SCHOOL DISTRICT					
310-5200	ASSESSMENT - Wenham Share	7,338,512	7,734,075	8,433,233	8,870,591	9,377,565
315	REGIONAL SCHOOL DEBT					
315-5910	PRINCIPAL & INTEREST (1997 New Middle School)	233,655	237,053	245,696	248,192	247,816
315-5900	PRINCIPAL & INTEREST (Cutler Roof)	38,797	39,802	42,610	42,129	45,451
315-5900	PRINCIPAL & INTEREST (Buker & Winthrop Boiler)	0	0	52,104	45,265	42,049
315-5911	WINTHROP SPRINKLER & INFRASTRUCTURE	0	0	0	0	8,838
	TOTAL - PRINCIPAL & INTEREST	<u>272,452</u>	<u>276,855</u>	<u>340,410</u>	<u>335,586</u>	<u>344,154</u>
	TOTAL - HAMILTON/WENHAM REGIONAL SCHOOL DISTRICT	<u>7,610,964</u>	<u>8,010,930</u>	<u>8,773,643</u>	<u>9,206,177</u>	<u>9,721,719</u>
320	REGIONAL VOCATIONAL SCHOOL DISTRICT					
320-5200	ASSESSMENT - Wenham Share	144,688	149,029	189,550	145,894	143,217
320-5910	INTEREST - New Regional Technical School Building	35,000	36,050	0	18,349	16,829
	TOTAL - REGIONAL VOCATIONAL SCHOOL DISTRICT	<u>179,688</u>	<u>185,079</u>	<u>189,550</u>	<u>164,243</u>	<u>160,046</u>
	TOTAL EDUCATION	<u>7,790,652</u>	<u>8,196,009</u>	<u>8,963,193</u>	<u>9,370,420</u>	<u>9,881,765</u>

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ITEM NO.	ITEM	Adopted Budget 7/1/2014 6/30/2015	Adopted Budget 7/1/2015 6/30/2016	Adopted Budget 7/1/2016 6/30/2017	Adopted Budget 7/1/2017 6/30/2018	Proposed Budget 7/1/2018 6/30/2019
<u>DEPARTMENT OF PUBLIC WORKS</u>						
422	HIGHWAY DEPARTMENT					
422-5100	SALARIES & WAGES <i>(DPW Director @ \$108,522/year)</i> <i>(Foreman @ \$70,705/year)</i> <i>(6 f/t positions totaling \$320,947/year)</i> <i>(Administrative Assistant \$29,274/year @ 23.5 hrs/wk)</i> <i>(Summer Help/Leaf Pick up/ etc. - \$8,603)</i> <i>(OT \$13,362)</i>	514,258	520,498	523,131	548,447	551,413
422-5200	EXPENSES	242,344	257,344	223,344	219,304	219,304
422-5800	CAPITAL	86,500	0	96,000	83,020	83,020
	TOTAL - HIGHWAY DEPARTMENT	<u>843,102</u>	<u>777,842</u>	<u>842,475</u>	<u>850,771</u>	<u>853,737</u>
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	<u>106,050</u>	<u>106,050</u>	<u>106,050</u>	<u>106,050</u>	<u>106,050</u>
424	STREET LIGHTING					
424-5200	EXPENSES	<u>47,947</u>	<u>52,000</u>	<u>40,000</u>	<u>30,574</u>	<u>18,000</u>
433	REFUSE COLLECTION AND DISPOSAL					
433-5300	EXPENSES	<u>262,000</u>	<u>233,659</u>	<u>240,669</u>	<u>365,000</u>	<u>386,000</u>
491	CEMETERY					
491-5100	SALARIES & WAGES -(Burial Agent - \$3,122/year stipend)	3,379	5,947	3,481	3,180	3,122
491-5200	EXPENSES	<u>4,200</u>	<u>4,900</u>	<u>4,900</u>	<u>6,100</u>	<u>6,600</u>
	TOTAL - CEMETERY	<u>7,579</u>	<u>10,847</u>	<u>8,381</u>	<u>9,280</u>	<u>9,722</u>
	TOTAL DEPARTMENT OF PUBLIC WORKS	<u>1,266,678</u>	<u>1,180,398</u>	<u>1,237,575</u>	<u>1,361,675</u>	<u>1,373,509</u>
<u>HEALTH AND HUMAN SERVICES</u>						
510	BOARD OF HEALTH					
510-5100	SALARIES <i>(Inspector of Animals @ \$2,541/year)</i> <i>(Assistant Health Agent @ \$3,153/year)</i> <i>(Public Health Nurse @ \$6,690/year)</i>	8,012	8,170	12,023	12,261	12,384
510-5200	EXPENSES	18,820	18,820	19,370	19,935	20,643
510-5300	CONTRACT SERVICE	0	0	0	0	0
	TOTAL - BOARD OF HEALTH	<u>26,832</u>	<u>26,990</u>	<u>31,393</u>	<u>32,196</u>	<u>33,027</u>

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541	COUNCIL ON AGING					
541-5100	SALARIES <i>(COA Director @\$49,986/year)</i> <i>(5 P/T Staff, Drivers totaling \$37,122/year)</i>	72,247	75,535	84,021	81,886	87,108
541-5200	EXPENSES	24,920	28,874	20,274	20,274	20,274
	TOTAL - COUNCIL ON AGING	<u>97,167</u>	<u>104,409</u>	<u>104,295</u>	<u>102,160</u>	<u>107,382</u>
543	VETERAN'S BENEFITS					
543-5200	EXPENSES	1,776	1,900	1,900	1,900	1,919
543-5210	REGIONAL DISTRICT ASSESSMENT	20,000	19,500	20,085	21,000	21,420
	TOTAL VETERAN'S BENEFITS	<u>21,776</u>	<u>21,400</u>	<u>21,985</u>	<u>22,900</u>	<u>23,339</u>
	TOTAL HEALTH & HUMAN SERVICES	<u>145,775</u>	<u>152,799</u>	<u>157,673</u>	<u>157,256</u>	<u>163,748</u>
	<u>CULTURE and RECREATION</u>					
620	JOINT LIBRARY					
620-5100	SALARIES & WAGES					
620-5100-1	<i>(Director)</i>	74,765	76,644	80,647	83,483	86,801
	SUBTOTAL ADMINISTRATION	74,765	76,644	80,647	83,483	86,801
620-5100-2	<i>(Head Reference)</i>	47,488	47,320	49,943	51,743	53,818
620-5100-4	<i>(Young Adult Librarian)</i>	46,965	46,713	49,941	51,327	53,406
620-5100-5	<i>(Children's)</i>	50,703	48,518	49,562	52,748	54,859
620-5100-6	<i>(Head of Circulation)</i>	46,626	46,430	49,494	51,015	53,074
620-5100-7	<i>(Administrative Librarian)</i>	46,262	46,001	49,185	50,518	52,576
620-5100-8	<i>(Technical Services)</i>	57,268	57,364	57,928	58,615	59,766
620-5100-9	<i>(Assistant Director)</i>	50,018	49,736	55,940	58,056	60,418
620-5100-11	<i>(Generalist)</i>	46,693	46,380	48,744	50,965	53,036
	<i>(Placeholder for Wage Matrix)</i>		13,719	0	0	0
	SUBTOTAL PROFESSIONAL	<u>392,023</u>	<u>402,181</u>	<u>410,737</u>	<u>424,987</u>	<u>440,953</u>
620-5100-10	<i>(Support Staff - 7 Part-time Positions @ various hourly wages)</i>	78,939	78,556	102,302	105,776	110,209
	<i>(Shelvers - total 20 hrs/wk)</i>	17,810	17,810	0	0	0
	SUBTOTAL SUPPORT STAFF	<u>96,749</u>	<u>96,366</u>	<u>102,302</u>	<u>105,776</u>	<u>110,209</u>
	TOTAL SALARIES	<u>563,537</u>	<u>575,191</u>	<u>593,686</u>	<u>614,246</u>	<u>637,963</u>
620-5200	EXPENSES					
620-5200-1	<i>(Library Books)</i>	122,814	122,814	125,814	127,814	130,814
620-5200-2	<i>(Subscriptions & Periodicals)</i>	10,000	10,000	10,000	10,000	10,000
620-5200-3	<i>(Technology)</i>	43,757	44,938	46,404	48,668	49,694
620-5200-5	<i>(General Supplies)</i>	12,265	12,265	12,265	12,765	12,627
620-5200-6	<i>(Memberships, Conference & Travel)</i>	816	916	916	916	916
620-5200-7	<i>(Programs)</i>	500	500	500	500	500

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620-5200-8	(Heat & Utilities)	55,250	55,540	55,540	53,540	53,540
620-5200-9	(Maintenance of Building & Grounds)	40,101	41,101	39,635	41,135	45,105
	TOTAL LIBRARY EXPENSES	285,503	288,074	291,074	295,338	303,196
620-5800-10	CAPITAL	0	9,595	0	0	0
	TOTAL - LIBRARY	849,040	872,860	884,760	909,584	941,159
640	JOINT RECREATION PROGRAM					
640-5200	OTHER - JT. RECREATION PROGRAM EXPENSE (Includes IDC model administrative fee to Hamilton)					
	EXPENSES	56,000	70,000	68,615	68,784	97,140
650	PARKS DEPARTMENT (Moved to Police Dept.)					
650-5100	WAGES (Summer Help)	3,877	0	0	0	0
650-5200	EXPENSES	6,052	0	0	0	0
	TOTAL - PARKS DEPARTMENT	9,929	0	0	0	0
691	HISTORIC DISTRICT COMMISSION					
691-5200	EXPENSES	200	200	200	200	200
	TOTAL CULTURE AND RECREATION	915,169	943,060	953,575	978,568	1,038,499
	<u>FIXED CHARGES</u>					
840	INTERGOVERNMENTAL					
911-5200	ECO - RETIREE ASSESSMENT	0	19,250	19,866	20,101	20,717
911	RETIREMENT					
911-5200	ESSEX REGIONAL RETIREMENT ASSESSMENT	510,403	574,214	597,599	668,111	728,457
911-5220	FORMER EMPLOYEE PENSION	5,800	6,206	6,640	0	0
	TOTAL - RETIREMENT	516,203	580,420	604,239	668,111	728,457
914	EMPLOYEE BENEFITS					
914-5200	GROUP INSURANCE (Health & Life - Town Share)	590,115	604,154	646,445	691,696	638,415
914-5220	UNEMPLOYMENT	5,000	20,000	17,000	7,000	7,000
	TOTAL - EMPLOYEE BENEFITS	595,115	624,154	663,445	698,696	645,415
916	FICA / MEDICARE					
916-5200	EXPENSES	48,000	53,455	55,069	56,721	57,856
945	GENERAL INSURANCE					
945-5200	EXPENSES	113,900	120,000	123,600	123,600	127,308
	TOTAL - GENERAL INSURANCE	113,900	120,000	123,600	123,600	127,308
991	OTHER POST EMPLOYMENT BENEFITS - OPEB					
991-5960	EXPENSES	0	0	0	0	40,000

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	TOTAL FIXED CHARGES	<u>1,273,218</u>	<u>1,397,279</u>	<u>1,466,219</u>	<u>1,567,229</u>	<u>1,619,753</u>
	<u>TOWN DEBT - PRINCIPAL & INTEREST</u>					
710	PRINCIPAL					
710-5910-3	PRINCIPAL - JOINT LIBRARY	70,000	74,600	60,000	60,000	50,000
710-5910-4	PRINCIPAL - LIBRARY LEASE/PURCHASE	15,000	13,600	15,000	15,000	15,000
710-5910-5	PRINCIPAL - TOWN HALL PROJ (\$244,000)	15,000	9,100	10,000	10,000	10,000
710-5910-6	PRINCIPAL- TOWN HALL / POLICE PROJECT	220,000	232,500	235,000	210,000	200,000
710-5910-8	PRINCIPAL - FIRE ENGINE (Quint - Debt Exclusion)	45,000	45,000	45,000		
710-5910-9	PRINCIPAL - Culvert/Drainage Road Repair	39,000	39,000	39,000	40,000	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)	30,000	25,000	0		
710-5910-14	PRINCIPAL - STATE HOUSE NOTE '15 - FIRE TRUCK			127,000	120,000	120,000
	Subtotal - Principal	<u>458,000</u>	<u>462,800</u>	<u>555,000</u>	<u>479,000</u>	<u>495,000</u>
751	INTEREST					
751-5915-3	INTEREST - JOINT LIBRARY	18,125	4,966	3,800	2,600	1,500
751-5915-4	INTEREST - LIBRARY LEASE/PURCHASE	4,418	1,291	1,050	750	450
751-5915-5	INTEREST - TOWN HALL PROJ (\$244,000)	3,183	861	700	500	300
751-5915-6	INTEREST - TOWN HALL / POLICE PROJECT	101,473	62,178	54,075	47,150	43,050
751-5915-8	INTEREST - FIRE ENGINE (Quint - Debt Exclusion)	4,782	2,869	956		
751-5915-9	INTEREST - Culvert/Drainage Road Repair	14,728	13,948	13,119	12,230	10,830
751-5915-11	INTEREST - ESCO	5,520	5,040	4,530	3,990	3,420
751-5915-12	INTEREST - HIGHWAY TRACKLESS MACHINE (Loan)	1,485	675	0		
751-5915-14	INTEREST - STATE HOUSE NOTE '15 - FIRE TRUCK			21,862	10,935	7,695
	Subtotal - Interest	<u>153,714</u>	<u>91,828</u>	<u>100,092</u>	<u>78,155</u>	<u>67,245</u>
	TOTAL TOWN DEBT	<u>611,714</u>	<u>554,628</u>	<u>655,092</u>	<u>557,155</u>	<u>562,245</u>
	TOTAL GENERAL FUND	<u>15,298,091</u>	<u>15,788,808</u>	<u>16,863,728</u>	<u>17,433,860</u>	<u>18,244,672</u>

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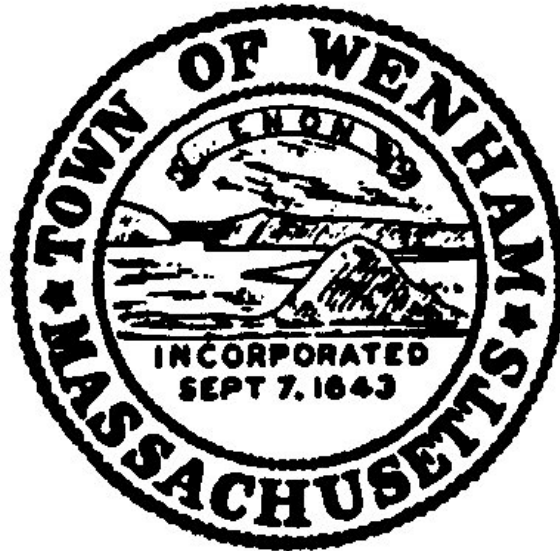
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450	WATER FUND					
450-5100	SALARIES & WAGES <i>(Superintendent @ \$87,439/year)</i> <i>(Primary operator @ \$60,209/year)</i> <i>(Administrative Assistant @ \$16,176/year for 13 hrs/wk)</i> <i>(Summer help/weekend coverage - \$6,120)</i> <i>(Overtime - \$2,000)</i> <i>(Commissioner's salaries: 1 @ \$2, 2 @ \$1)</i> <i>(Secondary Operator @ \$2,100)</i>	160,968	164,853	163,948	168,828	174,048
450-5200	EXPENSES	120,322	130,315	129,863	134,503	136,458
450-5916	DEBT	138,075	128,197	123,626	113,655	77,250
450-5800	CAPITAL	11,785	0	0	4,631	39,632
	TOTAL - WATER FUND	431,150	423,365	417,437	421,617	427,388
	TOTAL GENERAL/WATER FUND	15,729,241	16,212,173	17,281,165	17,855,477	18,672,060

SUMMARY

ARTICLE 1 - SALARIES & WAGES	3,659,302	3,889,183	3,955,779	4,055,439	4,262,961
ARTICLE 1 - TOWN EXPENSES	3,222,885	3,355,561	3,424,475	3,609,157	3,715,187
ARTICLE 1 - TOWN DEBT SERVICE	749,789	682,824	778,718	670,810	639,495
ARTICLE 1 - H W REG SCHOOL EXPENSES	7,338,512	7,734,075	8,433,233	8,870,591	9,377,565
ARTICLE 1 - SCHOOL DEBT	272,452	276,855	340,410	335,586	344,154
ARTICLE 1 - REG VOCATIONAL SCHOOL EXPENSES	144,688	149,029	189,550	145,894	143,217
ARTICLE 1 - REG VOCATIONAL SCHOOL DEBT	35,000	36,050	0	18,349	16,829
ARTICLE 1 - CAPITAL	306,613	88,595	159,000	149,651	172,652
	15,729,241	16,212,173	17,281,165	17,855,477	18,672,060

Town of Wenham Massachusetts



Departmental Budgets

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson



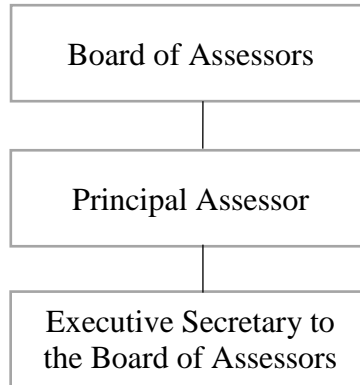
General Government



Board of Assessors Mission Statement

The Assessors must make full and fair cash valuation and revaluation of all personal and real property in the Town which is subject to taxation. The result is a valuation list and assessment made upon such valuations. The assessors then fix a tax rate. The Assessors are also responsible for determining all questions on the abatement of taxes.

Organizational Chart



CY2017 Initiatives and Accomplishments

For fiscal 2017, the total assessed value for real and personal property increased by \$9,731,512 or 1.25% over last year from \$782,524,552 to \$792,256,064. The increase is attributable to general market conditions, as well as the Measure and List program which has improved the accuracy of the assessment records.

During Fiscal 2017, the Board of Assessors received 24 real estate and personal property abatement applications as compared to 30 applications for the previous year. Of the 24 applications received, 14 were approved.

Four seniors each had their property taxes reduced by \$750 and six seniors each had their property taxes reduced by \$1,000 as a result of their participation in the Senior Citizens Property Tax Work-off Abatement Program.

CY2018 Goals and Initiatives

As authorized by the Assessors last year, a complete exterior and interior review of all properties within the Town for fiscal 2017 and 2018, known as a “Measure and List”, as required by the Department of Revenue, is on-going. The project commenced in the Fall of 2016, and will continue through the Spring of 2018.

Significant Budget Changes or Initiatives

The salary reflects a \$1,823 increase from FY18 to FY19. The expenses show an increase of \$1,000 from FY18 to FY19. The total net shows a \$2,823 increase from FY18 to FY19.

For the Rationale, our salary account shows a 2% COLA applied to all salaries and wages with a maximum of 2% Merit for FY18. From the expense line, there are higher fees for mapping (CAI) and assessor records (Vision).

These changes will have no impact to the services the Assessor's office offers to the residents. We anticipate that there are adequate funds already appropriated to complete the Measure and List project.

Programs and Services

Real Estate & Personal Property Abatements
Property Record Cards
Property Tax Assessments
Excise Tax Issues

Personnel Chart

BOARD OF ASSESSORS			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Principal Assessor	.54	.54	.54
Executive Secretary to the Board of Assessors	.49	.49	.49
Total Full-Time Equivalent	1.03	1.03	1.03

FY 2019 DEPARTMENT REQUEST

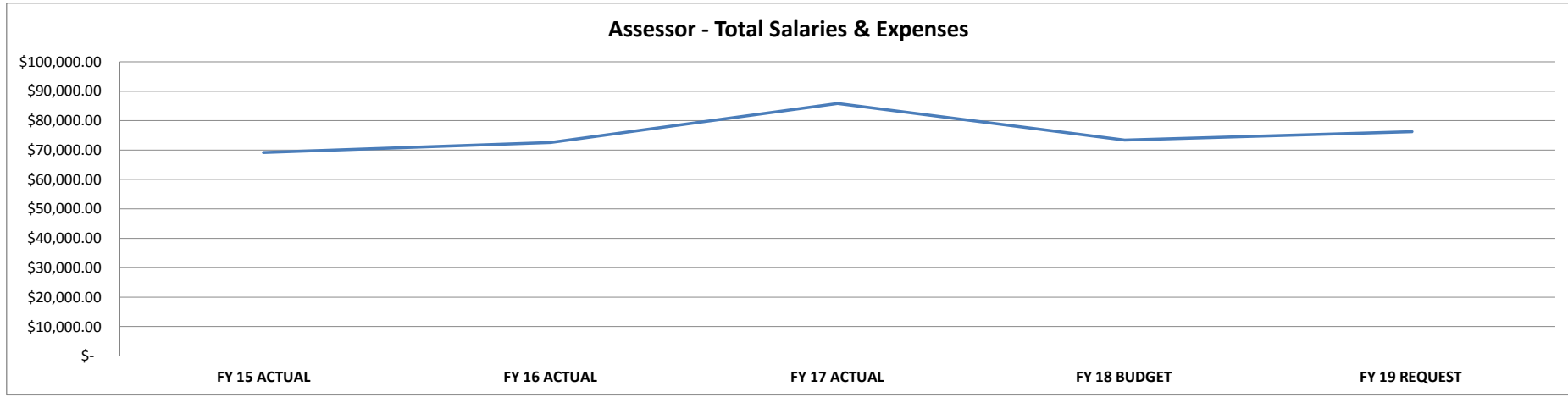
DEPARTMENT: ASSESSORS

DEPT. CODE: 141

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	ASSESSORS	\$ 59,158.14	\$ 62,198.11	\$ 59,166.00	\$ 61,280.00	\$ 63,103.00	\$ 1,823.00
							\$ -
	TOTAL	\$ 59,158.14	\$ 62,198.11	\$ 59,166.00	\$ 61,280.00	\$ 63,103.00	\$ 1,823.00
5200	EXPENSES:						
	ASSESSORS	\$ 10,027.27	\$ 9,525.92	\$ 14,691.69	\$ 12,150.00	\$ 13,150.00	\$ 1,000.00
							\$ -
	TOTAL	\$ 10,027.27	\$ 9,525.92	\$ 14,691.69	\$ 12,150.00	\$ 13,150.00	\$ 1,000.00
5800	CAPITAL:						
	ASSESSORS	\$ -	\$ 845.00	\$ 11,955.00	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ 845.00	\$ 11,955.00	\$ -	\$ -	\$ -
	GRAND TOTAL						
	TOTAL WATER	\$ 69,185.41	\$ 72,569.03	\$ 85,812.69	\$ 73,430.00	\$ 76,253.00	\$ 2,823.00

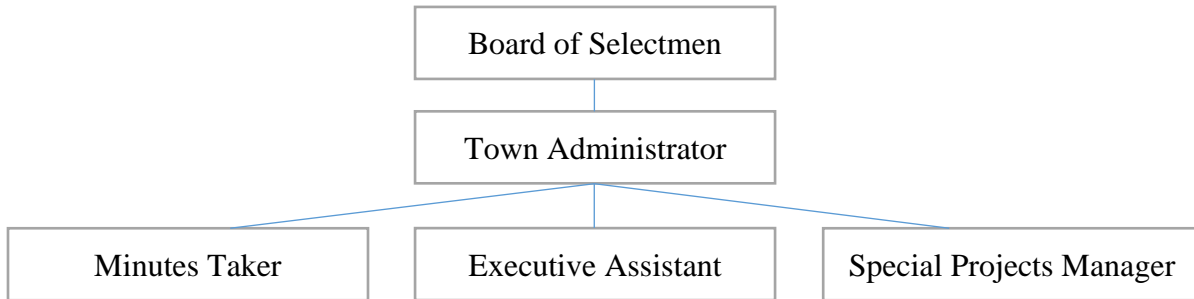
FY 2019 DEPARTMENT REQUEST

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
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Board of Selectmen and Town Administrator

Organizational Chart



CY2017 Initiatives and Accomplishments

- Received \$39,000 in Community Compact IT grant funding to upgrade our e-permitting software and add a new integrated land use platform to ensure improved management of building projects throughout the permitting process and to create an opportunity to regionalize inspectional services.
- Awarded \$20,000 in District Local Technical Assistance from the Metropolitan Area Planning Council to assess the feasibility of a shared inspectional service model with Hamilton and Manchester.
- Received \$45,000 in funding through the Community Compact program to implement best practices in the following areas:
 - Understand projected changes in student enrollment and demographics and the impact of those changes on the school district's budget and operations in order to provide a district with the needed information to develop a strategic plan for its future (\$25,000);
 - Engage residents to get their feedback on delivery of local services, direction of town initiatives, and preferred communication methods to better inform our outreach efforts and decision making processes (\$20,000).
- Awarded approximately \$30,000 in Central Transportation Planning Staff technical assistance through the Safety and Operations Analysis at Selected Intersections program to assess the need for and feasibility of installing traffic signals in the downtown corridor on Main Street, including preliminary engineering and design work.
- Worked with the Council on Aging to secure \$47,000 in MassDOT funding through the Community Transit Grant Program to help purchase a new COA van.
- Secured \$60,000 in grant funding through the Division of Ecological Resources' new Culvert Replacement Municipal Assistance Grant Program to undertake preliminary design to replace the culvert on Hull Street near the Beverly line.
- Secured \$5,000 in grant funding through MIIA's Risk Management program to complete a comprehensive inventory and evaluation of street trees in key areas around town.
- Worked in conjunction with Danvers, Middleton, Topsfield, Hamilton, and Lynnfield on a Sustainable Water Management Initiative grant funded project to explore potential solutions to address regional water resource constraints.

- Worked with the Iron Rail Commission to appraise rental property, develop Request For Proposals, solicit bids, negotiate long-term contracts for tenants of the Iron Rail facility, and increase overall revenues derived from this property.
- Adopted formal 5-Year Capital Improvement Program and continued to find creative ways to make important investments in the Town's priority capital needs, including the creation of the new Iron Rail Rental Revolving Fund.
- Worked with the Public Employee Committee to evaluate merits of leaving the Group Insurance Commission, including the development of Request for Proposals and the solicitation of bids, that resulted in saving the Town approximately \$100,000 in premium costs by deciding to opt out of the state's health insurance program.
- Approved and implemented new fee structures to align fees with the workload required to complete each task and to maximize local receipt revenues wherever possible.
- Refined and delivered our now second annual Citizens Leadership Academy, a 10-week course for residents to connect with Town staff, better understand the services we provide, and become more engaged in Town government.
- Implemented a new weekly curbside textiles recycling program.
- Negotiated a license agreement with the Hamilton-Wenham Garden Club for the installation of a new public garden to be located at Pingree Park. x Transitioned Emergency Medical Service (EMS) contract to new provider and approved the implementation of a one-year pilot program to utilize Fire Department staff to deliver Basic Life Support EMS to residents in 2018.
- Supported the efforts of the Open Space and Recreation, Pingree Park Playground, and the 375th Anniversary Committees in their work on these important initiatives.

CY2018 Goals and Initiatives

- Continue to employ strategies to balance cost of provision of municipal and educational services with increasing budgetary pressures.
- Continue to engage with residents to better understand what their priorities are and to encourage broader participation in Town government.
- Move strategic land use planning initiatives forward by completing the Town's Open Space and Recreation Plan update and the Affordable Housing Trust's Action Plan, and following through on the actionable recommendations of these plans.
- Complete codification project to organize and update Town and Zoning bylaws into comprehensive and searchable database in order to make them more accessible and in line with best practices.

Significant Budget Changes or Initiatives

The salary reflects a \$110 decrease for the Selectmen and an increase of \$17,760 for the Town Administrator from FY18 to FY19. The Town Hall line including the Executive Assistant, Minutes Taker, and Special Projects Manager has an increase of \$16,831 in Salary & Wages.

For the Rationale, our salary account shows a 2% COLA and minor wage correction from FY18 for the Selectmen, and the Town Administrator reflects starting pay of new FY19-21 contract, including 2% COLA plus a maximum merit increase for FY18.

There is no impact to services based on these changes.

Please see the next page for significant budget changes for miscellaneous departments supervised by the Board of Selectmen and Town Administrator including rationale and impact.

Programs and Services

The Town Administrator’s primary responsibility is to act as a resource and solve problems. Our office generally works on broad policy questions but frequently gets involved in complex constituent issues that require coordination with multiple departments, boards, and committees. Items that require Board of Selectmen deliberation or approval are also channeled through this office.

Personnel Chart

BOARD OF SELECTMENT AND TOWN ADMINISTRATOR			
Personnel Summary*			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Town Administrator	1.0	1.0	1.0
Executive Assistant	1.0	1.0	1.0
Minutes Taker	-	.25	.25
Special Projects Manager	.5	.5	.5
Total Full-Time Equivalent	2.5	2.75	2.75

*Town Administrator funded out of Town Administrator line. All others funded from Town Hall line

Department: Miscellaneous Administration

Budget Requests:

Selectmen – decrease of \$110 in Salary & Wages

Town Administrator – increase of \$17,760 in Salary & Wages

Town Hall – increase of \$16,831 in Salary & Wages

Information Technology – level funded

Town Counsel / Legal – increase of \$5,000 in Contract Services for Outside Counsel

Reserve Fund – level funded

Municipal Audit –level funded

Street Lighting – increase of \$2,931

Refuse – increase of \$10,950

Retirement – increase of \$61,854

Employment Benefits – decrease of \$70,278

General Insurance – increase of \$3,708

Interfund Transfer Out – increase of \$40,000

Merit increases – increase of \$29,105

One-time Capital – level funded

Rationale:

Selectmen – reflects 2% COLA and minor wage correction from FY 18

Town Administrator – reflects starting pay of new FY19-21 contract, including 2% COLA plus a maximum 2% merit increase for FY18

Town Hall – reflects 2% COLA plus a maximum of 2% merit for FY18, plus shift of Minutes Secretary pay from Contract Expense to Salary and Wages

Information Technology – reflects current service levels, but could be increased depending on results of required solicitation process

Town Counsel / Legal – anticipated increase based on existing land use litigation that will likely continue in FY 19

Reserve Fund – given limited current legal liabilities, an attempt to balance budget and more closely align with previous year actuals (with the exception of FY17 due to trash collection contract increase)

Municipal Audit – reflects current contract with Powers & Sullivan for FY17-19

Street Lighting – slight increase to cover potential increased maintenance costs

Refuse – reflects \$8k in collection cost increases per our Casella contract (10 year) plus 2.5% increase in waste disposal fee per Wheelabrator contract

Retirement – reflects projected increase of 9% to maintain pension schedule obligations

Employment Benefits – reflect premium savings resulting from opting out of the GIC and securing health insurance benefits through a competitive process

General Insurance – reflect a 3% projected increase

Interfund Transfer Out – reflects updated financial policy to annually increase OPEB Trust Fund contribution by \$10,000 for next 20 years. \$30k contribution for FY 18 was funded through Free Cash

Merit Increases – maximum 2% placeholder for FY 19 increases for non-union employees based on performance evaluation results

One-time Capital – based on funding \$216,000 in FY19 Capital Needs from Free Cash (as we did for FY18)

Impact:

Selectmen – no impact

Town Administrator – no impact

Town Hall – no impact

Information Technology – no impact

Town Counsel / Legal – no impact

Reserve Fund – more conservative funding could lead to need for Special Town Meeting if significant unforeseen costs are incurred. FY 18 Reserve Fund has not been drawn down on at all to date

Municipal Audit – no impact

Street Lighting – no impact

Refuse – no impact

Retirement – no impact

Employment Benefits – plan design was maintained and premiums are set to decrease by up to 20% what the Town and employees would have paid if we remained in the GIC

General Insurance – no impact

Interfund Transfer Out – could be funded through one-time funds such as excess overlay reserve and/or Free Cash

Merit increases of non-union employees – will create more accountability and performance incentives outside of standard COLA process; should reduce staff turnover

One-time Capital – continues commitment to funding priority capital needs, while use of one-time funds allows for greater likelihood of delivering balanced budget within our levy limit

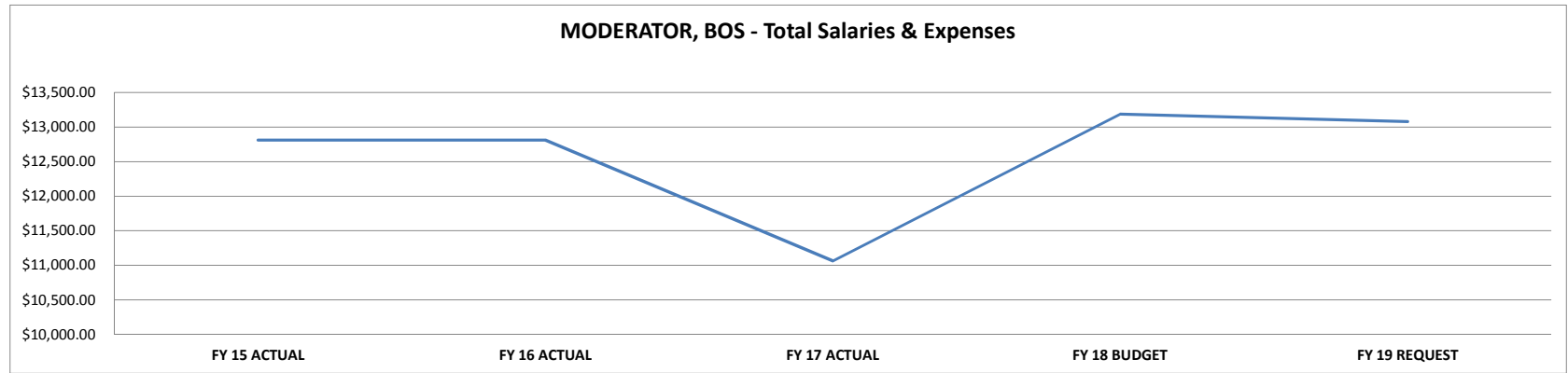
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: Moderator, BOS

DEPT. CODE: 114, 122

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	MODERATOR, BOS	\$ 10,812.00	\$ 10,812.00	\$ 10,920.00	\$ 11,139.00	\$ 11,029.00	\$ (110.00)
							\$ -
	TOTAL	\$ 10,812.00	\$ 10,812.00	\$ 10,920.00	\$ 11,139.00	\$ 11,029.00	\$ (110.00)
5200	EXPENSES:						
	MODERATOR, BOS	\$ 2,000.00	\$ 2,000.00	\$ 143.00	\$ 2,050.00	\$ 2,050.00	\$ -
							\$ -
	TOTAL	\$ 2,000.00	\$ 2,000.00	\$ 143.00	\$ 2,050.00	\$ 2,050.00	\$ -
5800	CAPITAL:						
	MODERATOR, BOS						
	TOTAL					\$ -	

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	MODERATOR, BOS	\$ 12,812.00	\$ 12,812.00	\$ 11,063.00	\$ 13,189.00	\$ 13,079.00	\$ (110.00)



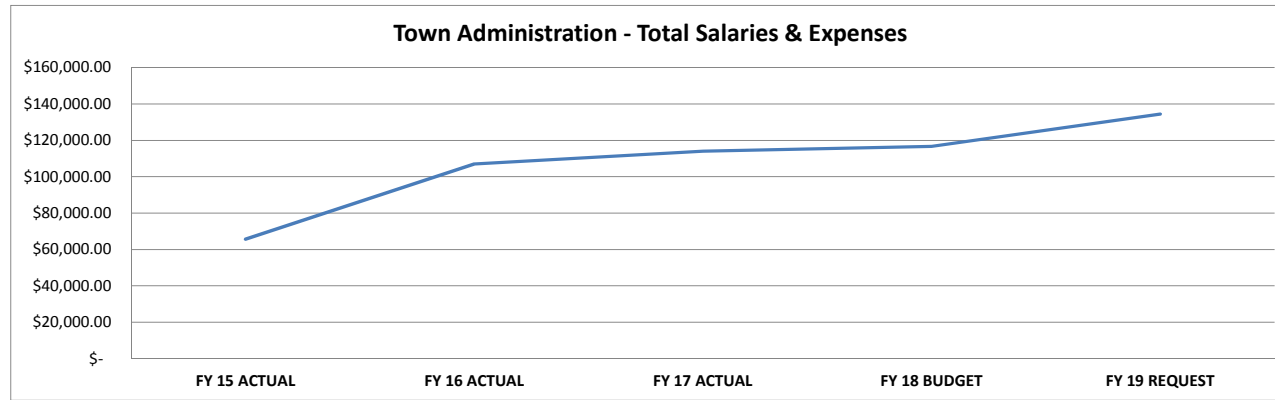
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: TOWN ADMINISTRATOR _____

DEPT. CODE: 123 _____

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	TOWN ADMINISTRATOR	\$ 63,874.11	\$ 104,441.00	\$ 112,401.83	\$ 114,240.00	\$ 132,000.00	\$ 17,760.00
							\$ -
	TOTAL	\$ 63,874.11	\$ 104,441.00	\$ 112,401.83	\$ 114,240.00	\$ 132,000.00	\$ 17,760.00
5200	EXPENSES:						
	TOWN ADMINISTRATOR	\$ 1,715.80	\$ 2,500.00	\$ 1,688.53	\$ 2,500.00	\$ 2,500.00	\$ -
							\$ -
	TOTAL	\$ 1,715.80	\$ 2,500.00	\$ 1,688.53	\$ 2,500.00	\$ 2,500.00	\$ -
5800	CAPITAL:						
					\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL TOWN ADMINISTRATION	\$ 65,589.91	\$ 106,941.00	\$ 114,090.36	\$ 116,740.00	\$ 134,500.00	\$ 17,760.00



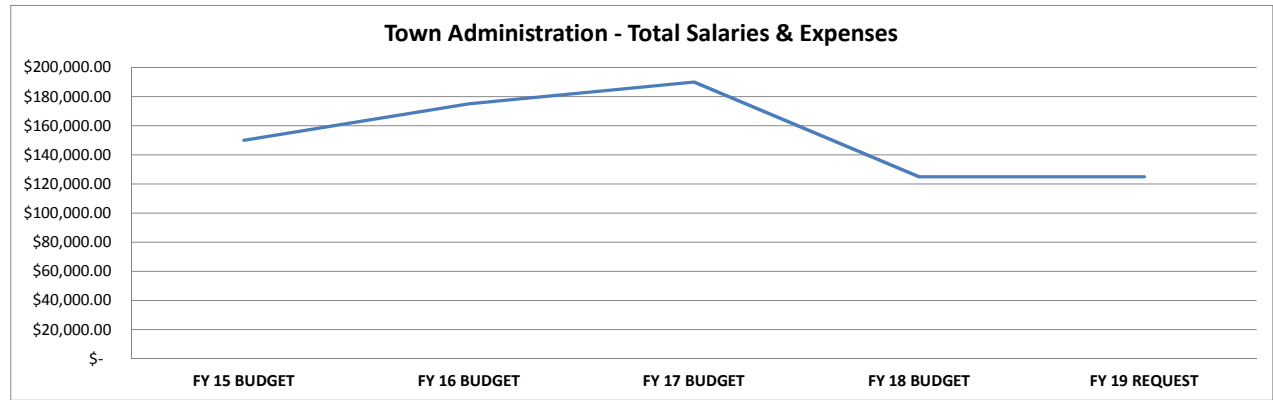
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: RESERVE FUND _____

DEPT. CODE: 132 _____

ITEM#	ITEM	FY 15 BUDGET	FY 16 BUDGET	FY 17 BUDGET	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -		\$ -
5200	EXPENSES:						
	RESERVE FUND	\$ 150,000.00	\$ 175,000.00	\$ 190,000.00	\$ 125,000.00	\$ 125,000.00	\$ -
							\$ -
	TOTAL	\$ 150,000.00	\$ 175,000.00	\$ 190,000.00	\$ 125,000.00	\$ 125,000.00	\$ -
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -

	GRAND TOTAL	FY 15 BUDGET	FY 16 BUDGET	FY 17 BUDGET	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL TOWN ADMINISTRATION	\$ 150,000.00	\$ 175,000.00	\$ 190,000.00	\$ 125,000.00	\$ 125,000.00	\$ -

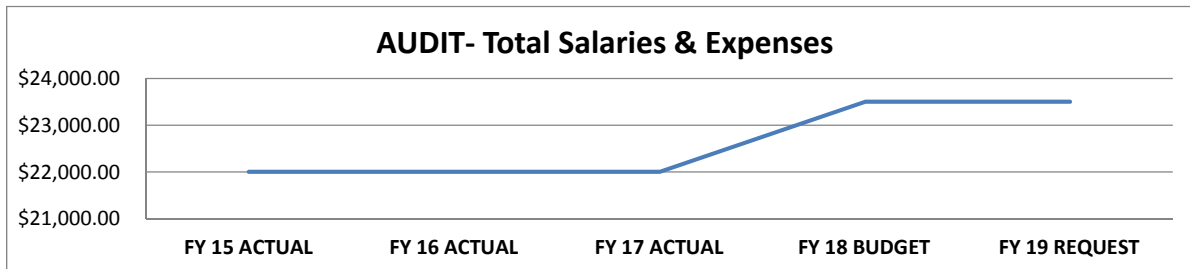


DEPARTMENT: MUNICIPAL AUDIT

DEPT. CODE: 139

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	EXPENSES:					\$ -	\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300	CONTRACT SERVICES:						
	Municipal Audit	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 23,500.00	\$ 23,500.00	\$ -
	Actuarial Valuation		\$ 5,000.00				\$ -
	TOTAL	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 23,500.00	\$ 23,500.00	\$ -
5800	CAPITAL:					\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 23,500.00	\$ 23,500.00	\$ -

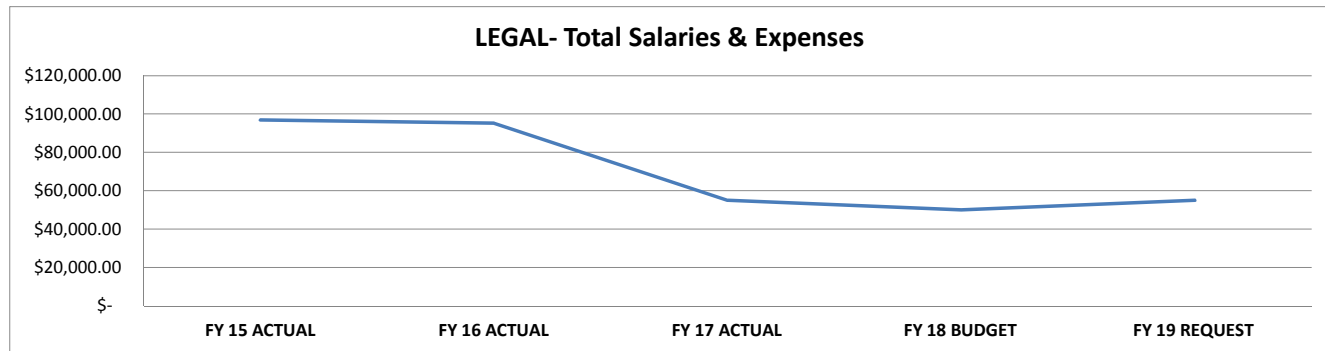


DEPARTMENT: LEGAL

DEPT. CODE: 151

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	EXPENSES:						
						\$ -	\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5210	CONTRACT SERVICES: RETAINER						
		\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -	\$ -
	TOTAL	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -	\$ -
5220	CONTRACT SERVICES: OUTSIDE COUNSEL						
		89,935.04	88,167.24	\$ 48,000.00	\$ 50,000.00	\$ 55,000.00	\$ 5,000.00
	TOTAL	\$ 89,935.04	\$ 88,167.24	\$ 48,000.00	\$ 50,000.00	\$ 55,000.00	\$ 5,000.00
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
ADMINISTRATIO		\$ 96,935.04	\$ 95,167.24	\$ 55,000.00	\$ 50,000.00	\$ 55,000.00	\$ 5,000.00

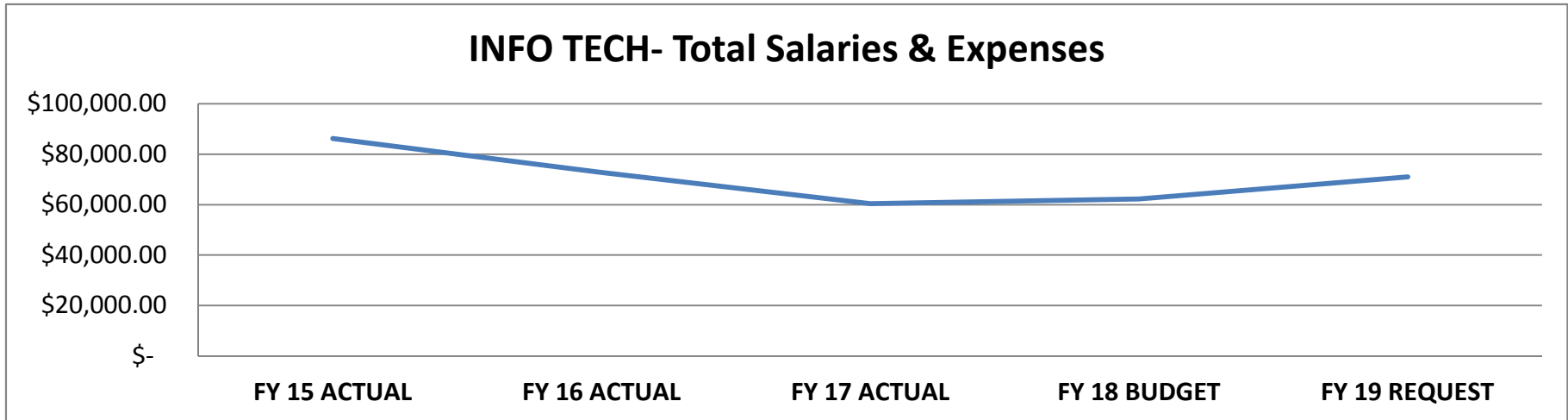


DEPARTMENT: INFO TECH

DEPT. CODE: 152

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	EXPENSES:						
		\$ 47,719.37	\$ 54,332.87	\$ 50,387.00	\$ 55,254.00	\$64,014.00	\$ 8,760.00
							\$ -
	TOTAL	\$ 47,719.37	\$ 54,332.87	\$ 50,387.00	\$ 55,254.00	\$ 64,014.00	\$ 8,760.00
5300	CONTRACT SERVICES:						
		\$ 15,045.71	\$ 8,445.00			\$ -	\$ -
	TOTAL	\$ 15,045.71	\$ 8,445.00	\$ -		\$ -	\$ -
5700	OTHER:						
		\$ 1,800.00				\$ -	\$ -
	TOTAL	\$ 1,800.00	\$ -	\$ -		\$ -	\$ -
5800	CAPITAL:						
		\$ 21,588.58	\$ 10,000.00	\$ 10,000.00	\$ 7,000.00	\$ 7,000.00	\$ -
	TOTAL	\$ 21,588.58	\$ 10,000.00	\$ 10,000.00	\$ 7,000.00	\$ 7,000.00	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ 86,153.66	\$ 72,777.87	\$ 60,387.00	\$ 62,254.00	\$ 71,014.00	\$ 8,760.00

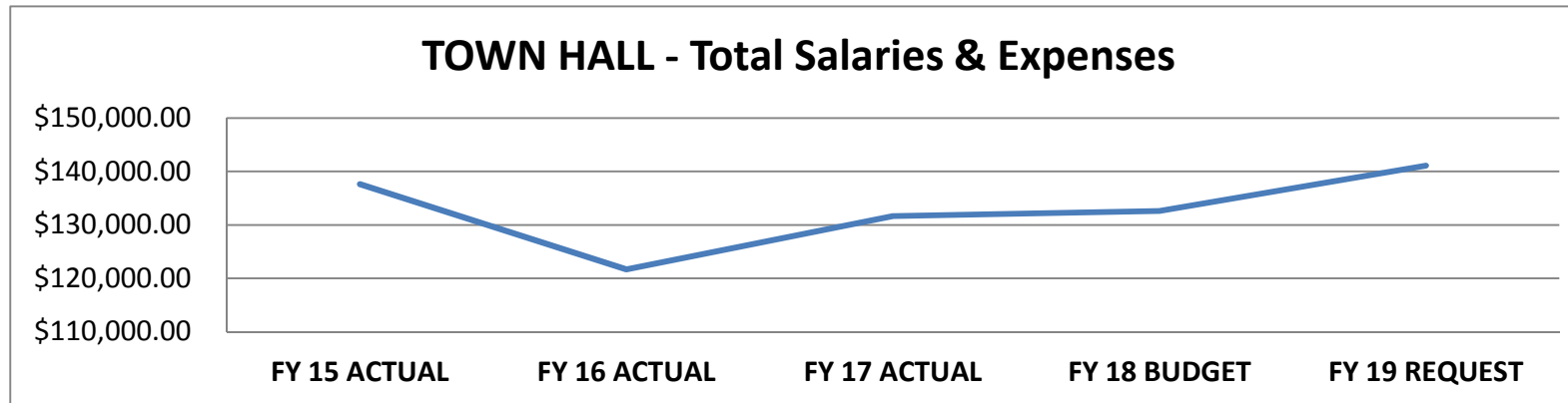


FY 2019 DETAIL

DEPARTMENT: TOWN HALL

DEPT. CODE: 160

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
		\$ 57,283.77	\$ 62,972.07	\$ 74,568.00	\$ 76,329.00	\$ 93,356.00	\$ 17,027.00
							\$ -
	TOTAL	\$ 57,283.77	\$ 62,972.07	\$ 74,568.00	\$ 76,329.00	\$ 93,356.00	\$ 17,027.00
5200	EXPENSES:						
		\$ 80,338.72	\$ 58,726.59	\$ 44,836.37	\$ 47,720.00	\$ 47,720.00	\$ -
				\$ 12,221.00	\$ 8,569.00		\$ -
	TOTAL	\$ 80,338.72	\$ 58,726.59	\$ 57,057.37	\$ 56,289.00	\$ 47,720.00	\$ -
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ 137,622.49	\$ 121,698.66	\$ 131,625.37	\$ 132,618.00	\$ 141,076.00	\$ 17,027.00



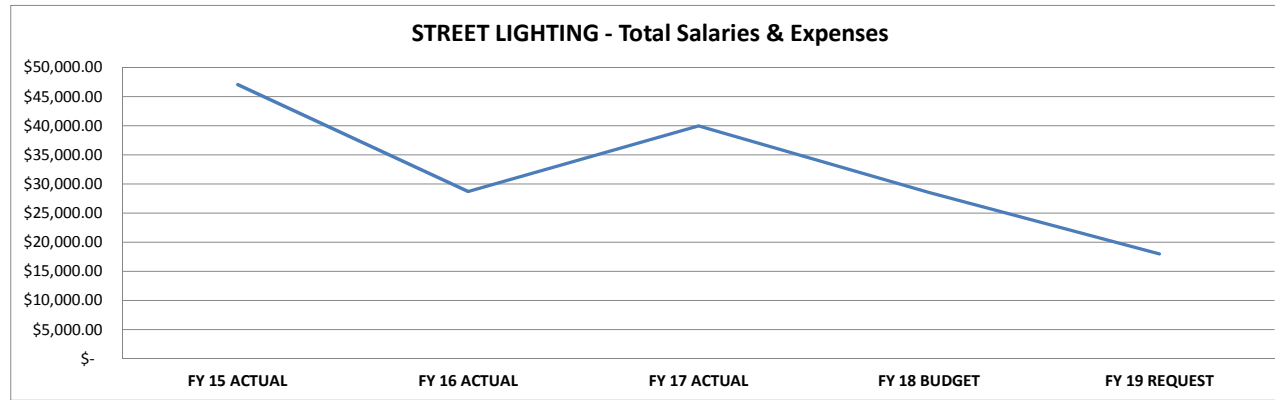
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: STREET LIGHTING _____

DEPT. CODE: 424 _____

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
							\$ -
TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	EXPENSES:						
		47,073.05	28,703.86	40,000	\$ 28,560.00	\$ 18,000.00	\$ (10,560.00)
							\$ -
TOTAL		\$ 47,073.05	\$ 28,703.86	\$ 40,000.00	\$ 28,560.00	\$ 18,000.00	\$ (10,560.00)
5800	CAPITAL:						
						\$ -	\$ -
TOTAL		\$ -	\$ -	\$ -		\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ 47,073.05	\$ 28,703.86	\$ 40,000.00	\$ 28,560.00	\$ 18,000.00	\$ (10,560.00)



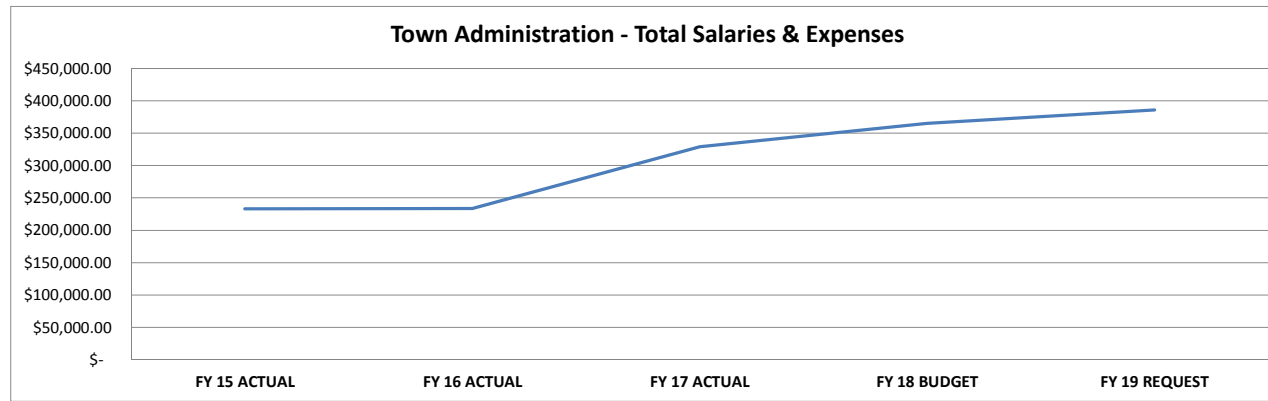
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: REFUSE COLLECTION & DISPOSAL

DEPT. CODE: 433

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	EXPENSES:						
	CASELLA	\$ 233,239.61	\$ 233,659.00	\$ 329,257.91	\$ 365,000.00	\$ 386,000.00	\$ 21,000.00
							\$ -
	TOTAL	\$ 233,239.61	\$ 233,659.00	\$ 329,257.91	\$ 365,000.00	\$ 386,000.00	\$ 21,000.00
5800	CAPITAL:						
							\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL TOWN ADMINISTRATION	\$ 233,239.61	\$ 233,659.00	\$ 329,257.91	\$ 365,000.00	\$ 386,000.00	\$ 21,000.00



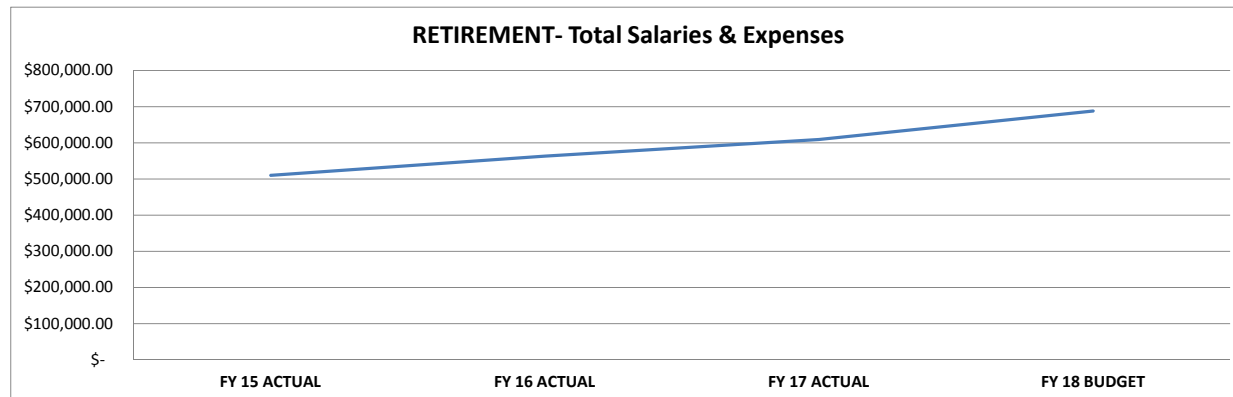
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: RETIREMENT

DEPT. CODE: 911

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -		\$ -
5200	EXPENSES:						
		\$ 510,403.00	\$ 563,272.00	\$ 608,923.00	\$ 688,212.00	\$ 749,174.00	\$ 60,962.00
	TOTAL	\$ 510,403.00	\$ 563,272.00	\$ 608,923.00	\$ 688,212.00	\$ 749,174.00	\$ 60,962.00
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -			\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ 510,403.00	\$ 563,272.00	\$ 608,923.00	\$ 688,212.00	\$ 749,174.00	\$ 60,962.00



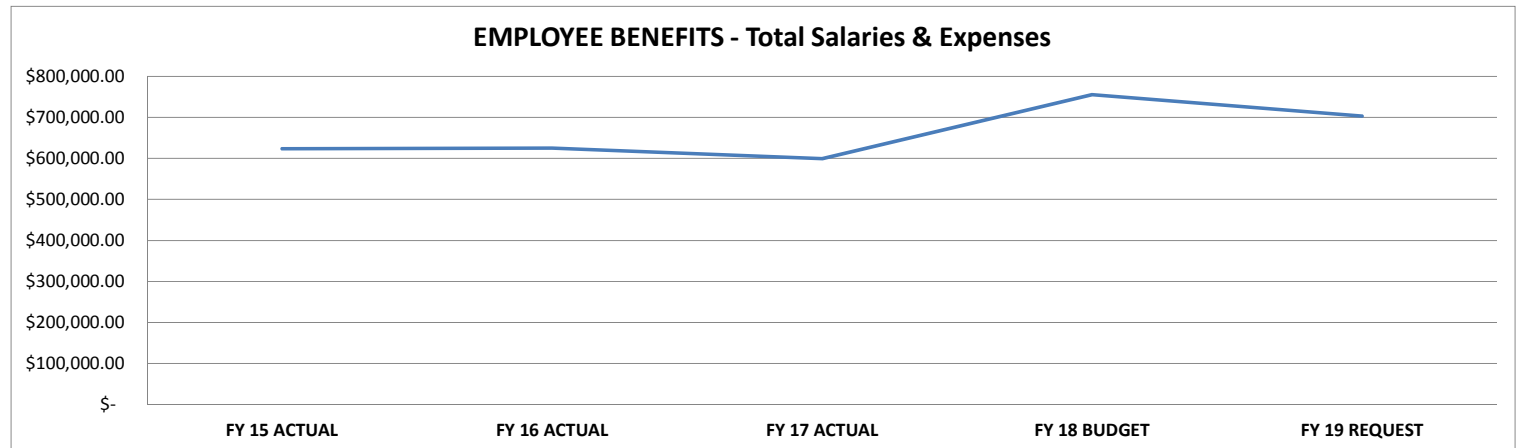
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: EMPLOYEE BENEFITS

DEPT. CODE: 914 / 916

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5200	GROUP INSURANCE						
	HEALTH & LIFE TOWN SHARE	\$ 590,450.87	\$ 620,778.10	\$ 598,927.09	\$ 748,417.00	\$ 696,271.00	\$ (52,146.00)
						\$	-
	TOTAL	\$ 590,450.87	\$ 620,778.10	\$ 598,927.09	\$ 748,417.00	\$ 696,271.00	\$ (52,146.00)
5220	UNEMPLOYMENT						
	UNEMPLOYMENT	33,084.77	\$ 4,664.62	\$ 575.26	\$ 7,000.00	\$ 7,000.00	\$ -
	TOTAL	\$ 33,084.77	\$ 4,664.62	\$ 575.26	\$ 7,000.00	\$ 7,000.00	\$ -

GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	\$ 623,535.64	\$ 625,442.72	\$ 599,502.35	\$ 755,417.00	\$ 703,271.00	\$ (52,146.00)



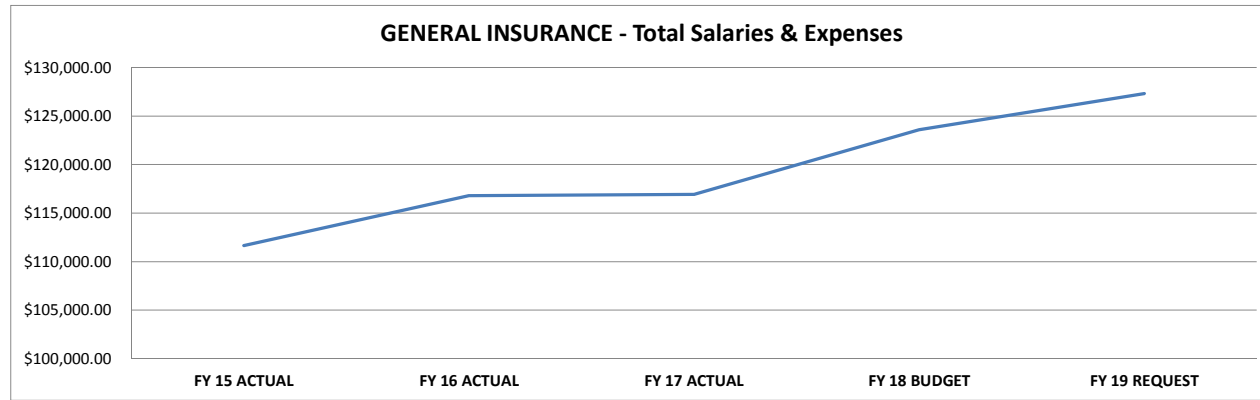
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: GENERAL INSURANCE

DEPT. CODE: 945

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200	EXPENSES:						
		111,638	116,812.29	\$ 116,923.65	\$ 123,600.00	\$ 127,308.00	\$ 3,708.00
	TOTAL	\$ 111,637.68	\$ 116,812.29	\$ 116,923.65	\$ 123,600.00	\$ 127,308.00	\$ 3,708.00
5800	CAPITAL:						
							\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ 111,637.68	\$ 116,812.29	\$ 116,923.65	\$ 123,600.00	\$ 127,308.00	\$ 3,708.00



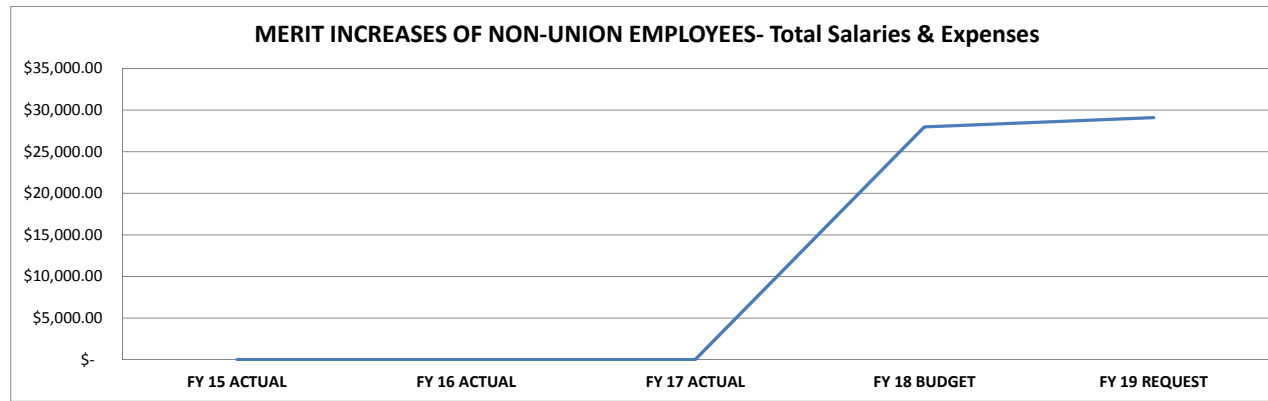
FY 2018 DEPARTMENT REQUEST

DEPARTMENT: MERIT INCREASES OF NON-UNION EMPLOYEES

DEPT. CODE: N/A

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
							\$ -
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -		\$ -
5200	EXPENSES:						
					\$ 28,000.00	\$ 29,105.00	\$ 1,105.00
							\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ 28,000.00	\$ 29,105.00	\$ 1,105.00
5800	CAPITAL:						
							\$ -
	TOTAL	\$ -	\$ -	\$ -			\$ -

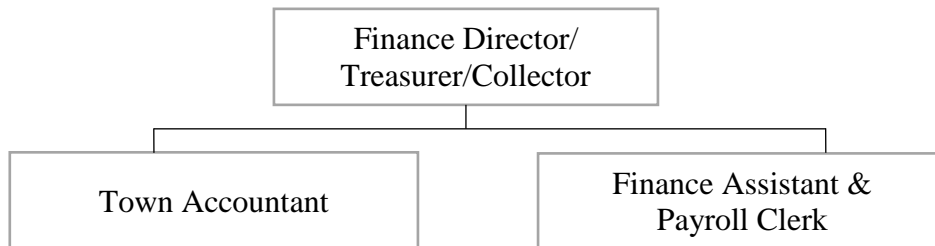
	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
		\$ -	\$ -	\$ -	\$ 28,000.00	\$ 29,105.00	\$ 1,105.00



Finance Department Mission Statement

The mission of the Finance Department is to deliver timely and accurate financial reporting and provide proper oversight of all expenditures and revenue collections in order to successfully support the operations of the town. The Finance Department principally assists the town's various departments, boards and committees by planning, organizing, and directing the town's financial activities in conformance with all applicable federal, state, and local laws as well as the standards set forth by the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).

Organizational Chart



CY2017 Initiatives and Accomplishments

- Hired a new Town Accountant and successfully closed FY 17 with our new Financial Software. x The Finance Assistant completed her 2st year of Massachusetts Treasurer/Collector School.
- The Town Accountant attended the Massachusetts Municipal Auditors/Accountants Association Annual Education Program.
- Investment Policies for the Town were approved which will allow us to more effectively invest the Town's funds, including OPEB & CPA, in order to maximize returns.
- FY 17 Audit completed successfully with no outstanding issues.
- Implemented a check scanner which allows the Town's funds to be available the next business day.
- The Finance Department successfully collected \$84,425.00 in tax liens during FY17.

CY2018 Goals and Initiatives

- Continue the education and certification of Finance Department staff.
- Implement a formal Risk Assessment procedure within the Town which follow our policies that were adopted in FY 17.
- Maintain an effective and fair collection process to maximize real estate, personal property, and motor vehicle tax collections, which will continue to reduce the number of properties in tax title.

Significant Budget Changes or Initiatives

The salary reflects a \$8,227 increase from FY18 to FY19. The expenses show an \$4,550 decrease from FY18 to FY19.

For the Rationale, our salary account shows a 2% COLA applied to all salaries and wages and a 2% merit for FY18 applied to all positions. There was also a reduction in training and support expenses now that Town Accountant position is filled.

There was no impact on services provided to Town.

Programs and Services

Process payments for taxes including motor vehicle, real estate, personal property and water
Pay bills for the Town
Process payroll on a bi-weekly basis
Assist residents with questions concerning their bills or just helping them to understand

Personnel Chart

FINANCE DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE*	FY 2018 FTE	FY 2019 FTE
Finance Director/Treasurer/Collector	-	1.0	1.0
Town Accountant	-	1.0	1.0
Finance Assistant & Payroll Coordinator	-	.82	.82
Total Full-Time Equivalent	-	2.82	2.82

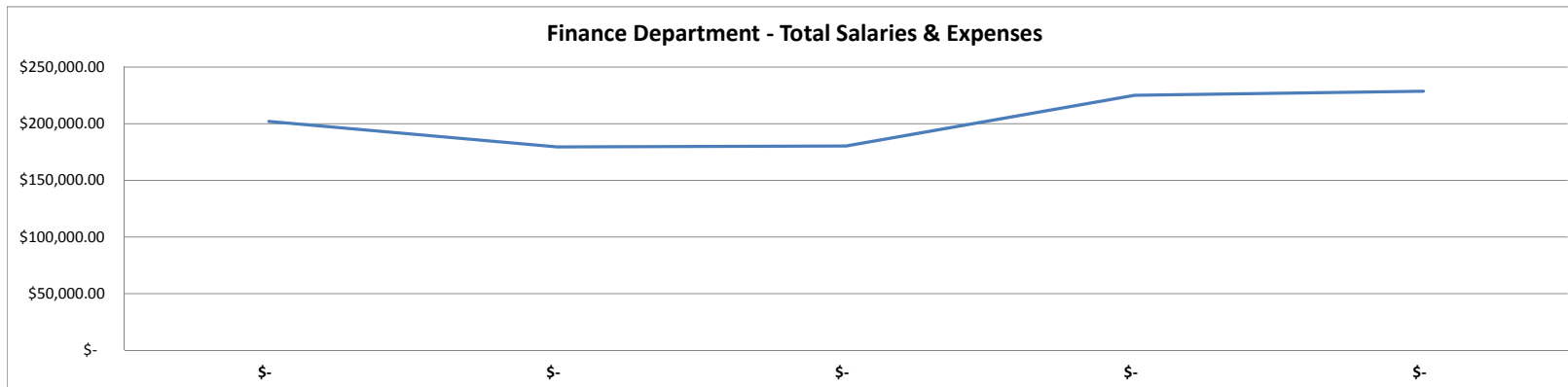
***Comparable data not available from FY 2017 due to restructuring of Finance Department**

FY 2019 DEPARTMENT REQUEST

DEPARTMENT: FINANCE

DEPT. CODE: 149

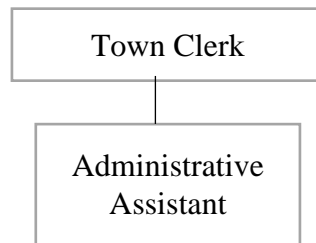
ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	FINANCE DEPARTMENT	\$ 134,382.16	\$ 158,980.63	\$ 142,146.00	\$ 187,551.00	\$ 195,778.00	\$ 8,227.00
TOTAL		\$ 134,382.16	\$ 158,980.63	\$ 142,146.00	\$ 187,551.00	\$ 195,778.00	\$ 8,227.00
5200	EXPENSES:						
	FINANCE DEPARTMENT	\$ 67,647.64	\$ 20,679.15	\$ 38,330.00	\$ 37,500.00	\$ 32,950.00	\$ (4,550.00)
TOTAL		\$ 67,647.64	\$ 20,679.15	\$ 38,330.00	\$ 37,500.00	\$ 32,950.00	\$ (4,550.00)
5200	CAPITAL:						
	FINANCE DEPARTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FINANCE DEPARTMENT		\$ 202,029.80	\$ 179,659.78	\$ 180,476.00	\$ 225,051.00	\$ 228,728.00	\$ 3,677.00



Town Clerk's Office Department Mission Statement

It is the mission of the Town Clerk's Office to be a reliable provider of information and quality services to the community and its residents, to work cooperatively and in concert with all departments, boards and committees, and to comply with all state and local statutes. The office posts all public meetings in accordance with the Open Meeting Law. The office fulfills requests for general information about the Town, genealogical information, certified copies of vital records, and requests for any legal decisions made by the Town boards. The Town Clerk is responsible for all local, state and federal elections, recording and certifying all official actions from Town Meetings, managing the annual census, maintaining the voter registration rolls and recording the births, deaths and marriages of our residents. The Town Clerk administers the oath of office to all elected, appointed and hired officials for the Town. The Wenham Town Clerk also processes Pleasant Pond beach passes, DPW receipts, marriage licenses, dog registrations, raffle permits and business certificates throughout the year.

Organizational Chart



CY2017 Initiatives and Accomplishments

- Town elections on April 6, 2017, voted to keep Dianne Bucco as Town Clerk
- Senior volunteers have continued to progress in making the Town's historical records more accessible by completing databases of deaths, burials, marriages, cemetery deeds, appointments and land use documents.
- The Clerk's Office has also completed an inventory of the basement vault with the help of senior volunteers.
- More time has been spent on the Clerk's page of the Town's website and the Facebook page in an effort to keep residents up to date with the happenings in and around town.

CY2018 Goals and Initiatives

- To maintain all records, processes, and requirements as accurately as possible.
- Run fair and impartial elections on the local and state level.
- Help get the community involved in the 375th Anniversary of the Town by planning and encouraging support for the variety of events planned.
- Finally, now that the basement vault has been inventoried, the Office will begin to find the best location for each and every piece of information there.

Significant Budget Changes or Initiatives

The salary reflects a \$4,726 increase from FY18 to FY19. The expenses show an \$300 increase from FY18 to FY19. The total net shows an \$5,206 increase from FY18 to FY19.

For the Rationale, our salary accounts show a 2% COLA applied to all salaries and wages and a maximum of 2% Merit for FY18 for Town Clerk. These staffing costs, as well as expense costs, are associated with more elections next year (which was almost exactly what was decreased in FY18).

There is no impact to the services the Clerk’s office offers to the residents.

Programs and Services

- Elections
- Voter Registration database
- Services
- Preparing certified copies of births, deaths or marriages
- Dog licenses
- Business certificates
- Pleasant Pond parking passes
- DPW recycling stickers
- Taking in marriage Intentions
- Town Meetings
- Responding to resident inquiries about Wenham
- Preserve town records
- Public Notices
- Campaign Finance Reporting and Record Keeping
- “Clerk’s Corner” Monthly Article in local newspaper

Personnel Chart

TOWN CLERK’S DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Town Clerk	1.0	1.0	1.0*
Administrative Assistant	.22	.22	.22
Total Full-Time Equivalent	1.22	1.22	1.22

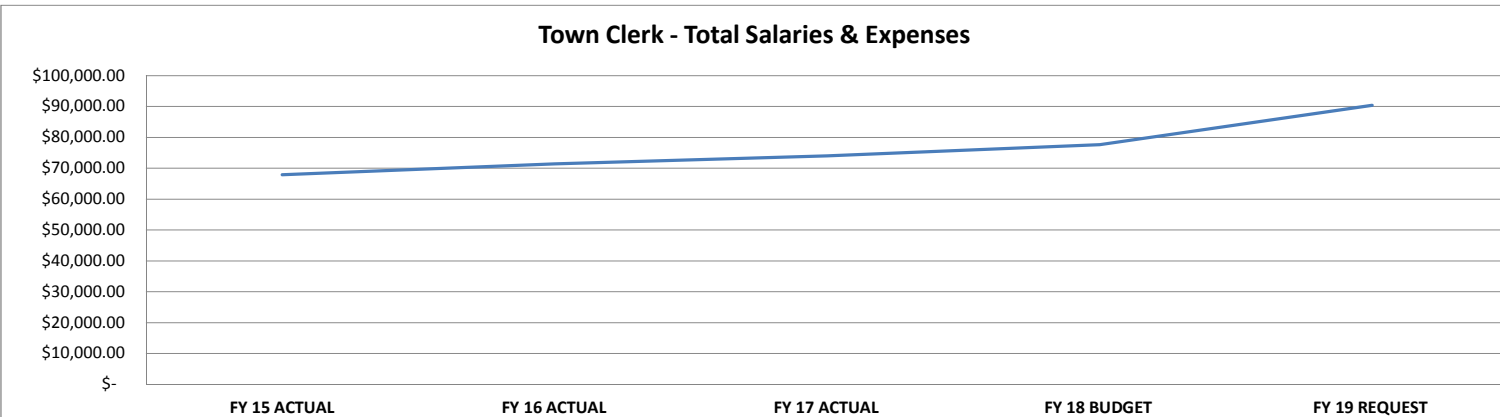
*Town Clerk increased from 32 to 36.5 hours per week for FY 2019 (remains as 1.0 FTE)

FY 2019 DEPARTMENT REQUEST

DEPARTMENT: TOWN CLERK

DEPT. CODE: 161

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	TOWN CLERK	\$ 55,589.43	\$ 60,082.80	\$ 62,679.18	\$ 65,039.00	\$ 77,487.00	\$ 12,448.00
							\$ -
	TOTAL	\$ 55,589.43	\$ 60,082.80	\$ 62,679.18	\$ 65,039.00	\$ 77,487.00	\$ 12,448.00
5200	EXPENSES:						
	TOWN CLERK	\$ 12,296.94	\$ 11,323.91	\$ 11,285.28	\$ 12,555.00	\$ 12,855.00	\$ 300.00
							\$ -
	TOTAL	\$ 12,296.94	\$ 11,323.91	\$ 11,285.28	\$ 12,555.00	\$ 12,855.00	\$ 300.00
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -
	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL TOWN CLERK	\$ 67,886.37	\$ 71,406.71	\$ 73,964.46	\$ 77,594.00	\$ 90,342.00	\$ 12,748.00





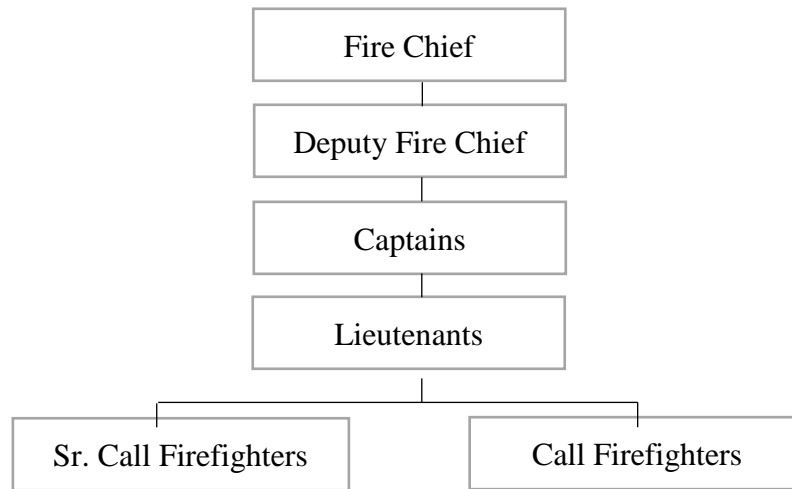
Public Safety



Fire Department Mission Statement

It is the mission of the Wenham Fire Department to protect the lives, property, and physical well-being of our citizens to the best of our ability. We will endeavor to be prepared, equipped, and trained to respond to and mitigate any incident or potential hazard which may challenge our community.

Organizational Chart



CY2017 Accomplishments and Initiatives

- Received a \$5358.00 State Grant to continue the Student Awareness Fire Education and Senior Safe program.
- Completed feasibility study for a Fire-Based ambulance service and it was determined that a pilot program for Basic Life Support EMS would be launched.
- Prepared ambulance to go live in 2018.
- Enrolled 6 call Firefighters in the State Fire Academy Firefighter 1 & 2 program.

CY2018 Goals and Initiatives

- Continue the working relationship with Regional Emergency Communications Center (RECC).
- Continue to attract Call Firefighters through our internship program.
- Begin a Fire-Based Basic Life Support (BLS) program with the use of the new ambulance.
- Continue public education on Fire Prevention and Fire Safety programs.
- Continue to enhance training on the Wenham Fire Ambulance.
- Continue specialized training for all Firefighters.

Significant Budget Changes or Initiatives

The salary reflects a \$12,474 decrease from FY18 to FY19. The expenses show a \$9,325 decrease from FY18 to FY19. The capital reflects a \$15,000 decrease from FY18 to FY19. The total net shows a decrease of \$36,799 from FY18 to FY19.

For the Rationale, the salary account shows a 2% COLA applied to all salaries and wages and a maximum of 2% Merit for FY18 for Fire Chief, Fire Captain, and Firefighter. There was also a \$25,000 contingency for staffing of the Ambulance pilot program to ensure funding for adequate coverage during weekends and after hours if needed. There was an elimination of \$8,338 in wages from FY18 to cover transition to new Fire Chief. There was a reduction on call wages by \$23, 225 to better reflect past 3 FY actuals. The expense account shows \$3,300 for Emergency Notification System contract eliminated due to RECC grant. The capital account shows a \$15,000 decrease for Fire Administrative vehicles as FY18 was last payment and \$30,000 for new portable radios (funded with free cash).

The capital request is to replace all of the portable radios that were purchased with a grant in 2003. Last year, we applied for a federal grant to fund this purchase, which was not awarded. The current replacement cost is \$30,000.

Programs and Services

Respond to emergency calls
 Provide Basic Life Support (BLS) through Town Ambulance and contract with outside vendor for Advanced Life Support (ALS)
 Provide fire prevention through inspections, permits, programs, and trainings

Personnel Chart

FIRE DEPARTMENT			
Personnel Summary*			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Fire Chief	1.0	1.0	1.0
Fire Captain/Fire Prevention Officer	1.0	1.0	1.0
F/T Firefighter	1.0	1.0	1.0
Administrative Assistant	.125	.125	.125
Total Full-Time Equivalent	3.125	3.125	3.125

* See attached breakdown of call firefighter personnel costs at the end of the Fire Department section

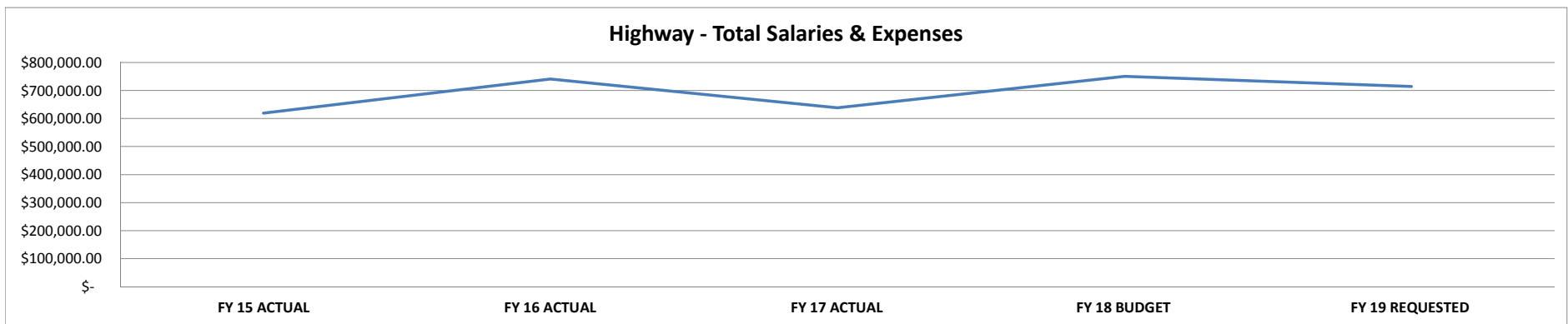
**FY 2019
DEPARTMENT REQUEST**

DEPARTMENT: Fire

DEPT. CODE: 220

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	FIRE	\$ 520,635.00	\$ 579,297.00	\$ 527,857.03	\$ 602,505.00	\$ 590,031.00	\$ (12,474.00)
							\$ -
	TOTAL	\$ 520,635.00	\$ 579,297.00	\$ 527,857.03	\$ 602,505.00	\$ 590,031.00	\$ (12,474.00)
5200	EXPENSES:						
	FIRE	\$ 61,100.00	\$ 84,048.00	\$ 95,455.36	\$ 133,286.00	\$ 123,961.00	\$ (9,325.00)
							\$ -
	TOTAL	\$ 61,100.00	\$ 84,048.00	\$ 95,455.36	\$ 133,286.00	\$ 123,961.00	\$ (9,325.00)
5800	CAPITAL:						
	FIRE	\$ 37,950.00	\$ 77,978.00	\$ 14,677.54	\$ 15,000.00	\$ -	\$ (15,000.00)
							\$ -
	TOTAL	\$ 37,950.00	\$ 77,978.00	\$ 14,677.54	\$ 15,000.00	\$ -	\$ (15,000.00)

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUESTED	INCREASE (DECREASE)
TOTAL FIRE		\$ 619,685.00	\$ 741,323.00	\$ 637,989.93	\$ 750,791.00	\$ 713,992.00	\$ (36,799.00)



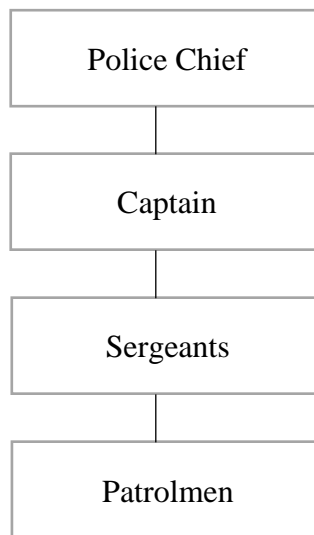
FY 19 CALL FIRE FIGHTER WAGE PROJECTIONS

	FY15 Actual	FY16 Actual	FY17 Actual	Average Actuals	FY19 Projected
Average # Call FF per call	7	6	7.3	6.8	9
Total Call FFs	24	21	24.3	23.1	31
Call FF response to Call FF available	0.29	0.29	0.30	0.29	0.29
Emergency Responses	801	784	750	778.3333	790
Call Response Cost = Call Wages/Avg # of Call FFs * # of Emergency Responses	\$30.63	\$31.55	\$27.11	\$29.76	\$27.93
Call Wages	\$171,738	\$148,428	\$148,428	\$156,198	\$200,357
Average Training Cost = Training Wages/Total Call FFs	\$1,204	\$1,158	\$1,001	\$1,121	\$1,121
Training Wages	\$28,894	\$24,327	\$24,327	\$25,849	\$34,756

Police Department Mission Statement

The mission of the Wenham Police Department is to work in partnership with the citizens of the community and to provide a safe environment where the quality of life is improved by proactive initiatives and enforcing the laws with the highest quality of professionalism and dedication. The Wenham Police Department will continue to be an organization that operates in a cohesive, team-oriented fashion to provide quality service and dedication to the community. Department staff will be well-trained and well-educated. The growth and expansion of Department operations will keep pace with the growth of the Town, new technologies, and will utilize innovative ideas to further the mission of the Department in the future.

Organizational Chart



CY2017 Accomplishments and Initiatives

- The Department worked collaboratively with other agencies to enhance enforcement and training in drug enforcement. We continue to work closely with the District Attorney's Office to aid subjects in getting treatment when appropriate to do so.
- In conjunction with the Highway Department, we were successful in modernizing fleet maintenance schedules, repairs, and record keeping.
- Successfully achieved re-accreditation status through the Mass Police Accreditation Commission. This was particularly challenging due to the significant transition the Department was going through at the time.
- The Department participated in the Town's Assessment Center for the purposes of hiring a new Police Captain. This was an excellent experience in which officials, staff and interested residents worked together to select the best candidate to fulfill this important vacancy within the Department.
- Enhanced and improved our employment screening practices, particularly in the area of background investigations to keep current with 21st century practices.

CY2018 Goals and Initiatives

- Expand the Departments Criminal Investigative Division. We will draw from the experience and expertise of our new Captain and improve this already thorough group of officers to an even higher level of professionalism and performance.
- We will circle back to our Community Contact initiative in an effort to have Sergeants and their assigned Patrol Officers take an active stake in their assigned area in Town. Hopefully, this yields better distribution and rotation of services such as selective enforcements and overall traffic enforcement efforts. Residents are encouraged to reach out to the Department to request enforcement in areas they perceive as problematic. With only one or two patrol officers assigned to each shift, we will continue to do our best to slow the traffic down.
- Invest in Emergency Management improvements by way of attending regular State meetings and training. There are a multitude of grants and reimbursements available we plan to avail the Town of in the upcoming year.
- Continue and expand upon the Town's current Citizens Leadership Academy program.
- Work with Wenham's 375th Committee to make all festivities as safe and fun as possible.

Significant Budget Changes or Initiatives

The salary reflects a \$34,002 increase in salary and wages from FY18 to FY19. The expenses show a \$2,500 decrease from FY18 to FY19. The increase in capital is level funded.

For the Rationale, our salary account reflects 2% COLA applied to all salaries and wages and a maximum of 2% Merit for FY18 for Police Chief and Captain position, plus contractual step raises for officers. There was also an increase in the hourly rates for lifeguards at Pleasant Pond which was originally planned for FY18, but agreed it could be cut for one more year. This resulted in the inability to hire enough staff, especially to cover weekend shifts, as other communities are paying at least \$15/hr. The expenses are level funded except for shift of cleaning allowance to Salary and Wages per Finance Office. Our capital increase of \$14,000 is due to the scheduled replacement of one of our two administrative vehicles. This vehicle has a longer life span than our front line patrol vehicles. Each administrative vehicle is scheduled to be replaced every 6 years vs. 3 years for front line vehicles. By budgeting \$14,000 every year, we will be able to enter into 3-year lease agreements for each of these vehicles and maintain that level of funding year over year instead of having to account for \$44,000 in one-time costs every three years.

As stated above, the majority of our salary increase is directly related to the 2% COLA increase. Our discretionary salary page shows an increase of less than \$2,500. This is caused by the recent departure of 5 of our senior reserve officers. New hires start at a lower rate of pay, thereby adjusting the average rate of pay for reserve officers down from \$25 per hour to \$24.

No additional expense requests have been made by the Department for this budget cycle.

Our capital increase is due to maintaining the established fleet replacement schedule as Administrative Unit 1725 is due to be replaced in FY 19. Not adhering to the schedule has proven costly in the past, not only in a financial aspect, but in the areas of officer safety and

morale. The unit we seek to replace is our only unit that does not have all-wheel drive. This vehicle was purchased as an insurance settlement and has never served our needs. If there is another department or individual in town that could benefit from this vehicle, that could be considered. The goal is to convert the entire fleet to SUVs vs. Sedans.

Programs and Services

Provide a safe environment where the quality of life is improved by proactive initiatives and enforcing the laws

Animal Control Services

Emergency Preparedness Activities

Community Contact Initiative

Personnel Chart

POLICE DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Police Chief	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0
Sergeants (3)	3.0	3.0	3.0
Detective	1.0	1.0	1.0
Patrolman (4)	4.0	4.0	4.0
Administrative Assistant	.875	.875	.875
Total Full-Time Equivalent	10.875	10.875	10.875

FY 2019 DEPARTMENT REQUEST

DEPARTMENT: POLICE

DEPT. CODE: 210

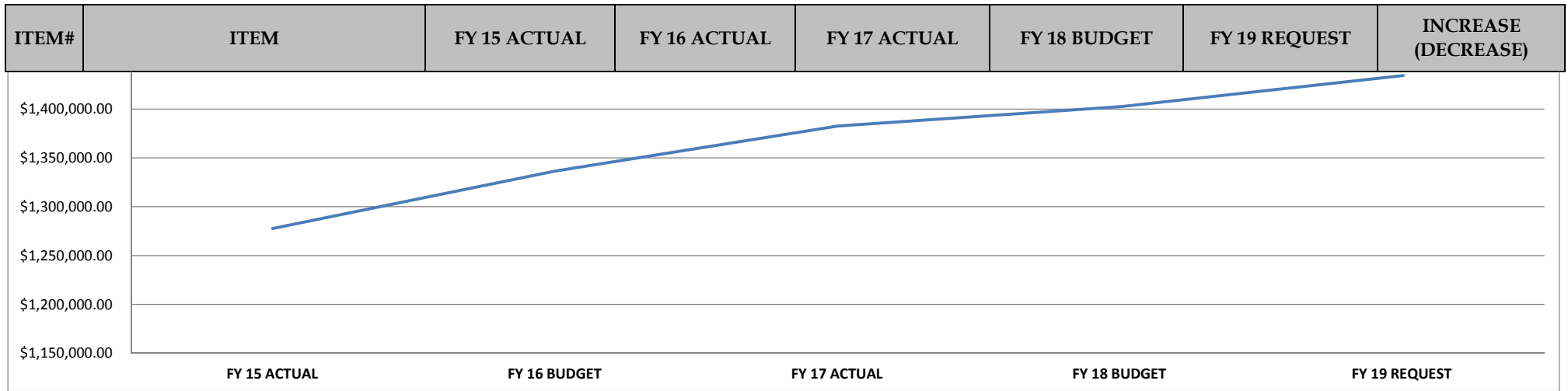
ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	POLICE	\$ 1,081,463.77	\$ 1,188,792.00	\$ 1,231,199.33	\$ 1,237,224.00	\$ 1,271,226.00	\$ 34,002.00
							\$ -
							\$ -
	TOTAL	\$ 1,081,463.77	\$ 1,188,792.00	\$ 1,231,199.33	\$ 1,237,224.00	\$ 1,271,226.00	\$ 34,002.00
5200	EXPENSES:						
	POLICE	\$ 108,624.94	\$ 109,680.00	\$ 113,309.88	\$ 125,266.00	\$ 123,216.00	\$ (2,050.00)
							\$ -
							\$ -
	TOTAL	\$ 108,624.94	\$ 109,680.00	\$ 113,309.88	\$ 125,266.00	\$ 123,216.00	\$ (2,050.00)
5800	CAPITAL:						
	POLICE	\$ 87,584.73	\$ 38,000.00	\$ 38,000.00	\$ 40,000.00	\$ 40,000.00	\$ -
							\$ -
	TOTAL	\$ 87,584.73	\$ 38,000.00	\$ 38,000.00	\$ 40,000.00	\$ 40,000.00	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 BUDGET	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL POLICE	\$ 1,277,673.44	\$ 1,336,472.00	\$ 1,382,509.21	\$ 1,402,490.00	\$ 1,434,442.00	\$ 31,952.00

Town POLICE - Total Salaries & Expenses

\$1,450,000.00

FY 2019 DEPARTMENT REQUEST



1) Due to significant movement in the fulltime ranks for the Department a savings of approximately \$36000 is shown. The Department is presently in need of replacing its portable radios as our outdated analog ones are creating officer safety related issues. Our Schools purchased new radios last year in efforts to promote better communications in emergency situations. Their radios are digital and therefore superior to those carried everyday on the street by the Police Department. An opportunity exists to make this purchase in a year when salaries are low due to the changing of personnel.

2) It is recommended that the capital request for a Marked Police Cruiser be transferred from the Capital Expense line item to the General Operating Expense line. In order to maintain the current level of police cruisers, (1) police cruiser must be purchased annually as (1) is retired. According to GAAFR - as provided by the Government Finance Officers Association, an operating expense is defined as the "Cost of services provided." Since police services are primarily provided via a police cruiser and a police cruiser is a vital piece of equipment in operating a police department, it is therefore assumed that police cruisers qualify as an operational expense.



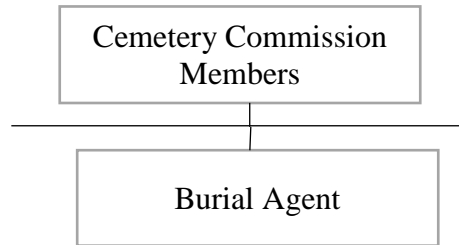
Public Works



Cemetery Commission Mission Statement

The Cemetery Commission manages the three Wenham cemeteries; Main Street, Iron Rail, and Fairfield.

Organizational Chart



CY2017 Initiatives and Accomplishments

- The signature accomplishment this year was the preservation work done on 96 early gravestones in the Main Street cemetery. This project, funded by Community Preservation Act dollars, was completed by Gravestone Services of New England in a most satisfactory manner. This completes the restoration through repairing, uprighting, raising, and cleaning on all 196 of the 17th through early 19th century gravestones identified as needing work in the original 2012 survey and subsequent inspections. These stones include those of the early settlers of Wenham, some by renowned stone carvers, and veterans of the Revolutionary War.
- Town Clerk Dianne Bucco and volunteer Diana Lang with great diligence reconciled the Town Clerk's records with the Burial Agent's book, as well as the Commission's database (ably maintained by Ms. Sheila Bouvier at Town Hall). That effort, along with the creation of an archival quality binder for the burial agent book's pages and an archival town clerk's burial book for the Iron Rail Cemetery, is putting the official cemetery records in accurate and well-protected shape.
- Revised regulations and pricing for the cemeteries was implemented early in 2017 after the Board of Selectman's approval. A principal aim of the revision was to put the Perpetual Care Fund on an improved basis through enhanced pricing, as for several years, the return on investments in the Perpetual Care Fund has been marginal in this low interest rate environment and is inadequate to meet expenses. Implementation of new rules were designed to maintain the historic character of the cemeteries and enhance safety for our maintenance team.

CY2018 Goals and Initiatives

- The Fairfield Cemetery will be the focus for 2018. As Wenham celebrates its 375th Anniversary, the Commission will rehabilitate this cemetery which includes the gravesite of William Fairfield, Wenham's only citizen to have held the highest public office in Massachusetts.

- With two of the largest trees already identified as dying and with two more trees fatally damaged during the 30 October 2017 storm, major tree work will occur at the Main Street Cemetery this Spring 2018.

Significant Budget Changes or Initiatives

The salary reflects a \$58 decrease from FY18 to FY19. The expenses show a \$500 increase from FY18 to FY19. The total net shows a \$442 increase from FY18 to FY19.

For the Rationale, our salary account reflects minor wage adjustments to match actual and also includes 2% COLA. From the expense line, FY18 funds included a one-time expense for work at the Main Street maintenance building in the amount of \$1200. That \$1200 amount and the added \$500 listed in expense increase will be consumed due to the need to replace trees damaged or lost during the October 30 storm or otherwise lost during FY18 at the three Wenham cemeteries. A significant portion of funds available in FY17, FY18, and FY19 are being used to pay the Commission’s share of the new DPW mini excavator, which is split three ways between DPW, Water, and Cemetery.

As several of the principal trees at the Wenham cemeteries age out and weaken or trees encroach on gravesites, the Commission anticipates increasing tree work expenses to protect gravesites. The tree removals and replacements are an ongoing need to maintain the cemeteries appearance and to protect gravestones and gravesites.

Programs and Services

Manage the Town’s three cemeteries: Main Street, Iron Rail, and William Fairfield.

Personnel Chart

CEMETERY COMMISSION			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Burial Agent – Stipend*	-	-	-
Total Full-Time Equivalent	-	-	-

*Part-time Stipend position. Paid as needed.

FY 2019 DEPARTMENT REQUEST

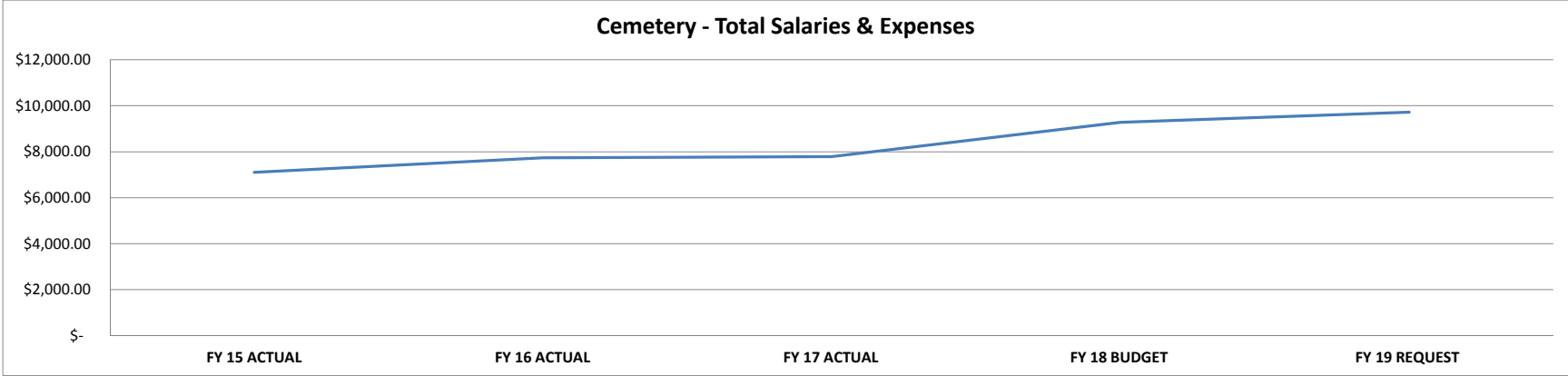
DEPARTMENT: CEMETERY

DEPT. CODE: 491

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	CEMETERY	\$ 3,379.00	\$ 3,998.59	\$ 2,882.27	\$ 3,180.00	\$ 3,122.00	\$ (58.00)
							\$ -
	TOTAL	\$ 3,379.00	\$ 3,998.59	\$ 2,882.27	\$ 3,180.00	\$ 3,122.00	\$ (58.00)
5200	EXPENSES:						
	CEMETERY	\$ 3,720.45	\$ 3,738.42	\$ 4,904.38	\$ 6,100.00	\$ 6,600.00	\$ 500.00
							\$ -
	TOTAL	\$ 3,720.45	\$ 3,738.42	\$ 4,904.38	\$ 6,100.00	\$ 6,600.00	\$ 500.00
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -
	GRAND TOTAL						
	TOTAL CEMETERY	\$ 7,099.45	\$ 7,737.01	\$ 7,786.65	\$ 9,280.00	\$ 9,722.00	\$ 442.00

FY 2019 DEPARTMENT REQUEST

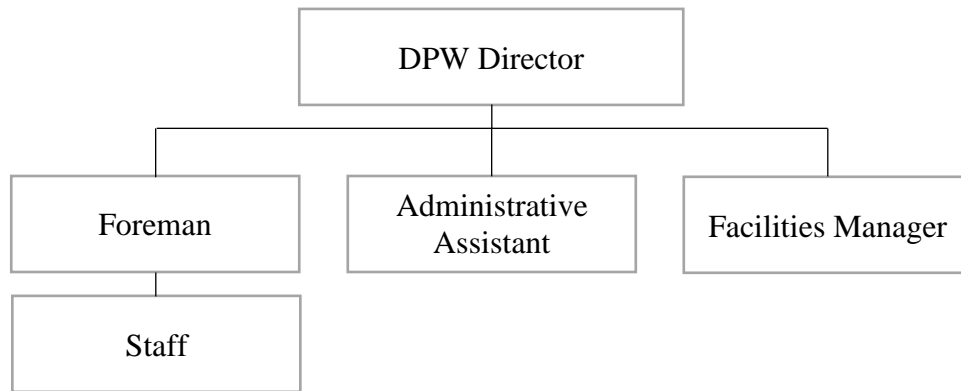
ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
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**Department of Public Works:
Highway, Building & Grounds, Snow & Ice, and Tree Warden
Mission Statement**

The mission of the Wenham Public Works Department is to provide essential services to the citizens of Wenham in a prompt, courteous, safe, efficient, and cost-effective manner. Public Works, through its dedicated employees, strives to plan, design, build, maintain, and operate public infrastructures in a manner that respects the environment and the ability of government to adequately preserve these assets for succeeding generations.

Organizational Chart



CY2017 Accomplishments and Initiatives

- Replaced Essex Street Culvert with a grant from MassDOT.
- Milled and paved Grapevine Road, Rubbly Road, and Hull Street, using Chapter 90 money.
- Repaired and paved Longfellow Road and South Street.
- Rebuilt catch basins on Burnham Road, Foster Street, Eaton Road, Great Pond Road, Daniels Road, Monument Street, and Cherry Street.

CY2018 Goals and Initiatives

- Design Culvert for Hull Street.
- Install sidewalk on Essex Street to Beverly.
- Continue to replace and rebuild catch basins.
- Pave Pleasant Street.
- Repair damaged roadways and sidewalks.

Significant Budget Changes or Initiatives

The Snow & Ice department Salary and Expenses reflects no changes to Salary & Wages or expenses from FY18 to FY19.

The Tree Warden department salary reflects a \$32.68 increase in Salary and Wages with a 2% COLA applied. The Expenses are level funded. The budget does not include any funding for street tree planting, which has not been addressed for a number of years.

The Buildings & Grounds department salary reflects a \$53.00 increase in Salary and Wages and in expenses, a \$7,999.86 increase. Increase in Capital are level funded. For the rationale, there was a 2% COLA applied to Salary and Wages and a maximum of 2% Merit for FY18 for a Facilities Manager. There are projected costs of \$5,000 for Energy Manager shifted from the Salary and Wages line to Expenses. In Capital, there is \$5,000.00 for the purchase of a 2009 Water Department pick-up truck (trade-in value) to be used by Facilities Manager as a work truck with tools and equipment to maintain building and grounds—it will give us an extra plow truck, as well. It will also eliminate the need to continue with the current mileage stipend arrangement which costs \$2,400 annually and will be funded with free cash. Additionally, there is \$18,000.00 for the painting of the 2nd (remaining) half of Town Hall exterior, which will also be funded with free cash. This will stay half painted until funded. Overall, the department will be much more efficient having a fully stocked truck, rather than loading and unloading the Facilities Manager's personal vehicle on a daily basis according to the workload.

The Highway department salary reflects a \$2,966 increase in Salary and Wages with a 2% COLA applied to all salaries and wages, longevity step for a new Mechanic, and a maximum of 2% Merit for FY18 for DPW Director and Foreman. Both the Expenses and Increase in Capital are level funded. For the Capital rationale, there is an increase of \$10,000 in road capital (funded at \$40,000 in FY18 operating budget) – another \$35,000 is needed from another source to follow program to increase total Town allocation by \$10,000 every year (\$35,000 for road capital was funded from Free Cash in FY18) (\$40,000 operating budget, \$10,000 free cash). An addition of \$40,063 will go to cover 1st year payment of a 5-year lease to purchase a new John Deere Front End Loader; funded with free cash. An additional \$45,000 will be for a new portable hydraulic lift; funded with free cash, as well. Lastly, the operating budget includes \$43,020 for Year 2 of Peterbilt truck lease. Funding for road capital covers winter damage and helps supplement Chapter 90 paving projects and sidewalk repair. Failure to continue to maintain/increase our local funding for this work will result in more potholes which leads to deterioration of roads & sidewalks. We are currently depending on a 33-year old unreliable loader with high maintenance costs and have been without a lift for a couple years now which is unsafe for the mechanic and cause us to outsource that require a lift to repair, resulting in higher costs in vehicle maintenance.

Personnel Charts

DEPARTMENT OF PUBLIC WORKS			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
DPW Director	1.0	1.0	1.0
Foreman	1.0	1.0	1.0
Full-Time Laborers (6)	6.0	6.0	6.0
Administrative Assistant	.64	.64	.64
Total Full-Time Equivalent	8.64	8.64	8.64

BUILDING & GROUNDS DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Facilities Director	1.0	1.0	1.0
Total Full-Time Equivalent	1.0	1.0	1.0

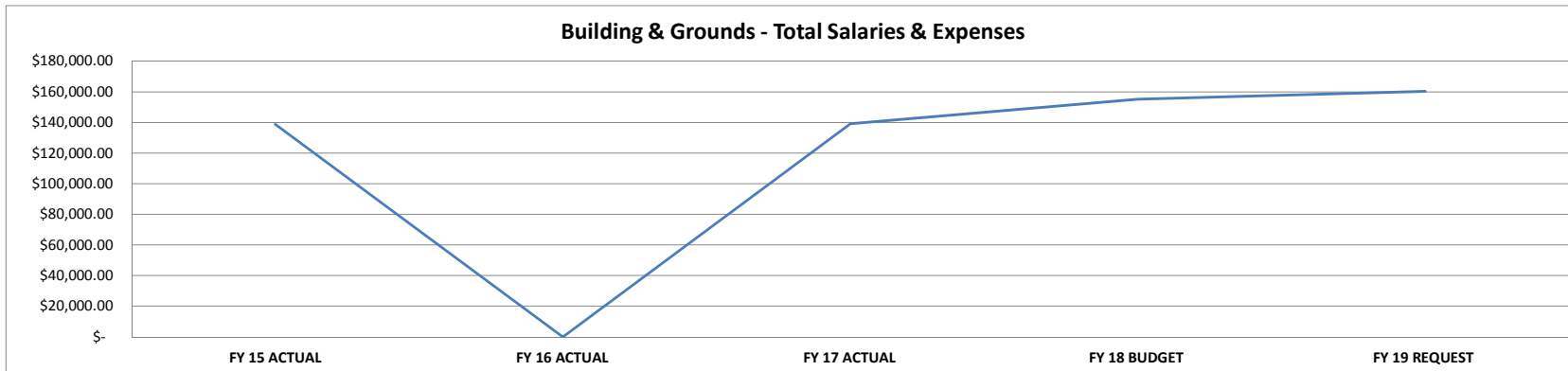
**FY 2019
DEPARTMENT REQUEST**

DEPARTMENT: BUILDING & GROUNDS

DEPT. CODE: 192

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	BUILDING & GROUNDS	\$ 67,219.14	\$ 66,258.96	\$ 75,503.43	\$ 81,194.00	\$ 81,247.00	\$ 53.00
							\$ -
	TOTAL	\$ 67,219.14	\$ 66,258.96	\$ 75,503.43	\$ 81,194.00	\$ 81,247.00	\$ 53.00
5200	EXPENSES:						
	BUILDING & GROUNDS	\$ 66,872.90	\$ 45,530.00	\$ 63,582.71	\$ 73,989.00	\$ 78,989.00	\$ 5,000.00
							\$ -
	TOTAL	\$ 66,872.90	\$ 45,530.00	\$ 63,582.71	\$ 73,989.00	\$ 78,989.00	\$ 5,000.00
5800	CAPITAL:						
	BUILDING & GROUNDS	\$ 4,750.00	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 4,750.00	\$ -	\$ -	\$ -	\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL BUILDING & GROUNDS	\$ 138,842.04	#REF!	\$ 139,086.14	\$ 155,183.00	\$ 160,236.00	\$ 5,053.00



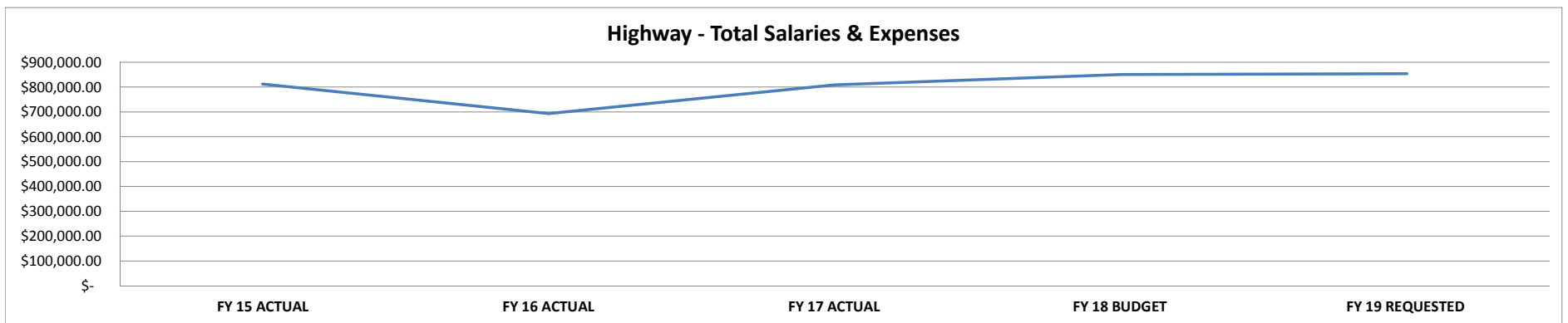
**FY 2019
DEPARTMENT REQUEST**

DEPARTMENT: HIGHWAY

DEPT. CODE: 422

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	HIGHWAY	\$ 474,959.10	\$ 493,547.02	\$ 502,488.65	\$ 548,447.00	\$ 551,413.00	\$ 2,966.00
							\$ -
	TOTAL	\$ 474,959.10	\$ 493,547.02	\$ 502,488.65	\$ 548,447.00	\$ 551,413.00	\$ 2,966.00
5200	EXPENSES:						
	HIGHWAY	\$ 250,610.50	\$ 200,265.10	\$ 210,430.88	\$ 219,304.00	\$ 219,304.00	\$ -
							\$ -
	TOTAL	\$ 250,610.50	\$ 200,265.10	\$ 210,430.88	\$ 219,304.00	\$ 219,304.00	\$ -
5800	CAPITAL:						
	HIGHWAY	\$ 86,401.45	\$ -	\$ 95,783.95	\$ 83,020.00	\$ 83,020.00	\$ -
	TOTAL	\$ 86,401.45	\$ -	\$ 95,783.95	\$ 83,020.00	\$ 83,020.00	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUESTED	INCREASE (DECREASE)
	TOTAL HIGHWAY	\$ 811,971.05	\$ 693,812.12	\$ 808,703.48	\$ 850,771.00	\$ 853,737.00	\$ 2,966.00



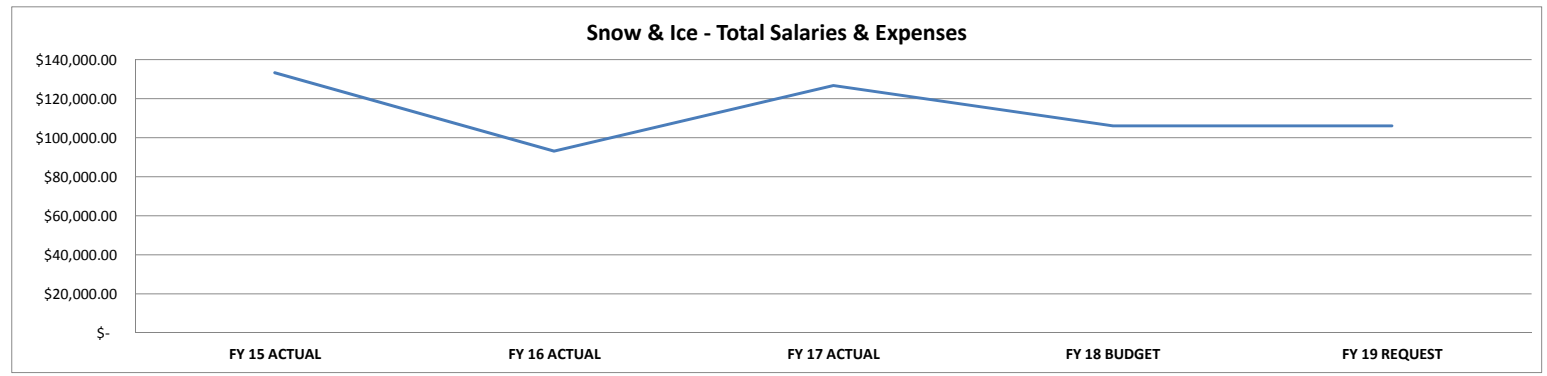
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: SNOW & ICE _____

DEPT. CODE: _____

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	SNOW & ICE	\$ 59,088.68	\$ 21,940.23	\$ 35,315.40	\$ 36,050.00	\$ 36,050.00	\$ -
							\$ -
	TOTAL	\$ 59,088.68	\$ 21,940.23	\$ 35,315.40	\$ 36,050.00	\$ 36,050.00	\$ -
5200	EXPENSES:						
	SNOW & ICE	\$ 74,170.00	\$ 71,097.55	\$ 91,289.07	\$ 70,000.00	\$ 70,000.00	\$ -
							\$ -
	TOTAL	\$ 74,170.00	\$ 71,097.55	\$ 91,289.07	\$ 70,000.00	\$ 70,000.00	\$ -
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL SNOW & ICE	\$ 133,258.68	\$ 93,037.78	\$ 126,604.47	\$ 106,050.00	\$ 106,050.00	\$ -



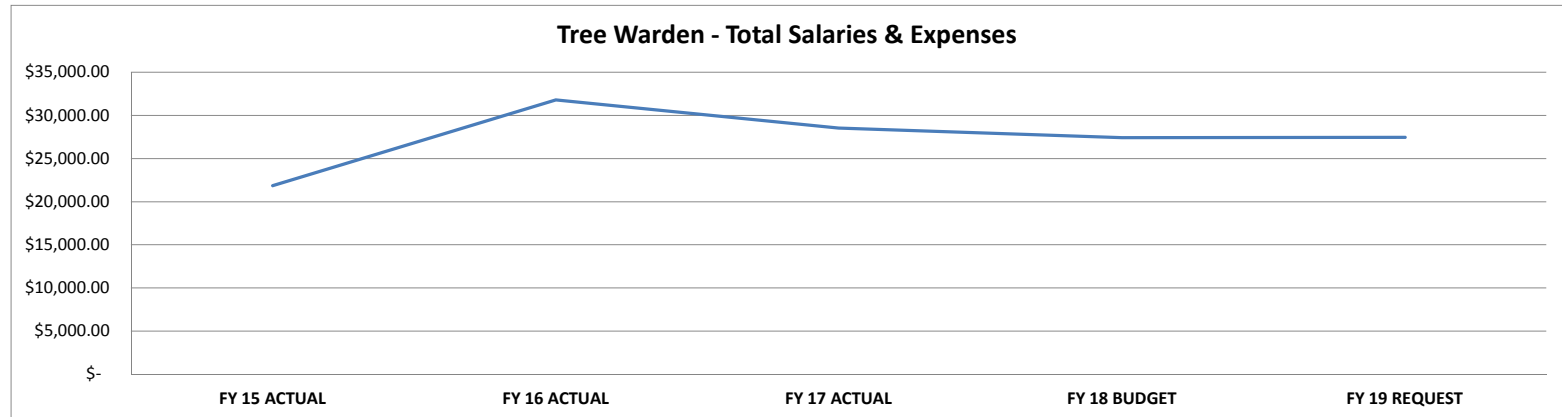
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: TREE WARDEN

DEPT. CODE: 294

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	TREE WARDEN	\$ 1,549.00	\$ 1,568.80	\$ 1,595.00	\$ 1,627.32	\$ 1,660.00	\$ 32.68
							\$ -
	TOTAL	\$ 1,549.00	\$ 1,568.80	\$ 1,595.00	\$ 1,627.32	\$ 1,660.00	\$ 33.00
5200	EXPENSES:						
	TREE WARDEN	\$ 20,300.00	\$ 30,230.95	\$ 26,953.34	\$ 25,800.00	\$ 25,800.00	\$ -
							\$ -
	TOTAL	\$ 20,300.00	\$ 30,230.95	\$ 26,953.34	\$ 25,800.00	\$ 25,800.00	\$ -
5800	CAPITAL:						
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

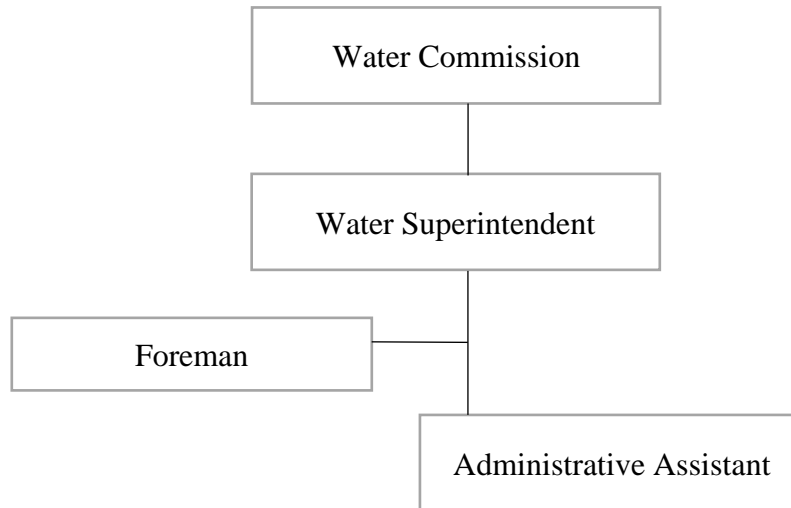
	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL TREE WARDEN	\$ 21,849.00	\$ 31,799.75	\$ 28,548.34	\$ 27,427.32	\$ 27,460.00	\$ 33.00



Water Department Mission Statement

The mission of the Water Department is to provide safe, clean drinking water that meets or exceeds government standards, water for fire protection, and good customer service in a cost effective manner.

Organizational Chart



CY2017 Initiatives and Accomplishments

- Upgraded 40 meters to radio transponders.
- Hydrant flushing as part of our system maintenance during the fall (spring flushing was postponed due to drought conditions).
- Identified and repaired five service line leaks. x Worked with several surrounding Towns in a joint effort focused on regional water management planning.
- Worked with Department of Fish and Game on a community outreach program focused on water conservation.
- Addition of a new “conservation” tier to the water rates for residents using over 75,000 gallons of water per quarter.

CY2018 Goals and Initiatives

- Provide safe and reliable drinking water.
- Work within Water Management Act permitted withdrawal limits.
- Identify and replace hydrants that operate poorly, do not drain, or leak-by.
- Renewal of Water Management Act Permit.
- Continue with meter upgrade program.
- Reduce unaccounted for water and reduce daily residential consumption.

Significant Budget Changes or Initiatives

The salary reflects a \$5,219.93 increase from FY18 to FY19. The expenses show a \$1,955 increase from FY18 to FY19. The total net shows a \$7,174.93 increase from FY18 to FY19. There was a decrease in debt of \$36,405 with an increase in capital of \$4,632, as well.

For the Rationale, our salary account shows a 2% COLA applied to all salaries and wages and a maximum of 2% Merit for FY18 for Water Superintendent. For the expense line, there was an increase in health insurance benefits. For the debt line, the Tank painting bond was fully satisfied in FY18. For the capital, this includes purchases of new one-ton pick-up truck in FY19 (replacing 2009 vehicle), plus annual contribution to mini excavator lease payment split between DPW, Water, and Cemetery.

The capital purchase of new truck (\$54,000) to be paid with transfer from Water Reserve Funds (current balance of \$221.858).

Programs and Services

On the administrative side, we routinely answer questions about water bills and water usage as well as scheduling final water readings for home sales and writing work orders for repairs/replacements.

On the distribution side, we repair or replace broken or leaking meters, valves, and service lines and help in identifying household leaks such as toilets or outdoor spigots.

Water conservation

Water rates, charges and fees

Water main extensions

Personnel Chart

WATER DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Water Superintendent	1.0	1.0	1.0
Foreman	1.0	1.0	1.0
Administrative Assistant	.36	.36	.36
Total Full-Time Equivalent	2.36	2.36	2.36

FY 2019 DEPARTMENT REQUEST

DEPARTMENT: WATER

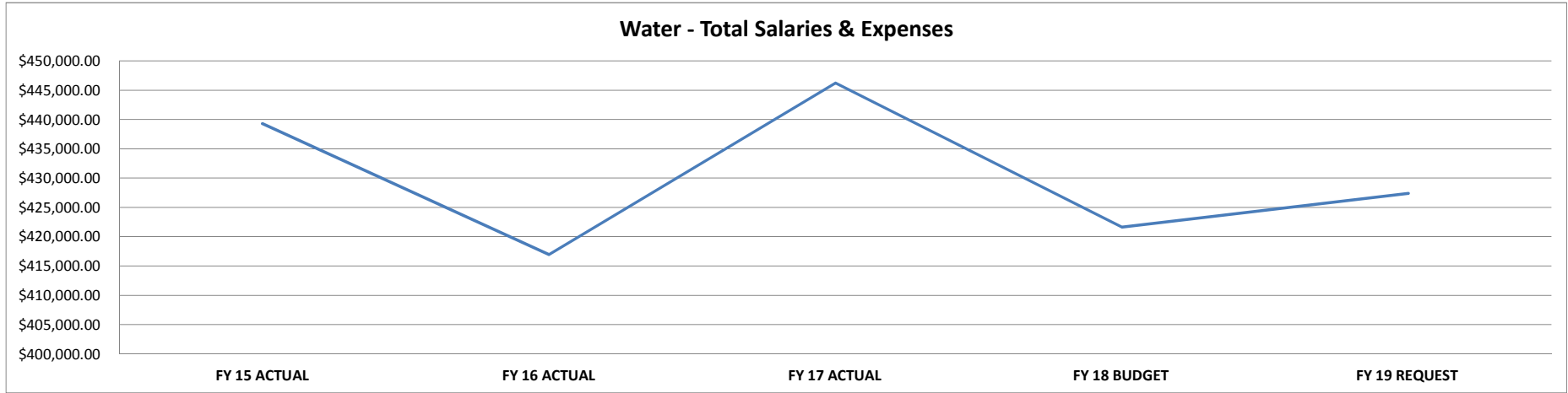
DEPT. CODE: 450

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	WATER	\$ 154,201.33	\$ 156,415.11	\$ 162,847.89	\$ 168,828.00	\$ 174,048.00	\$ 5,220.00
							\$ -
	TOTAL	\$ 154,201.33	\$ 156,415.11	\$ 162,847.89	\$ 168,828.00	\$ 174,048.00	\$ 5,220.00
5200	EXPENSES:						
	WATER	\$ 142,856.66	\$ 132,332.38	\$ 127,714.14	\$ 134,503.00	\$ 136,458.00	\$ 1,955.00
							\$ -
	TOTAL	\$ 142,856.66	\$ 132,332.38	\$ 127,714.14	\$ 134,503.00	\$ 136,458.00	\$ 1,955.00
5700	OTHER:						
	WATER - DEBT	\$ 138,075.00	\$ 128,196.70	\$ 123,626.00	\$ 113,655.00	\$ 77,250.00	\$ (36,405.00)
	TOTAL	\$ 138,075.00	\$ 128,196.70	\$ 123,626.00	\$ 113,655.00	\$ 77,250.00	\$ (36,405.00)
5800	CAPITAL:						
	WATER	\$ 4,150.00	\$ -	\$ 32,028.75	\$ 4,631.00	\$ 39,632.00	\$ 35,001.00
	TOTAL	\$ 4,150.00	\$ -	\$ 32,028.75	\$ 4,631.00	\$ 39,632.00	\$ 35,001.00

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL WATER	\$ 439,282.99	\$ 416,944.19	\$ 446,216.78	\$ 421,617.00	\$ 427,388.00	\$ 5,771.00

FY 2019 DEPARTMENT REQUEST

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
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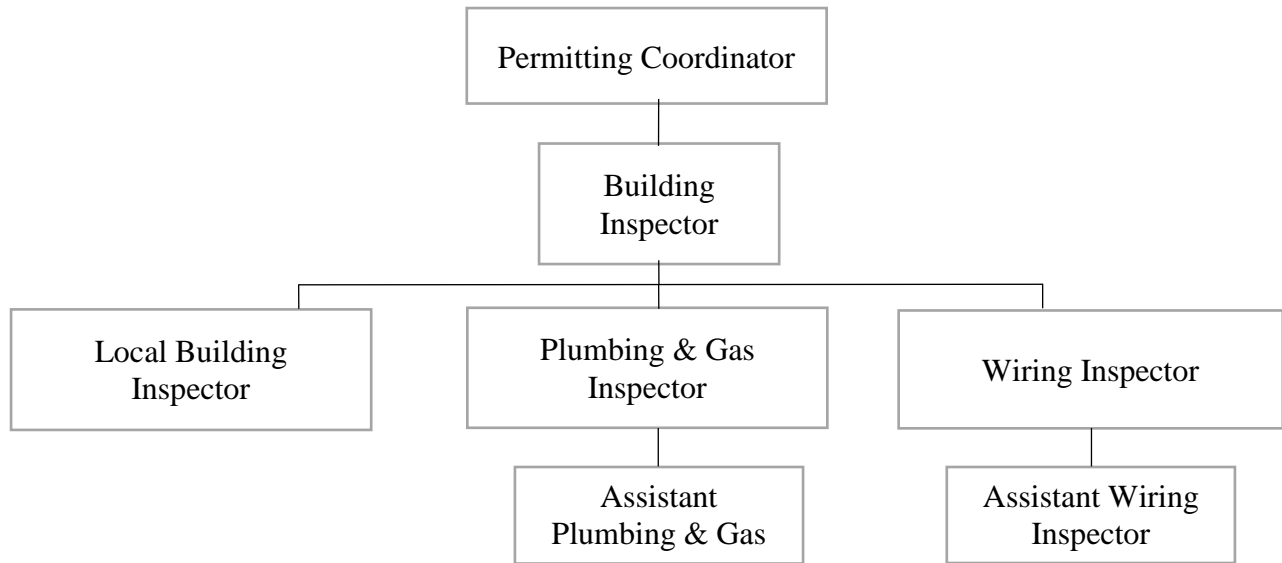
Land Use



Inspectional Services/Permitting Office Department Mission Statement

The Building Department is responsible for enforcing the Massachusetts State Building Code and the Wenham Zoning Bylaw. Building, Electrical, Gas and Plumbing Permits are issued and all construction inspections are processed through this office. A building permit should be obtained for work performed on all buildings. This ensures that the work will be done according to the Massachusetts Building Code and that the contractor has the proper licenses and insurances required.

Organizational Chart



CY2017 Initiatives and Accomplishments

- Received a \$39,000 grant from the Community Compact—IT Program to implement a software upgrade for Building, Electrical, and Plumbing Permits. The project will transition historical permit data to the new system and create a database for other Land Use permits (Conservation, Planning, & Zoning) that allows for better communication and permit tracking between and within the Building Department and Land Use Boards.
- Received a \$20,000 District Local Technical Assistance Grant through the MAPC to study a shared inspectional services model with Hamilton and Manchester-by-the-Sea as part of a greater review of potential shared services by the Wenham Finance and Advisory Committee.
- Established Alternate/Assistant Inspector positions for all areas of inspection.
- Thanks to the dedication of several volunteers, the Permitting Office has continued a large re-organization project including the property files as well as Planning Board documents. This will make it easier for residents to access information about their property in the future.

CY2018 Goals and Initiatives

- Complete software upgrade and provide training to administrative staff and inspectors.
- Creating a guide to the new software's online permitting feature for the public.
- Complete the study of a shared inspectional services model with Hamilton and Manchester-by-the-Sea and, if needed, make recommendations to the Finance and Advisory Committee and BOS.
- Continue to prioritize customer service in the permitting and inspectional process.

Significant Budget Changes or Initiatives

The salary reflects a \$1,232.86 increase from FY18 to FY19. The expenses are level funded from FY18 to FY19. The total net shows an \$1,232.86 increase from FY18 to FY19.

For the Rationale, our salary account shows a 2% COLA applied to all salaries and wages and a maximum of 2% Merit for FY18 for Permitting Coordinator.

There were no changes to staff or services for the Town. A decrease to this requested budget would result in staff or service cuts.

Programs and Services

Permits are applied for in the Permitting Office and process for clarity and accuracy by the Permitting Coordinator, who then routes them to the necessary authority (i.e. BOH Agent, Conservation Commission, Fire Prevention Officer, Police Chief, Zoning/Planning, etc.) Once processed, a permit will be issued and work can begin on site. Inspectional check points are required for different projects, some only a rough and final, others requiring more as needed by level of complexity. Inspections are scheduled through the Coordinator and with consistent communication with Inspectors. Once completed, new construction must submit tests for an occupancy permit, while smaller projects only require the final inspection, by any or all inspectors. Finally, a project's paperwork is filed by street address for necessary record keeping and storage. Occasional requests for information and questions are addresses over the phone and at the counter by the Coordinator with assistance from Inspectors and the Land Use Coordinator, as needed. All inspectors require continuing education for their respective expertise.

Personnel Chart

INSPECTION SERVICE/PERMITTING OFFICE DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Permitting Coordinator	.5	.5	.5
Building Inspector	.33	.33	.33
Local Building Inspector	-	-	-
Plumbing & Gas Inspector	.11	.11	.11
Wiring Inspector	.21	.21	.21
Assistant Plumbing & Gas Inspector	-	-	-
Assistant Wiring Inspector	-	-	-
Total Full-Time Equivalent	1.15	1.15	1.15

*All Assistant and Local Inspectors are back-ups and used for vacation or emergency coverage.

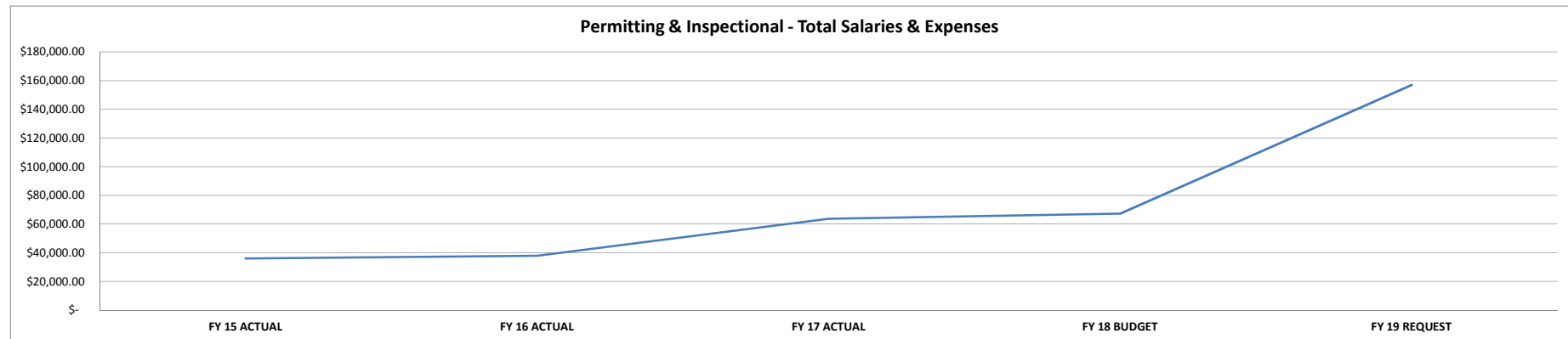
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: PERMITTING / INSPECTIONAL SERVICES

DEPT. CODE: 240

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	PERMITTING & INSPECTIONAL	\$ 35,632.71	\$ 36,500.64	\$ 58,216.89	\$ 60,475.14	\$ 138,952.00	\$ 78,477.00
							\$ -
	TOTAL	\$ 35,632.71	\$ 36,500.64	\$ 58,216.89	\$ 60,475.14	\$ 138,952.00	\$ 78,477.00
5200	EXPENSES:						
	PERMITTING & INSPECTIONAL	\$ 379.24	\$ 1,337.50	\$ 5,477.82	\$ 6,757.00	\$ 15,000.00	\$ 8,243.00
							\$ -
	TOTAL	\$ 379.24	\$ 1,337.50	\$ 5,477.82	\$ 6,757.00	\$ 15,000.00	\$ 8,243.00
5800	CAPITAL:						
						\$ 3,000.00	\$ 3,000.00
	TOTAL	\$ -	\$ -	\$ -		\$ 3,000.00	\$ 3,000.00

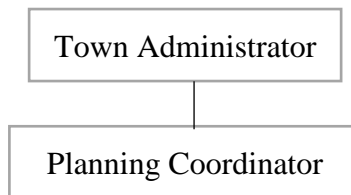
	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL PERMITTING & INSPECTIONAL	\$ 36,011.95	\$ 37,838.14	\$ 63,694.71	\$ 67,232.14	\$ 156,952.00	\$ 89,720.00



Land Use Department Mission Statement

The Land Use Department encompasses the following committees: the Conservation Commission, the Economic Development Committee, the Open Space and Recreation Committee, the Planning Board, and the Zoning Board of Appeals. Each of these committees have a distinct role within the broader department. The Conservation Commission's role is to preserve and protect the integrity of wetland systems in the Town. The Economic Development Committee identifies properties in the Town that are better suited for development than preservation and formulate a policy framework and strategic plan to address these opportunities. The Open Space and Recreation Committee preserves, maintains, and enhances the quality of life for the citizens of Wenham by developing and maintaining an open space and recreation plan. The Planning Board oversees the rules and regulations governing the subdivision of land, site plan review, and special permits according to the Wenham Zoning By-Law and Massachusetts General Laws. The Zoning Board of Appeals hears and decides applications for special permits, appeals or petitions for variances from regulations governing dimensions of land or structures, appeals taken by any aggrieved by reason of his inability to obtain a permit or enforcement action under the provisions of MGL Ch. 40A, and applications for comprehensive permits.

Organizational Chart



CY2017 Initiatives and Accomplishments

- Conservation Commission accomplishments: Wenham Pines has been permitted; Spring Hill (79 Dodge Row) has been permitted through the DEP; 213R Larch Row was permitted for 2 single family homes; Continued stewardship of the Reynolds Farm property with The Food Project;
- Economic Development accomplishments: Committee was appointed and organized to develop some goals and objectives; Submitted a grant application to the State's Department of Housing and Community Development for a Downtown Initiative Technical Assistance Grant to study the challenges and possibilities for Wenham's downtown area; Participated in the public forum with the Open Space and Recreation Committee to begin the update to the Town's Open Space and Recreation Plan.
- Open Space and Recreation Committee accomplishments: Committee was appointed and organized to begin work on the Open Space and Recreation Plan (OSRP); Contracted the Ciccollo Group as consultants to assist the Committee with the OSRP; Held the first Public Forum to gain input from the Community on open space issues; Continued process for plan update.

- Planning Board accomplishments: Wenham Pines Flexible Development permitted; 213R Larch Row – 2 single family homes permitted; 79 Dodges Row (Spring Hill Subdivision) – revised and finalized.
- Zoning Board of Appeals accomplishments: Continued ongoing monitoring of construction of Middlewood project on Burley Street; The Town Meeting voted to add three associate members to the Zoning Board of Appeals; 21 Longfellow was issued a special permit for construction of a single family home after many months of deliberation; The Board approved 2 variances and 5 Special Permits

CY2018 Goals and Initiatives

- Conservation Commission: Review and update Towns Water Resource Protection Bylaw; Monitor the progress of Wenham Pines, Spring Hill Subdivision, 213R Larch Row; Continue participation on the Community Preservation Committee and the Open Space & Recreation Committee; Help with the preparation of an updated Open Space Plan for the Town; Work with the Open Space and Recreation Committee to update the Town's Open Space and Recreation Plan.
- Economic Development: Continue to determine the role and objectives for the Committee; Participate in the update to the Town's Open Space and Recreation Plan; Work with DHCD on a Downtown feasibility study.
- Open Space and Recreation Committee: Hold a public forum early in 2018 to present draft OSRP; Complete OSRP update for submission to the State; Initiate Action Plan as indicated by the approved OSRP.
- Planning Board: Monitor construction of Spring Hill Subdivision; Continue to recommend amendments to Zoning Bylaws as needed; Complete review and update of Rules and Regulations Governing the Subdivision of Land, including fees; Monitor construction of Wenham Pines; Continue to provide a liaison to CPC
- Zoning Board of Appeals: Continue to work cooperatively with counsel through the appeal process of the Maple Woods comprehensive permit; our goal for 2017 is to elicit additional members for appointment by the Board of Selectmen to fill the 2 alternate member positions.

Significant Budget Changes or Initiatives

The salary reflects a \$2,056 increase from FY18 to FY19. The expenses show a \$1,255 increase from FY18 to FY19. The total net shows a \$3,311 increase from FY18 to FY19.

For the Rationale, our salary account shows a 2% COLA applied to all salaries and wages based on a 52-week year. Our expense account reflects that a previously unfunded Purchase Power Mail Machine was added, processing costs for Geo TMS Permitting software is a new expense, dues have increased for Mass Association of Conservation Commissions, Department has taken on support of two more committees with additional expenses.

The expense budget for the Land Use Department was reduced in FY18 and we are bringing it back to the level of FY17 in order to cover expenses of 2 additional committees. The impacts should be minimal and will avoid the need for any requests for additional funding at the end of the fiscal year.

The new Geo TMS software will allow for much better record keeping and accessibility of land use files and interoperability with permitting files. The start-up costs of this project are grant funded but there is a small processing fee that the Department has accounted for going forward.

Programs and Services

The majority of our work is to help the public maneuver through the permitting process with each of the land use Boards. We answer questions from residents and the public regarding things like subdividing their land, adding accessory dwellings or structures, what work can be done within proximity to wetlands and questions about the Zoning Bylaws for the Town. We also work closely with developers as they move through the process of trying to get approvals for larger developments in Town. We often get requests for public records that we have stored in our office. We also schedule and facilitate many public meetings. Much of our time is spent preparing for these meetings and making sure that the Boards and Commission have all of the relevant information in order to make their decisions.

Our department mission is to help facilitate the work of the Planning Board, Zoning Board of Appeals, and the Conservation Commission. We help the Boards administer the local Zoning Bylaws, the Rules and Regulations Governing the Subdivision of Land, and the Wetlands Protection Bylaw. We also ensure adherence to Massachusetts General Laws. Our goal is to help the residents and potential developers navigate through the permitting processes, including scheduling public hearings before the different Boards and Committees. Our Department is also responsible for updating our GIS Maps and working with CAI Axis on the Town mapping system.

Personnel Chart

LAND USE DEPARTMENT			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Planning Coordinator*	1.0	1.0	.52
Conservation & Open Space Coordinator	-	-	.52
Total Full-Time Equivalent	1.0	1.0	1.04

*FY 2017 & 2018 FTE for this role was 32.5. For FY 2019, the role was split into two part time positions.

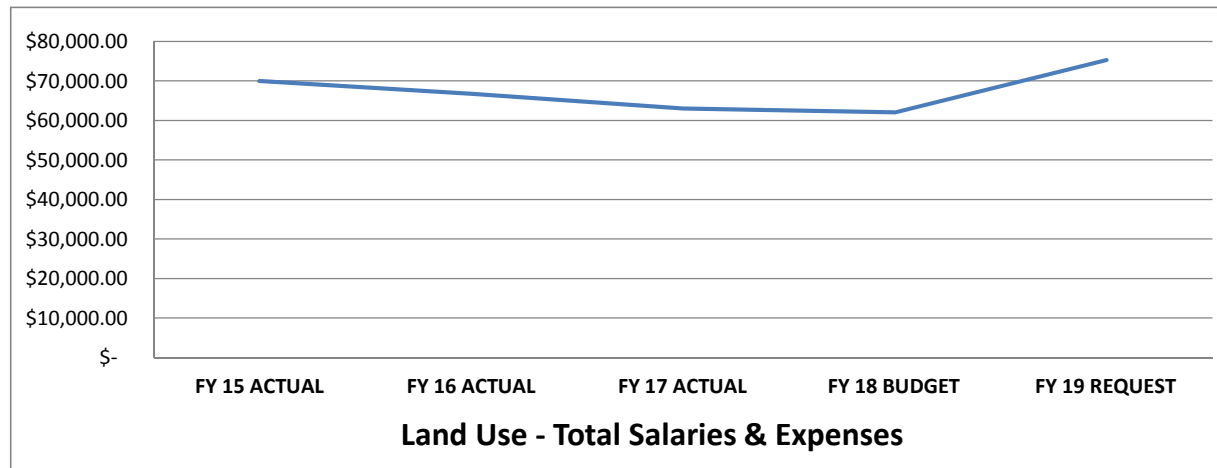
**FY19
BUDGET REQUESTS**

DEPARTMENT: LAND USE

DEPT. CODE: 170

ITEM	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
		\$ 67,266.47	\$ 63,174.60	\$ 56,534.99	\$ 57,105.00	\$ 69,122.00	\$ 12,017.00
							\$ -
	TOTAL	\$ 67,266.47	\$ 63,174.60	\$ 56,534.99	\$ 57,105.00	\$ 69,122.00	\$ 12,017.00
5200	EXPENSES:						
		\$ 2,636.30	\$ 3,524.56	\$ 6,447.66	\$ 4,900.00	\$ 6,155.00	\$ 1,255.00
							\$ -
	TOTAL	\$ 2,636.30	\$ 3,524.56	\$ 6,447.66	\$ 4,900.00	\$ 6,155.00	\$ 1,255.00
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL	\$ 69,902.77	\$ 66,699.16	\$ 62,982.65	\$ 62,005.00	\$ 75,277.00	\$ 13,272.00





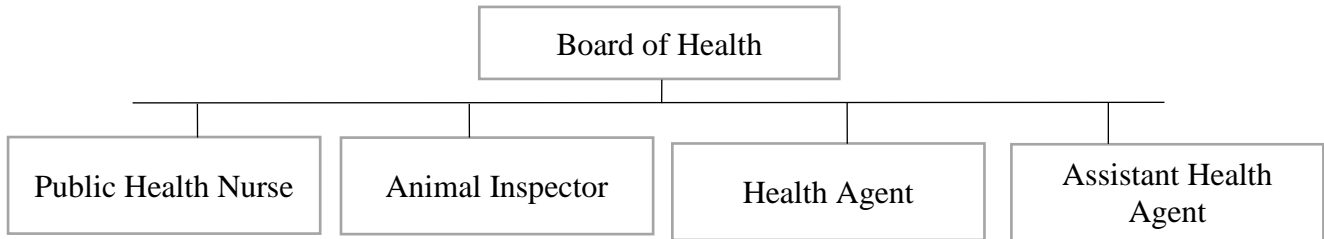
Health and Human Services



Board of Health Mission Statement

The Board of Health makes regulations as it deems necessary for the public health and safety of the Town. The Wenham Board of Health is responsible for the enforcement of State Sanitary Codes, State Environmental Codes and Wenham Board of Health Regulations. The Board of Health hires staff to assist with the following areas of responsibility include: septic systems, housing and dwelling units, food service establishments, private wells, recreational camps for children, and animal inspections.

Organizational Chart*



CY2017 Initiatives and Accomplishments

- Ran the Town’s first Emergency Dispensing Drill through the establishment of a flu clinic at the Buker School.
- Completed the necessary documentation and training to order supply and disperse flu vaccine and/or other emergency vaccinations.
- Developed, held a public hearing for, and adopted the “Sanitary Regulations for Barns, Coops, and Other Structures for the Commercial and Residential Keeping of Animals in the Town of Wenham,” which will take effect on April 1, 2018.
- Co-Sponsored annual Flu Clinics with the Hamilton Board of Health.
- Applied for a grant renewal with other North Shore communities to cover the costs of tobacco licensing enforcement.
- In 2017, 19 food service establishments were permitted, 24 septic systems were installed, 2 camps were reviewed and inspected, and 2 public pools were permitted.

CY2018 Goals and Initiatives

- Continue to conduct emergency preparedness drills and collaborate on emergency preparedness with the Wenham Police Department, Wenham Fire Department, Hamilton BOH other public safety and local agencies, and the rest of the community.
- Continue to update all Emergency Management plans and details.
- Boost health education and outreach by Public Health Nurse via collaboration with Wenham Council on Aging, Buker Elementary School and Gordon College.
- Select and purchase a pharmaceutical grade refrigerator for vaccine storage and distribution as required by the state.
- Develop and run first health education awareness program for Wenham residents.

Significant Budget Changes or Initiatives

The salary reflects a \$123.00 increase from FY18 to FY19. The expenses show an increase of \$707.19 from FY18 to FY19. The total net shows an \$830.19 increase from FY18 to FY19.

For the Rationale, our salary account shows a 2% COLA applied for Assistant Health Agent, Animal Inspector, & Public Health Nurse. From the expense line, \$120 that had previously been in the salary line as \$40/year/member of the Board. The Board moved that money into expenses to help cover the costs of growing programs for emergency preparedness, as they very rarely, if ever received the \$40/member (\$120 overall). There was also \$587 to cover a 4% increase for the Health Agent position. At the minimum this position would need a 2% COLA, but this position had not received COLA increases since the Health Agent began in 2008. To correct this, the BOH provided a 4% raise last year in FY2018 and planned a 4% raise this year in FY 2019.

There was no impact on services provided to the Town, with the exception of the \$120 that used to be unspent every year as compensation for the Board members has now been moved to expenses to assist with the cost of emergency preparedness activities.

Programs and Services

- Mosquito Information
- Flu Information and Flu Clinics
- Septic & Title V Information including permitting and processing
- Food Service Inspections and permitting
- Public Pool permitting
- Well & Pump permits
- Enforcement of Sanitary Regulations for Barns
- Button-Cell Battery Recycling Program

Personnel Chart

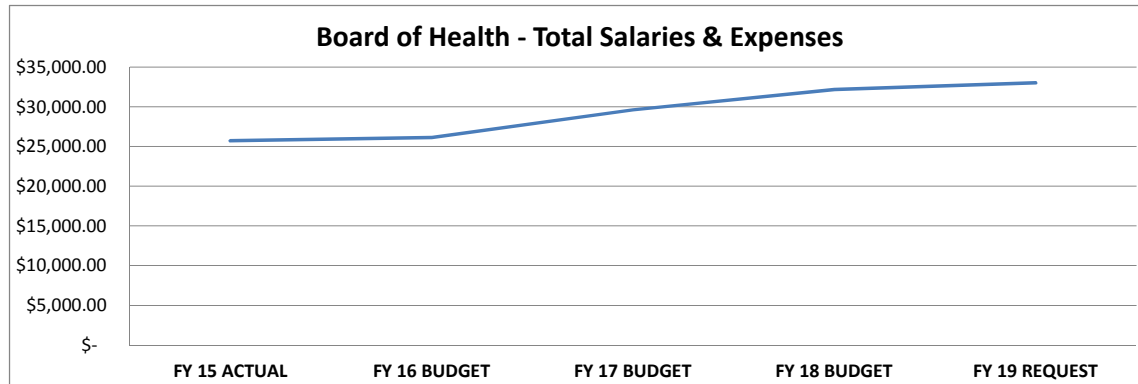
BOARD OF HEALTH			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Public Health Nurse	.083	.083	.083
Animal Inspector	.013	.013	.013
Health Agent	.083	.083	.083
Assistant Health Agent	.054	.054	.054
Total Full-Time Equivalent	0.233	0.233	0.233

FY 2019 DEPARTMENT REQUEST

DEPARTMENT: BOARD OF HEALTH

DEPT. CODE: 510

ITEM #	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	BOH	\$ 7,675.27	\$ 6,254.52	\$ 11,367.09	\$ 12,261.00	\$ 12,384.00	\$ 123.00
							\$ -
	TOTAL	\$ 7,675.27	\$ 6,254.52	\$ 11,367.09	\$ 12,261.00	\$ 12,384.00	\$ 123.00
5200	EXPENSES:						
	BOH	\$ 18,044.40	\$ 19,894.21	\$ 18,270.72	\$ 19,935.00	\$ 20,643.00	\$ 708.00
							\$ -
	TOTAL	\$ 18,044.40	\$ 19,894.21	\$ 18,270.72	\$ 19,935.00	\$ 20,643.00	\$ 708.00
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -
	GRAND TOTAL						
	TOTAL BOH	\$ 25,719.67	\$ 26,148.73	\$ 29,637.81	\$ 32,196.00	\$ 33,027.00	\$ 831.00

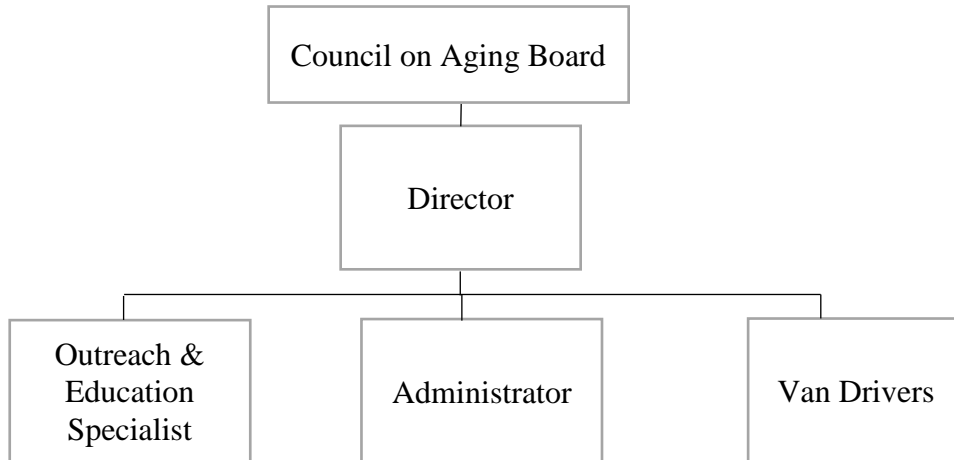


Notes: 2% COLA for all salaries. 4% for contracted employee.

Council on Aging Mission Statement

Our mission is to advocate for Wenham senior citizens and to develop, implement, and promote programs and services that support their independence, health, and well-being. All senior residents of Wenham are invited to participate in the scheduled activities and programs that have been developed in Wenham and all of the surrounding communities for your enjoyment and benefit.

Organizational Chart



CY2017 Accomplishments and Initiatives

- The Wenham COA was awarded a MassDOT grant for a new 8-passenger, handicapped accessible vehicle (December, 2017).
- We renovated the Center's side-entrance, updated the kitchen, and created a small private office nook for the Podiatrist and our SHINE counselor.
- We created a Dementia Caregiver Support Group which meets the first Thursday of every month following a 3-part series lecture on dementia, local care resources, creative engagement, and other tools to help care for family and friends with dementia.
- We have successfully reached hundreds of Wenham area residents with programs like SHINE that provides Medicare health insurance counsel, property tax help, legal referrals, fuel assistance, medical rides, trips to Market Basket, bridge group, yoga ~ balance ~ strength classes (3 days per week), KUE knitting group, RIFF book club, Metropolitan Museum and Louvre movie lectures c/o The Great Courses, Bocce Jamborees, ERBA kayaking, Trustees outdoor trail walking, instructional Art Classes with Aleah, organic gardening, museum trips, State House tour, entertainment, and a busy medical equipment loan program.

CY2018 Goals and Initiatives

- Continue the process of becoming an Age & Dementia Friendly Community.

- Work with local dementia day programs to develop effective care models for caregivers working with loved ones at home.
- Develop an intergenerational support program that helps to promote and develop resources that can be shared by members of the community who are in need of services (such as child care on early release Wednesdays).
- Develop Outreach Plan using volunteers to assist local residents 80 and over who have decided to age-in-place with additional services.

Significant Budget Changes or Initiatives

The salary reflects a \$5,222 increase from FY18 to FY19. The expenses are level funded from FY18 to FY19.

For the Rationale, our salary account shows a 2% COLA for all salaries and wages and a maximum 2% Merit for FY18 for Council on Aging Director. The Outreach Coordinator's pay rate has increased from \$11.50/hour to \$15.00/hour based on a wage comparison with other local COAs in this position. A partial amount of the formula grant for FY19 will be applied to the salary & wages in the amount of \$6,050 as was in FY18. In the expense account, there were no changes to expenses due to the use of the Van Gift Account to offset vehicle fuel charges estimated for FY19 to be \$2,000. The remainder of the formula (\$2,570) as well as the COA Gift Account (\$2,106) will be used to offset the Health & Wellness Instructors, which is estimated for FY19 to be \$8,000.

There is no impact on services provided to the Town.

Programs and Services

Services provided by the COA (in part through referrals to SeniorCare, Inc. out ASAP *Aging Services Access Point*):

Assessment and Evaluation
 Assistance in Your Home
 Care Planning
 Housing Options
 Fitness Programs
 Recreational Activities
 Support Groups, Tax Assistance and Driver Education Programs
 Volunteer Opportunities/ Civic Engagement
 SHINE (Serving Health Information Needs of Elders)
 Nursing Homes
 Respite Care
 Medical Services
 Transportation
 Public Benefits Counseling
 Employment Assistance

Supportive Day and Adult Day Health Referrals
 Lifelong Learning
 Creative and Performing Arts
 Computer Classes and ESL
 Nutrition
 Application Assistance

Personnel Chart

COUNCIL ON AGING			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Director	1.0	1.0	1.0
Outreach & Education Specialist	.33	.33	.33
Administrator	.52	.52	.52
Van Driver	.53	.53	.53
Van Driver	.22	.22	.22
Van Driver	.22	.22	.22
Total Full-Time Equivalent	2.82	2.82	2.82

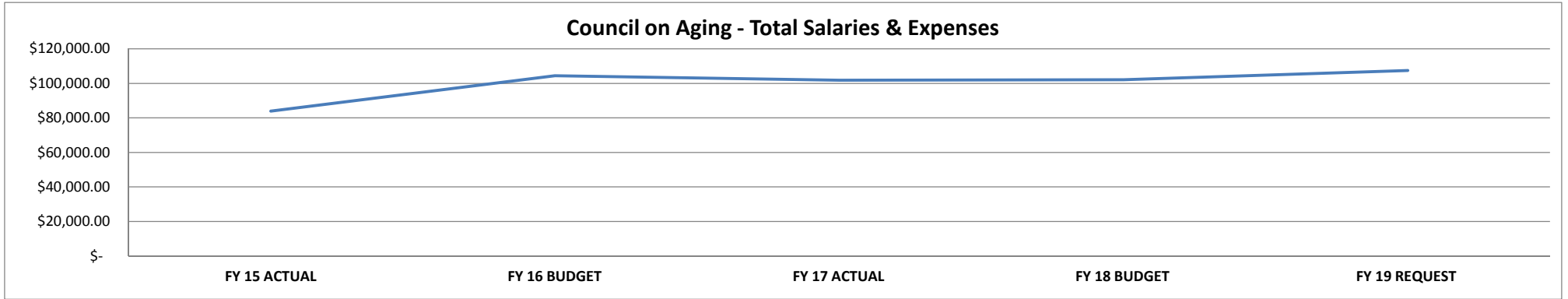
**FY 2019
DEPARTMENT REQUEST**

DEPARTMENT: COUNCIL ON AGING

DEPT. CODE: 541

ITEM#	ITEM	FY 15 ACTUAL	FY 16 BUDGET	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	COUNCIL ON AGING	\$ 64,970.24	\$ 75,535.00	\$ 73,927.09	\$ 81,886.00	\$ 87,108.00	\$ 5,222.00
							\$ -
	TOTAL	\$ 64,970.24	\$ 75,535.00	\$ 73,927.09	\$ 81,886.00	\$ 87,108.00	\$ 5,222.00
5200	EXPENSES:						
	COUNCIL ON AGING	\$ 18,963.57	\$ 28,874.00	\$ 27,892.30	\$ 20,274.00	\$ 20,274.00	\$ -
							\$ -
	TOTAL	\$ 18,963.57	\$ 28,874.00	\$ 27,892.30	\$ 20,274.00	\$ 20,274.00	\$ -
5800	CAPITAL:						
						\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -		\$ -	\$ -
	GRAND TOTAL	FY 15 ACTUAL	FY 16 BUDGET	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL COUNCIL ON AGING	\$ 83,933.81	\$ 104,409.00	\$ 101,819.39	\$ 102,160.00	\$ 107,382.00	\$ 5,222.00

FY 2019
DEPARTMENT REQUEST



Veterans Services

Please see the attached documents for more information on the Veterans Services department from the joint Veterans Services program.

Operating Budget Line Items			
	FY18	FY19	Increase
Maint- Office Equip	\$650.00	\$650.00	\$0.00
Prof & Legal Services	\$1,800.00	\$1,800.00	\$0.00
Telephone & Web	\$4,500.00	\$4,500.00	\$0.00
Office Supplies	\$1,600.00	\$1,600.00	\$0.00
Office Equip	\$2,600.00	\$2,600.00	\$0.00
Postage	\$500.00	\$550.00	\$50.00
Payroll processing	\$1,000.00	\$1,000.00	\$0.00
Accounting Software	\$500.00	\$540.00	\$40.00
Technology- Network	\$200.00	\$200.00	\$0.00
Travel Expenses	\$3,000.00	\$3,000.00	\$0.00
Dues & Subscriptions	\$250.00	\$250.00	\$0.00
Meetings	\$1,900.00	\$2,800.00	\$900.00
Rent	\$10,040.00	\$10,040.00	\$0.00
ERRS	\$32,117.00	\$30,636.00	-\$1,481.00
Insurances	\$2,500.00	\$2,500.00	\$0.00
Health & Life Ins	\$19,000.00	\$26,500.00	\$7,500.00
Life Insurance	\$0.00	\$425.00	\$425.00
Retiree Health Ins	\$3,200.00	\$4,500.00	\$1,300.00
Retiree Life Ins	\$0.00	\$350.00	\$350.00
Medicare Paym't	\$2,000.00	\$2,000.00	\$0.00
Director	\$79,037.05	\$81,408.16	\$2,371.11
Asst to Director	\$52,020.00	\$53,580.60	\$1,560.60
Temp Salary	\$3,000.00	\$3,000.00	\$0.00
Treasurer	\$3,200.00	\$3,200.00	\$0.00
	\$224,614.05	\$237,629.76	\$13,015.71
		Insurance	Mandatory Increases
		Health Insurance- Employee	\$7,500.00
		Health Insurance- Retiree	\$1,300.00
		Life Insurance Employee	\$425.00
		Life Insurance Retiree	\$350.00
			\$9,575.00
		Other than insurance Budget increase	\$3,440.71
Other than insurance increase by town			
Essex	\$224.26		
Georgetown	\$519.29		
Hamilton	\$508.13		
Ipswich	\$836.56		
Newbury	\$399.38		
Rowley	\$379.89		
Wenham	\$308.51		
West Newbury	\$264.70		
	\$3,440.71		

ADMINISTRATIVE BUDGET APPROVAL
FY 2018 – 2019

This FY 2017-18 Administrative Budget for the Eastern Essex District Department of Veterans' Services has been reviewed in a posted, public meeting and agreed upon by the members of the Board of Directors' representatives of each community making up the Eastern District. The signed budget document represents the approval of line item expenditures as shown. The assessments for each Town are as Follows for **FY 2018 – 2019**

IPSWICH	24.3%	\$57,776.10
HAMILTON	14.8%	\$35,093.91
WENHAM	9.0%	\$21,306.87
ESSEX	6.5%	\$15,488.21
ROWLEY	11.1%	\$26,236.86
GEORGETOWN	15.1%	\$35,864.09
WEST NEWBURY	7.7%	\$18,281.17
NEWBURY	<u>11.6%</u>	<u>\$27,582.55</u>
TOTAL	100 %	\$237,629.76

Assessments to the eight (8) member towns have been predicated on the conscientious and accurate forecasts of needed revenue to meet the anticipated expenditures for Fiscal Year 2018-2019. (July 1, 2018 through June 30, 2019)

Approved and signed Thursday 1st day of March 2018

John A. Clemenzi Chairman, Board of Directors---Town of Wenham

Jeff Hubbard Selectman----Town of Hamilton

Douglas Dawcs Selectman----Town of Georgetown

Linda Alexson Selectman----Town of Ipswich

Robert Snow Selectman----Town of Rowley

David Doane Selectman----Town of Essex

Robert Janes Representative----Town of West Newbury

Charles Bear Selectman--Newbury

Acknowledged by Karen Tyler, Director



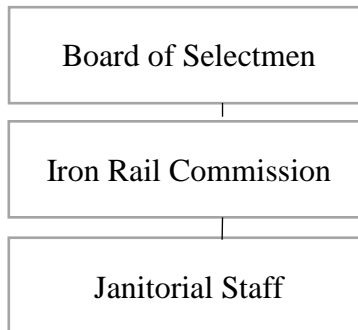
Culture and Recreation



Iron Rail Commission Mission Statement

The Iron Rail Commission oversees and helps facilitate operations at the town-owned property at 91 Grapevine Road. Space is provided for DPW operations, Boy Scouts, passive walking and biking trails, as well as the Iron Rail Cemetery. Field space for soccer and building rentals to various private sector vendors provide the Town with income. Swamp land and open space on the property benefit wildlife, the regional water supply, and avoid development that would be detrimental to those resources.

Organizational Chart



CY2017 Initiatives and Accomplishments

- Renewed all 3 major tenant leases.
- Maintaining 100% occupancy - LaPlante Healing Arts moved into a recently vacated space during the summer
- Final Planning under way for the new sign at the front entrance on Grapevine Road. Anticipated completion date is Spring 2018.
- Additional tree and bush trimming completed this fall (thanks to Iron Tree Service).
- Additional progress made on the Albie Dodge Memorial. Completion anticipated in the Spring of 2018.

CY2018 Goals and Initiatives

- Continue maintenance and cleanup projects. Complete the installation of the entrance sign.
- Renew the remaining tenant leases.
- Begin planning for repaving and replacement of the roof on the main building.

Significant Budget Changes or Initiatives

The salary reflects a \$129 decrease from FY18 to FY19. The expenses are level funded from FY18 to FY19. There was a Separate Capital Request for \$25,000 from Rental Revolving Fund (outside of Operating Budget) to cover priority capital needs: roof replacement (including gutter and fascia replacement/repair) \$150,000; road widening and parking lot paving \$70,000; and septic design and replacement \$15,000.

For the Rationale, our salary account shows a minor correction made to salary line to reflect current hourly rate; includes 2% COLA for part-time custodial position. The capital rationale shows that for the roof replacement, the existing roof is at the very end of its useful life and needs to be replaced before failure. Water is leaking behind the existing gutters and finding its way into the building. Sections of the existing fascia are rotted and need to be replaced. The entire fascia needs painting to prevent additional rot. For the road widening and parking lot paving, the existing road is very narrow, especially considering the truck and heavy machinery traffic that travels on it. Much of it is at the very end of its useful life. The parking lot behind the building needs to be paved in order for the property to be brought up to the same level as competing office/retail properties, as well as a safer surface in bad/winter weather. For the septic design and replacement, the existing septic system is at the very end of its useful life, with sections of the leaching field currently not working properly. These issues need to be remedied before they turn into emergency repairs with could potentially shut down the building.

There has been very little reinvestment into the Iron Rail property in the past several years and several key components of the property have reached the end of their useful life. Our goal is to stabilize the property and repair these items before they become emergencies and jeopardize the relationship with and the wellbeing of the tenants.

In order to fund these projects, we are proposing \$25,000 in rental income be directed to our capital reserve account which we will look to bond against for the projects listed above (10 years). This represents an increase of \$5,000 above what was eventually proposed and approved at Town Meeting for the first time for FY18. The 2.5% annual increase now included in the lease agreements for the three primary tenants will cover most of this one-time \$5,000 increase request in just one year.

Programs and Services

The mission of the Iron Rail Commission remains the same today as it did at the time the Iron Rail Property was first purchased by the Town in 1974:

- To maintain, repair and protect the property.
- To aggressively plan for rental, gymnasium and meadow use in order to create income, revitalize the land and encourage active use of the area for educational enjoyment by all townspeople.
- To work with other town groups in arranging for the orderly use of the land, including the layout of roads and the negotiating of locations for specific site use, safety and scheduling.

Personnel Chart

IRON RAIL COMMISSION			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Janitorial Staff	.19	.19	.19
Total Full-Time Equivalent	.19	.19	.19

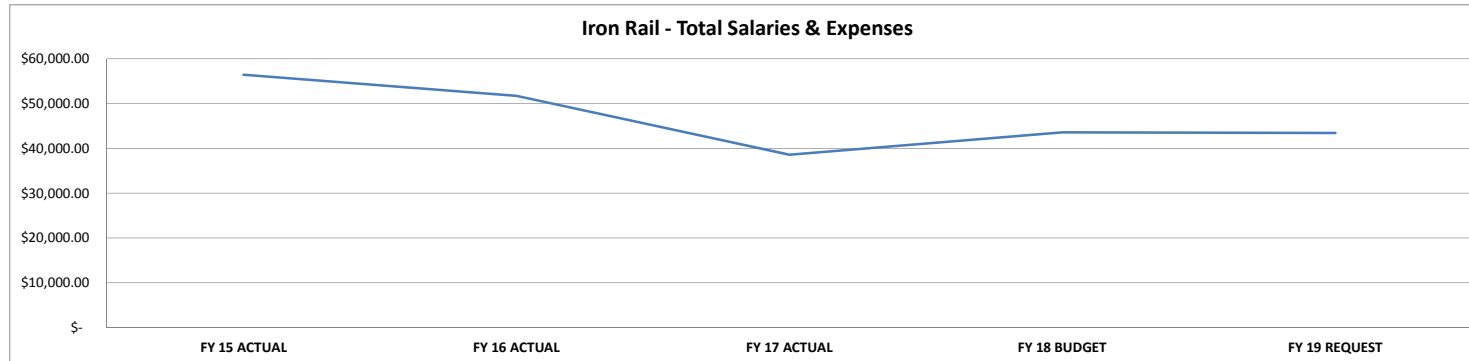
FY 2019 DEPARTMENT REQUEST

DEPARTMENT: IRON RAIL

DEPT. CODE: 199

ITEM#	ITEM	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
5100	SALARY & WAGES:						
	IRON RAIL	\$ 5,583.48	\$ 9,865.82	\$ 11,368.99	\$ 7,102.00	\$ 6,973.00	\$ (129.00)
							\$ -
	TOTAL	\$ 5,583.48	\$ 9,865.82	\$ 11,368.99	\$ 7,102.00	\$ 6,973.00	\$ (129.00)
5200	EXPENSES:						
	IRON RAIL	\$ 30,363.56	\$ 35,855.33	\$ 27,186.95	\$ 36,470.00	\$ 36,470.00	\$ -
							\$ -
	TOTAL	\$ 30,363.56	\$ 35,855.33	\$ 27,186.95	\$ 36,470.00	\$ 36,470.00	\$ -
5800	CAPITAL:						
	IRON RAIL	\$ 20,466.52	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
							\$ -
	TOTAL	\$ 20,466.52	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -

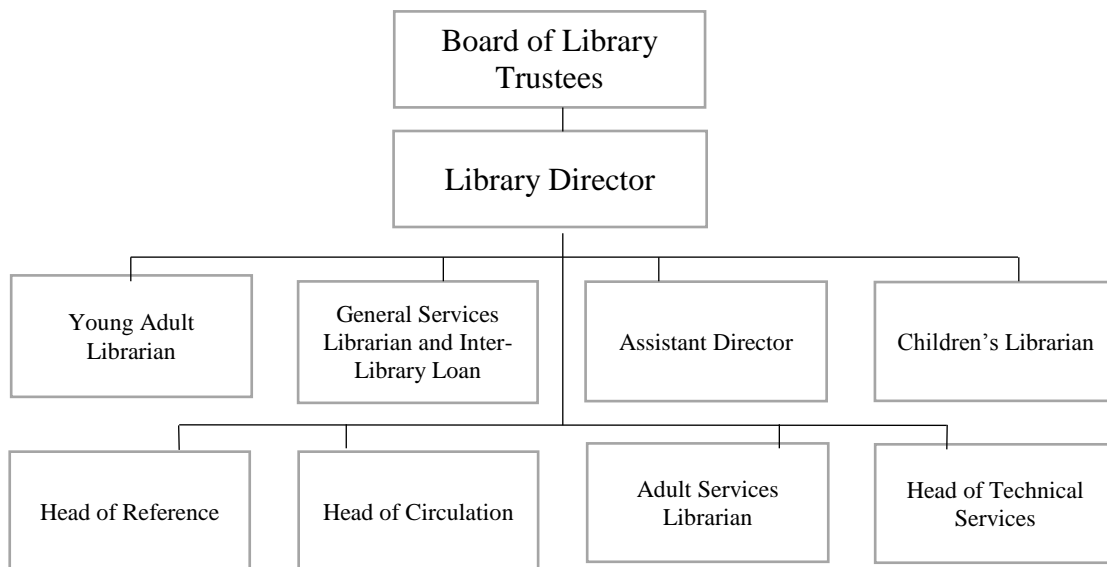
	GRAND TOTAL	FY 15 ACTUAL	FY 16 ACTUAL	FY 17 ACTUAL	FY 18 BUDGET	FY 19 REQUEST	INCREASE (DECREASE)
	TOTAL IRON RAIL	\$ 56,413.56	\$ 51,721.15	\$ 38,555.94	\$ 43,572.00	\$ 43,443.00	\$ (129.00)



Hamilton-Wenham Public Library

The Hamilton-Wenham Public Library is a publicly-funded institution dedicated to the common good by serving the informational, educational, cultural, and recreational needs of the community and encouraging its patrons in the lifelong pursuit of learning and personal growth. The library will be responsive to the needs of its diverse users, advocate and support the use of appropriate technology, build an excellent collection, commit itself to the highest ideals of library service and the principles of intellectual freedom, and provide a welcoming meeting place for the community.

Organizational Chart



CY2017 Accomplishments and Initiatives

- Adding an online subscription to The New York Times.
- Migrating successfully from Evergreen to our new Integrated Library System, Symphony.
- Improving access on the library's website to all our electronic resources.
- Responsibly removing from the library obsolete computer and technology equipment.
- Reorganizing and optimizing the space in the Young Adult area.
- Winning the State Teen Video Challenge for the second year in a row.
- Working with the Friends of the Library to maintain our pollinator gardens and successfully hatching more than 100 Monarch butterflies.
- Cleaning the carpeting in the entire library.
- Visiting classrooms and hosting school field trips.
- Leading a summer reading program with 1,037 children participating.

CY2018 Goals and Initiatives

- Increasing usage of library services through targeted outreach and expanding community and interdepartmental partnerships to promote literacy and education. A partial list of partners includes: Hamilton's Public Health Nurse and the North Shore Mother Visiting Partnership to provide board books and literacy materials for families with newborns, the Councils on Aging, the Hamilton-Wenham Regional School District and other area schools, the Wenham Museum, local businesses etc.

Significant Budget Changes or Initiatives

The All Full-Time Staff Salary Line items reflect annual step-increases and 2% COLA at \$15,966. Library Support Staff reflects annual step-increases and 2% COLA for part-time staff and COLA for library pages at \$4,433. The Library Books and Materials increases by 16% (per MGL. c.78. s. 19B library budget on library materials for the public) and the Technology also increases \$1,026. General Supplies and Office Supplies decrease by \$138.

For the Rationale, salary increases reflect 2% COLA and adherence to Wage Matrix implemented by both Hamilton and Wenham. Library Books and Materials increase reflects need to spend 16% of the library budget on library materials for the public per MGL. c.78. s. 19B. Technology increase reflects increase of MVLC (Merrimack Valley Library Consortium) membership fee. Decrease to match actuals of FY17.

The increase to salaries is necessary to adhere to the Wage Matrix. The increase to library books will keep us compliant with state mandates and ensure reciprocal borrowing privileges with Massachusetts libraries. The increase to MVLC is a standard annual formula-based increase.

The library continues to be fortunate to have support from The Friends of the Library. During the Friends' past fiscal year which ended on February 29, 2017, the group donated \$5,930 to fund the museum pass program, \$15,500 for library programs, and \$4,565 to fund capital and special projects not met by our budget.

Library State Aid Funds also fill many needs not provided for in the municipal budget including software licensing, information technology, furniture, staff development, and emergency building repairs. For example, we anticipate using State Aid funds to clean the carpet in the entire library in 2017.

Programs and Services

The library offers many services to the public, including:

- Circulation
- Library Cards
- Meeting Rooms
- Study Rooms
- Reference Info
- Interlibrary Loan
- Fax, Copiers, Computers, etc.

Personnel Chart

HAMILTON-WENHAM PUBLIC LIBRARY			
Personnel Summary			
Position	FY 2017 FTE	FY 2018 FTE	FY 2019 FTE
Director	1.0	1.0	1.0
Assistant Director	1.0	1.0	1.0
Young Adult Librarian	1.0	1.0	1.0
General Services Librarian and Inter- Library Loan	1.0	1.0	1.0
Head of Technical Services	1.0	1.0	1.0
Children's Librarian	1.0	1.0	1.0
Head of Reference	1.0	1.0	1.0
Head of Circulation	1.0	1.0	1.0
Adult Services Librarian	1.0	1.0	1.0
Total Full-Time Equivalent	9.0	9.0	9.0

FY 2019 BUDGET REQUEST

DEPARTMENT: Joint Library

DEPT. CODE: 620

SECTION I

(ITEMIZE IN SECTION 3, PUT TOTAL HERE)

BUDGET			FY 2019
ITEM#	DESCRIPTION		
5100	SALARIES & WAGES		
5100-0001	Director	86,801	
5100-0002	Head of Reference	53,818	
5100-0004	Young Adult Librarian	53,406	
5100-0005	Head of Childrens	54,859	
5100-0006	Head of Circulation	53,074	
5100-0007	Adult Services Librarian	52,576	
5100-0008	Head of Technical Services	59,766	
5100-0009	Assistant Director	60,418	
5100-0011	General Services Librarian	53,036	
5100-0010	SUPPORT STAFF	110,209	637,963
5200	EXPENSES		
5200-0001	Library Books	130,814	
5200-0002	Subscriptions & Periodicals	10,000	
5200-0003	Furniture & Equipment	0	
5200-0004	Technology (MVLC)	49,694	
5200-0005	General Supplies & Office Supplies	12,627	
5200-0006	Memberships, Conferences & Travel	916	
5200-0007	Programs	500	
5200-0008	Heat & Utilities	53,540	
5200-0009	Building & Grounds Maintenance	45,105	
5200-0010	Other Expense	0	303,196
5800	CAPITAL		0
GRAND TOTAL			941,159

PREPARED BY Jan Dempsey

DATE 9/14/2017

FY 2019 BUDGET DETAIL

DEPARTMENT: Joint Library					
DEPARTMENT CODE: 620					
SECTION III					
ITEM #	ITEM	FY17 ACTUAL	FY18 BUDGET	FY19 REQUESTED	\$ Increase / decrease FY19-FY18
5100	SALARIES				
5100-0001	Director (J.D.) (\$200 Longevity)	80,617	83,483	86,801	3,318
	Subtotal Administration	80,617	83,483	86,801	3,318
5100-0002	Head of Reference (S.L.) (\$100 Longevity)	49,936	51,743	53,818	2,075
5100-0004	Young Adult Librarian (KC) (\$200 Longevity)	49,557	51,327	53,406	2,079
5100-0005	Head of Childrens (L.D.) (\$200 Longevity)	50,967	52,748	54,859	2,111
5100-0006	Head of Circulation (A.D.) (\$100 Longevity)	48,951	51,015	53,074	2,059
5100-0007	Adult Services Librarian (R.S.) (\$100 Longevity)	48,557	50,518	52,576	2,058
5100-0008	Head of Tech. Services (\$400 longevity/N.D.)	57,483	58,615	59,766	1,151
5100-0009	Assistant Director (R.P.) (\$100 longevity)	55,909	58,056	60,418	2,362
5100-0011	General Services Librarian (K.D.) (100 Longevity)	49,219	50,965	53,036	2,071
	Subtotal Professional	410,580	424,987	440,953	15,966
5100-0010	Support Staff (Library Assistants and Shelves)	100,388	105,776	110,209	4,433
	Subtotal Support	100,388	105,776	110,209	4,433
	PLACEHOLDER FOR SALARY AND WAGE MATRIX INCREASE				0
	TOTAL SALARIES	591,585	614,246	637,963	23,717
5200	EXPENSES:				
5200-0001	Library Books including ebooks	85,801	89,000	89,000	0
	Audio Books, Music CDs, Other	8,683	11,814	12,814	1,000
	DVDs	14,023	16,000	15,000	-1,000
	Online Electronic Resources	16,622	11,000	14,000	3,000
	other	765			0
					0
					0
					0
					0
	Subtotal	125,894	127,814	130,814	3,000
5200-0002	Subscriptions & Periodicals				0
	Periodicals	7,210	8,400	8,400	0
	Newspapers	2,704	1,600	1,600	0
					0
					0
	Subtotal	9,914	10,000	10,000	0
5200-0003	Furniture & Equipment				0
	Computer desks				0
	2 Scanners				0
	Shelves				0
					0
	Subtotal	0	0	0	0
5200-0004	Technology			Estimate	
	Merrimack Valley Lib. Consortium	46,404	48,668	49,694	1,026
	Computer components & service		0	0	0
	Subtotal	46,404	48,668	49,694	1,026

FY 2019 BUDGET DETAIL

DEPARTMENT: Joint Library					
DEPARTMENT CODE: 620					
SECTION III					
ITEM #	ITEM	FY17 ACTUAL	FY18 BUDGET	FY19 REQUESTED	\$ Increase / decrease FY19-FY18
5200-0005	General Supplies & Office Supplies				0
	Paper supplies	5,214	5,600	5,227	-373
	Circulation & book supplies	5,061	5,613	5,061	-552
	Misc (rubber stamps, water, etc.)	639	300	639	339
	Postage	1,700	1,252	1,700	448
	Subtotal	12,614	12,765	12,627	-138
5200-0006	Memberships, Conferences & Travel				0
	American Library Assoc conf.				0
	ALA institutional membership	473	470	470	0
	Mass. Lib Assoc. conference				0
	MLTA (Trustee Assoc)				0
	Meeting/conf./workshop attendance	443	446	446	0
					0
	Subtotal	916	916	916	0
5200-0007	Programs				0
	Childrens programs	250	250	250	0
	Adult Programs	250	250	250	0
					0
					0
	Subtotal	500	500	500	0
5200-0008	Heat & Utilities				0
	Electric	38,724	37,110	38,588	1,478
	Gas	12,540	12,770	12,540	-230
	Phones	1,430	2,807	1,430	-1,377
	Water	901	773	900	127
	Misc	81	80	82	2
					0
	Subtotal	53,676	53,540	53,540	0
5200-0009	Building & Grounds Maintenance				0
	IT Support		0	8,970	8,970
	HVAC maintenance	5,120	6,743	1,743	-5,000
	Elevator maintenance	1,510	1,972	1,520	-452
	Aquarium	1,614	500	500	0
	Landscaping	27	190	30	-160
	Repairs (Drains, locks,etc.)	5,653	5,000	4,500	-500
	Tests (alarms, water, elev. Insp)	1,504	1,000	1,504	504
	Cleaning Services and carpet cleaning	20,800	22,080	21,930	-150
	Septic	450	450	450	0
	Supplies	4,458	3,200	3,958	758
	Subtotal	41,136	41,135	45,105	3,970
5200-0010	Other Expense	0			0
					0
					0
					0
	Subtotal	0	0	0	0
	TOTAL EXPENSE	291,054	295,338	303,196	7,858
	TOTAL OPERATING BUDGET	882,639	909,584	941,159	31,575
5800	CAPITAL				
	Phone System Upgrade	0	0	0	0
					0
	TOTAL CAPITAL	0	0	0	0
	TOTAL BUDGET	882,639	909,584	941,159	31,575

Hamilton-Wenham Recreation Department

Budget documentation for the Hamilton-Wenham Recreation Department for FY 2019 from the Town of Hamilton. Please see the attached document for more information on the joint agreement between the Towns of Hamilton and Wenham on the Recreation Department.

RECREATION DEPARTMENT	Actual					Budget	
	FY13	FY14	FY15	FY16	FY17	FY18	FY19 (draft)
PERSONNEL							
<i>Wages & Salaries</i>							
PERMANENT WAGES (2.0 FTE)	\$ 70,947.58	\$ 70,460.51	\$ 82,937.33	\$ 80,894.13	\$ 88,402.76	\$ 99,900.40	\$ 125,930.10
LONGEVITY/STIPEND/DIFFERENTIAL							
<i>Benefits & Taxes</i>							
HEALTH INSURANCE	\$ 32,865.00	\$ 24,720.81	\$ 27,306.34	\$ 29,354.33	\$ 20,284.89	\$ 29,208.93	\$ 30,466.73
LIFE INSURANCE	\$ 97.00	\$ 283.50	\$ 507.60	\$ 507.60	\$ 576.45	\$ 599.40	\$ 441.05
MEDICARE	\$ 1,028.73	\$ 1,021.68	\$ 1,172.96	\$ 1,172.96	\$ 1,281.84	\$ 1,448.56	\$ 1,825.99
TOTAL PERSONNEL	\$ 104,938.31	\$ 96,486.50	\$ 111,924.24	\$ 111,929.03	\$ 110,545.94	\$ 131,157.29	\$ 158,663.87
EXPENDITURES:							
<i>Service Expense</i>							
UTILITIES/FUEL CHARGES	\$ 8,633.79	\$ 7,746.53	\$ 7,372.34	\$ 6,747.79	\$ 7,794.99	\$ 7,575.00	\$ 7,650.00
REPAIR & MTC BLDG/GROUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00
RENTAL & LEASE OFFICE EQUIP	\$ 1,634.64	\$ 1,350.84	\$ 1,350.84	\$ 1,350.84	\$ -	\$ 1,380.00	\$ 1,000.00
CUSTODIAL SERVICE	\$ 6,759.96	\$ 6,759.96	\$ 6,759.96	\$ 6,759.96	\$ 6,759.96	\$ 6,800.00	\$ 6,800.00
PROFESSIONAL EMPLOYEE TRAINING	\$ 420.64	\$ 550.10	\$ 710.00	\$ 765.00	\$ 450.00	\$ 700.00	\$ 850.00
CONSULTATIVE SERVICES	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MIS&SOFTWARE SERVICES	\$ 789.00	\$ 1,319.00	\$ 2,040.00	\$ -	\$ -	\$ -	\$ -
VOICE DATA & VIDEO	\$ 378.99	\$ 732.30	\$ 486.50	\$ 680.42	\$ 679.75	\$ 685.00	\$ 685.00
IN STATE TRAVEL	\$ -	\$ 230.10	\$ 491.60	\$ 500.00	\$ 329.62	\$ 630.00	\$ 880.00
DUES BOOKS SUBSCRIPTION	\$ -	\$ 710.00	\$ 540.00	\$ 575.00	\$ 625.00	\$ 450.00	\$ 540.00
<i>Supplies Expense</i>							
OFFICE SUPPLIES	\$ 424.95	\$ 904.40	\$ 335.09	\$ 361.63	\$ 528.12	\$ 600.00	\$ 600.00
CUSTODIAL SUPPLIES	\$ 450.67	\$ 463.41	\$ 1,045.73	\$ 1,156.72	\$ 978.92	\$ 1,100.00	\$ 1,100.00
TOTAL EXPENDITURES	\$ 24,492.64	\$ 20,766.64	\$ 21,132.06	\$ 18,897.36	\$ 18,146.36	\$ 19,920.00	\$ 26,105.00
TOTAL OPERATING COSTS	\$ 129,430.95	\$ 117,253.14	\$ 133,056.30	\$ 130,826.39	\$ 128,692.30	\$ 151,077.29	\$ 184,768.87

Joint Recreation Assessment and Allocation FY19

Hamilton	Wenham
65.61%	34.39%

Assessment Allocation

		Hamilton	Wenham
Operating Costs FY19	\$ 184,768.87	\$ 121,226.85	\$ 63,542.01
Administrative Fee -10%			\$ 6,354.20
Workers Compensation	\$ 3,969.00	\$ 2,604.06	\$ 1,364.94
Retirement	\$ 31,959.61	\$ 20,968.70	\$ 10,990.91

Department Allocation

2019 Pension Eligible Wages	\$ 125,930.10		
2019 Total Pension Eligible Wages	\$ 3,631,560.00		
Pro- Rated Share	3%		
FY19 Essex County Retirement- <i>discounted</i>	\$ 921,648.00		
Total	\$ 31,959.61		
Property & Casualty	\$ 1,223.00	\$ 802.41	\$ 420.59
Total Assessment		\$ 145,602.02	\$ 82,672.65

Quarterly Payment

\$ 20,668.16

FY19 Insurance Costs

Health

Active Employees

Kiely (ind) \$ 7,665.39
Timmons (fam) \$ 20,124.54

Retirees

Whitesell (ind) - Medex \$ 2,676.80
Brown - Future Obligation -
Timpani -Participating on Spousal Plan -

Total \$ 30,466.73

Life

Active Employees

Timmons (fam) \$ 222.75

Retirees

Whitesell (ind) - Medex \$ 218.30
Timpani -Participating on Spousal Plan (cancelled in FY18) \$ -

Total \$ 441.05

RECREATION DEPARTMENT	Actual					Budget		Variance	
	FY13	FY14	FY15	FY16	FY17	FY18	FY19 (draft)	\$	%
PERSONNEL									
<i>Wages & Salaries</i>									
PERMANENT WAGES (1.5 FTE)	\$ 70,947.58	\$ 70,460.51	\$ 82,937.33	\$ 80,894.13	\$ 88,402.76	\$ 99,900.40	\$ 103,941.00	\$ 4,040.60	4.0%
LONGEVITY/STIPEND/DIFFERENTIAL									
<i>Benefits & Taxes</i>									
HEALTH INSURANCE	\$ 32,865.00	\$ 24,720.81	\$ 27,306.34	\$ 29,354.33	\$ 20,284.89	\$ 29,208.93	\$ 30,466.73	\$ 1,257.80	4.3%
LIFE INSURANCE	\$ 97.00	\$ 283.50	\$ 507.60	\$ 507.60	\$ 576.45	\$ 599.40	\$ 441.05	\$ (158.35)	-26.4%
MEDICARE	\$ 1,028.73	\$ 1,021.68	\$ 1,172.96	\$ 1,172.96	\$ 1,281.84	\$ 1,448.56	\$ 1,507.14	\$ 58.59	4.0%
TOTAL PERSONNEL	\$ 104,938.31	\$ 96,486.50	\$ 111,924.24	\$ 111,929.03	\$ 110,545.94	\$ 131,157.29	\$ 136,355.92	\$ 5,198.64	4.0%
EXPENDITURES:									
<i>Service Expense</i>									
UTILITIES/FUEL CHARGES	\$ 8,633.79	\$ 7,746.53	\$ 7,372.34	\$ 6,747.79	\$ 7,794.99	\$ 7,575.00	\$ 7,650.00	\$ 75.00	1.0%
REPAIR & MTC BLDG/GROUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	0.0%
RENTAL & LEASE OFFICE EQUIP	\$ 1,634.64	\$ 1,350.84	\$ 1,350.84	\$ 1,350.84	\$ -	\$ 1,380.00	\$ 1,000.00	\$ (380.00)	-27.5%
CUSTODIAL SERVICE	\$ 6,759.96	\$ 6,759.96	\$ 6,759.96	\$ 6,759.96	\$ 6,759.96	\$ 6,800.00	\$ 6,800.00	\$ -	
PROFESSIONAL EMPLOYEE TRAINING	\$ 420.64	\$ 550.10	\$ 710.00	\$ 765.00	\$ 450.00	\$ 700.00	\$ 850.00	\$ 150.00	21.4%
CONSULTATIVE SERVICES	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
MIS&SOFTWARE SERVICES	\$ 789.00	\$ 1,319.00	\$ 2,040.00	\$ -	\$ -	\$ -	\$ -	\$ -	
VOICE DATA & VIDEO	\$ 378.99	\$ 732.30	\$ 486.50	\$ 680.42	\$ 679.75	\$ 685.00	\$ 685.00	\$ -	
IN STATE TRAVEL	\$ -	\$ 230.10	\$ 491.60	\$ 500.00	\$ 329.62	\$ 630.00	\$ 880.00	\$ 250.00	39.7%
DUES BOOKS SUBSCRIPTION	\$ -	\$ 710.00	\$ 540.00	\$ 575.00	\$ 625.00	\$ 450.00	\$ 540.00	\$ 90.00	20.0%
<i>Supplies Expense</i>									
OFFICE SUPPLIES	\$ 424.95	\$ 904.40	\$ 335.09	\$ 361.63	\$ 528.12	\$ 600.00	\$ 600.00	\$ -	
CUSTODIAL SUPPLIES	\$ 450.67	\$ 463.41	\$ 1,045.73	\$ 1,156.72	\$ 978.92	\$ 1,100.00	\$ 1,100.00	\$ -	
TOTAL EXPENDITURES	\$ 24,492.64	\$ 20,766.64	\$ 21,132.06	\$ 18,897.36	\$ 18,146.36	\$ 19,920.00	\$ 26,105.00	\$ 6,185.00	31.0%
TOTAL OPERATING COSTS	\$ 129,430.95	\$ 117,253.14	\$ 133,056.30	\$ 130,826.39	\$ 128,692.30	\$ 151,077.29	\$ 162,460.92	\$ 11,383.64	7.5%

Joint Recreation Assessment and Allocation FY19

	Hamilton	Wenham
Assessment Allocation	65.61%	34.39%
Operating Costs FY19	\$ 162,460.92	\$ 106,590.61
Administrative Fee -10%		\$ 5,587.03
Workers Compensation	\$ 3,969.00	\$ 2,604.06
Retirement	\$ 26,379.03	\$ 9,071.75
Department Allocation		
2019 Pension Eligible Wages	\$ 103,941.00	
2019 Total Pension Eligible Wages	\$ 3,631,560.00	
Pro- Rated Share		3%
FY19 Essex County Retirement- <i>discounted</i>	\$ 921,648.00	
Total	\$ 26,379.03	
Property & Casualty	\$ 1,223.00	\$ 802.41
Total Assessment	\$ 127,304.36	\$ 72,314.62

Quarterly Payment

\$ 18,078.65

FY19 Insurance Costs

Health

Active Employees

Kiely (ind) \$ 7,665.39

Timmons (fam) \$ 20,124.54

Retirees

Whitesell (ind) - Medex \$ 2,676.80

Brown - Future Obligation -

Timpani -Participating on Spousal Plan -

Total \$ 30,466.73

Life

Active Employees

Timmons (fam) \$ 222.75

Retirees

Whitesell (ind) - Medex \$ 218.30

Timpani -Participating on Spousal Plan (cancelled in FY18) \$ -

Total \$ 441.05

Assessed Valuation

	Town of Hamilton	Town of Wenham	
FY2016	1,434,911,406	789,556,796	
FY2017	1,496,864,388	782,524,552	
FY2018	1,578,350,094	792,256,064	
	4,510,125,888	2,364,337,412	6,874,463,300
	65.61%	34.39%	

HAMILTON WENHAM
JOINT RECREATION AGREEMENT

Agreement made as of July 1, 1995, by and between the Town of Hamilton, Massachusetts ("Hamilton") and the Town of Wenham, Massachusetts ("Wenham") as the basis for shared provision, operation and maintenance of a joint recreation program for citizens of both towns (the "Joint Program"). The Joint Program is intended to supplement and in part replace separate recreation programs heretofore operated by the Hamilton Recreation Committee and the Wenham Parks & Recreation Commission with activities jointly provided by both Towns under the management and direction of a Hamilton-Wenham Joint Recreation Committee (the "Committee").

1. Mission: The Joint Program shall consist of courses, events and activities determined by the Committee as appropriate to serve the recreation needs of both Towns, in conformity with the attached Schedule as it may be amended from time to time by the Committee subject to the prior approval of the Boards of Selectmen of both Towns. Residents of Hamilton and Wenham shall be eligible to participate in Joint Program activities on an equal basis, without access or cost discrimination on the basis of town of residence.

2. Hamilton Wenham Joint Recreation Committee: The management and direction of the Joint Program shall be provided by the Committee created as provided in this Agreement. The Committee shall have the authority to determine and operate the Program, subject to the approval of the Boards of Selectmen of Hamilton and Wenham.

The Committee shall consist of seven (7) members appointed as follows: three (3) by the Board of Selectmen of Hamilton, at least two (2) of whom shall be current members of the Hamilton Recreation Committee, three (3) by the Board of Selectmen of Wenham, at least two (2) of whom shall be current members of the Wenham Parks & Recreation Commission, and one (1) who shall be the Director of the Joint Recreation Program appointed as provided in Section 4. Each of the members shall have one vote except the Director, who shall be a non-voting member. The Committee shall elect a Chairperson from among its voting members.

The Committee shall meet regularly as required but not less often,

than quarterly. Meetings may be called by the Chair, or at the request of any member through the Chair. The committee shall keep minutes of its meetings, and operate as a governmental body in accordance with the requirements of the Open Meeting Law.

3. Recreation Center: Hamilton shall provide and make available for the use (exclusive after July 31, 1996, upon expiration of existing lease commitments) of the Joint Program the facility space of the Hamilton Recreation Center building located at 14 Union Street, Hamilton. The facility shall be managed by the Town of Hamilton during the initial year of the Agreement. All dedicated or prorata maintenance and capital improvement or repair costs of the facility shall be treated as Joint Program Costs as provided in this Agreement. Any utility services not provided and separately billed directly to the Joint Program shall be provided to the facility by Hamilton, and the prorata share of such costs for services so provided and approved by the Committee shall be treated as Joint Program Costs.

4. Personnel: All employed staff of the Joint Program, including the Director, shall be employees of the Town of Hamilton, which shall be responsible for all employment relations obligations. The Hamilton Board of Selectmen shall make all employment decisions, giving due consideration to recommendations from the Committee and other provisions of this Section 4. Candidates for the position of Director of the Joint Program shall be interviewed jointly by the Hamilton Board of Selectmen and the Committee Chair. Candidates for staff positions other than Director shall be interviewed by the Chair of the Committee. In addition to Committee recommendation, any person hired by the Hamilton Board of Selectmen as Director must also have the approval of the Chairperson of the Wenham Board of Selectmen. As Hamilton employees, the Joint Program staff shall be governed by Hamilton's Personnel By-laws and other employment practices pertaining to hire, probation, benefits, performance, compensation and termination. The direct cost of employment incurred by Hamilton with respect to the Joint Program staff shall be Joint Program Costs.

5. Joint Program Costs: All direct or allocated indirect costs of operating the Joint Program, including without limitation, Center facility maintenance and capital improvements, utilities and services staff employment, equipment and supplies, shall be Joint Program Costs

to be shared by the Towns as provided in this Agreement. Any revenues and proceeds received from Joint Program participant fees, grants and other sources shall be applied to offset Joint Program Costs prior to allocation among the Towns.

*use of
revenues*

The Committee will prepare an annual budget for Joint Program Costs and submit the same to the Finance and Advisory Committees of Hamilton and Wenham so that the respective shares of each Town can be raised and appropriated. Hamilton will fund the entire Joint Program Costs budget on a working capital basis, subject to reimbursement by Wenham for Wenham's share as provided in the next section.

6. Apportionment: Joint Program Costs will be apportioned annually to the member Towns on the basis of the total of Each Town's assessed valuation used for computing its tax rates for the three (3) fiscal years preceding the beginning of the fiscal year for which the apportionment is determined. Each member Town's share for each fiscal year shall be determined by computing to the nearest one hundredth of one percent the ratio which the total of the assessed valuations used for purposes of computing the Town's tax rates for the three (3) fiscal years preceding the fiscal year for which the apportionment is determined bears to the aggregate total of the three assessed valuations so determined for all member Towns.

Since Hamilton will fund all Joint Program Costs on a current basis, Wenham will reimburse Hamilton for (i) its share of Joint Program Costs determined under the foregoing formula, plus (ii) an administrative fee to recognize the administrative costs assumed by Hamilton under this Agreement, which shall be ten percent (10%) of Wenham's share of the Joint Program costs under (i). Payment by Wenham shall be made in equal monthly installments based on the annual Joint Program budget approved by the Towns, with any reconciliation to actual expenditures to be made in the last month of each fiscal year of the Joint Program. With respect to F/Y 96, Wenham's reimbursement obligation shall be \$20,500 including the administrative fee for that year.

7. Term and Termination: This Agreement shall have an initial term of one year from July 1, 1995 through June 30, 1996, and shall

continue in effect automatically from year to year thereafter provided that on or before March 31, 1996, the Towns shall agree upon and execute an amendment to this Agreement to be effective July 1, 1996, which shall provide for: (i) Wenham to make a one time payment in a specified amount to Hamilton in consideration of the "as is" dedication of the facility to the Joint Program (This payment shall not be a Joint Program Cost), (ii) management of the Recreation Center after June 30, 1996, (iii) a Joint Program budget development and approval procedure setting forth the responsibilities of the Committee and the Finance and Advisory Committees of the Towns, and (iv) disposition upon termination of this Agreement of the Towns' respective investments in the Center and any equipment purchased during the term of this Agreement. In the event both Towns have not executed such an amendment prior to *March 31, 1996*, this Agreement shall automatically terminate on *June 30, 1996*. Thereafter, this Agreement may be terminated by either Town effective upon the last day of any fiscal year by notice given by the Board of Selectmen from the terminating Town to the other Town given not less than six (6) months prior to the effective date. *Failure of a Town to give timely notice of termination shall obligate the Town to pay its share of budgeted Joint Program Costs for the next fiscal year notwithstanding any subsequent appropriation decisions by the Town.*

Hamilton Board of Selectmen

Wenham Board of Selectmen

Margaret J. Stearns
Robert A. Neill
[Signature]

Donald Foster
John L. Young
Jan D. C. 17



TOWN OF HAMILTON
BOARD OF SELECTMEN
HAMILTON, MA
01936

508-468-5570

3/29/96

March 29, 1996

Hamilton/Wenham Joint Recreation Agreement

Gentlemen:

By this letter, the Hamilton Board of Selectmen would like to confirm the understandings between our Towns with respect to the items in Clauses i-iv of Section 7 of the Hamilton/Wenham Joint Recreation Agreement. For your easy reference, I have attached to this letter a copy of the Agreement.

Section 7 calls for our Boards, on behalf of our respective Towns, to agree to certain amendments to the Agreement on or before March 31, 1996 in order for the Agreement to continue to be effective after July 1, 1996. The items call for agreement on a series of subjects including our arrangements concerning the existing recreation facility, the management of the facility, joint budgeting for the recreation program, and termination of these arrangements, were that to occur sometime hereafter.

Given our discussions to date, we believe that there is agreement between Hamilton and Wenham pursuant to which the Town of Hamilton would make available a portion of the building known as the "former Jr. High" for use as a Hamilton/Wenham recreation center. Although the specific demising boundaries of the space are still under discussion with the regional library study group, we understand those limits to be approximately those existing today between the recreation facility and the portion of the building rented to Kids' Connection. We appreciate that there may be adjustments to the division based on discussion between the Towns concerning the proposed regional library.

→ We propose, on behalf of the Town of Hamilton, to enter into a lease with the Joint Recreation Board for the use of the space in the recreation center for the Joint Recreation Program. The lease would begin July 1, 1996 and would call for an annual rent of \$12,500 apportioned between Hamilton and Wenham in accordance with assessed valuation set forth in the Agreement. The rent would be subject to adjustment for changes to the Cost of Living Index for the City of Boston annually. The lease would extend until the earlier to occur of the termination of our Joint Recreation Program between Hamilton and Wenham or the passage of fifty (50) years. Implicit in this lease term is the understanding that the use will remain unchanged and be dedicated only to our Joint Recreation Program.

REC.
CENTER
RENT

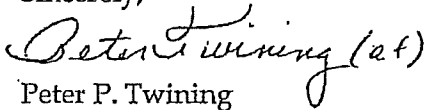
The management of the center and the Joint Recreation Program will be the responsibility of the Hamilton-Wenham Joint Recreation Committee as set forth and constituted in the Agreement. All costs for the program will be apportioned in accordance with the Agreement. We look forward to developing, with the help of the Finance Committees in both communities, budget approval procedures agreeable to all involved. Although no one anticipates termination of our joint recreation arrangement,

if that were to occur, the recreation facility would revert to the Town of Hamilton and equitable division of the equipment and supplies of the program would be made between the communities.

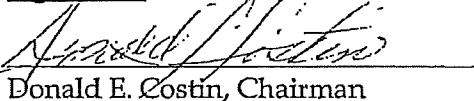
We are enthusiastic about the prospects for our joint recreation program. The hiring of a new Director offers an occasion for the Joint Recreation Committee to chart its course and to make plans for the future with the staff of its selection. We hope you feel the same enthusiasm for this endeavor.

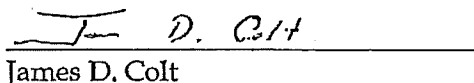
If this letter properly sets forth the agreements between our communities would you please execute the Agreement below on behalf of the Wenham Board of Selectmen and return it to me for execution by the Hamilton Board of Selectmen. I note that time is short. The Agreement calls for this letter agreement modifying the Agreement to be executed by both communities no later than March 31, 1996. If you have any questions, please call me.

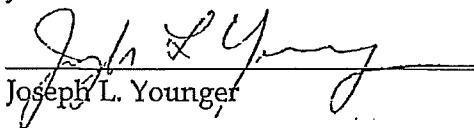
Sincerely,


Peter P. Twining

Agreed to: WENHAM BOARD OF SELECTMEN


Donald E. Costin, Chairman

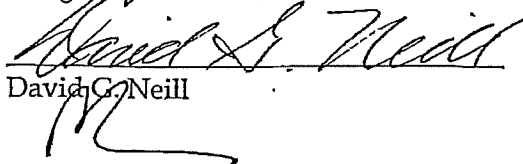

James D. Colt


Joseph L. Younger

Date: March 29, 1996

Agreed to: HAMILTON BOARD OF SELECTMEN


Margaret L. Stedman, Chairman


David G. Neill

Peter P. Twining

Date: March 30, 1996

VETERANS' POOL

FY19 BUDGETS

Total General Fund (excluding Schools)	11,982,368	(Includes Recreation Dept)
Total Recreation Revolving Fund	215,000	
Total Pool Revolving Fund	71,000	
Recreation Department (excluding general insurance, worker's compensation, pension, health & life insurance and medicare)	152,035	
Percentage share ratio (Pool expenses/Total General Fund and Recreation Revolving Fund expenses)	0.6%	(1)

Application for Indirect Personnel Expense (2.a)

	Salaries	Medicare (.0145)	Health Ins (10% incr)	
264,323	\$ 220,871	\$ 3,203	\$ 40,249	Finance Department
242,994	\$ 199,848	\$ 2,898	\$ 40,249	Town Manager & Assist to the Town Manager
\$ 507,317	Total Personnel Expense			

Application for Indirect Operating Expense (2.b)

3,500	Banking Services
25,000	Billing & Collections
1,000	Professional Training
\$ 29,500	Total Treasurer
35,541	Financial Software Licensing Agreement
7,200	Town website
8,852	Voice/Video/Data
35,374	IT Support
44,500	Audit
-	GASB45 (OPEB) update
\$ 131,466	Total Finance
18,225	Voice/Video/Data
7,090	Leased Office Equipment
20,000	Office Supplies for Town Hall
\$ 45,315	Total Town Manager
36,000	Annual Retainer
\$ 36,000	Total Town Counsel
\$ 242,281	Total Operating Expense
\$ 749,598	TOTAL PERSONNEL/OPERATING (3)
\$ 4,363	Total Personnel & Operating multiplied by % share ratio (4)
\$ 1,446	Wenham Apportioned share of the Pool

Town's Net Population

	Town of Hamilton	Town of Wenham	
As of June 1, 2017	7,485	3,711	11,196
	66.85%	33.15%	
	2,916.90	1,446.45	4,363.36

HAMILTON WENHAM
JOINT AGREEMENT FOR VETERANS' POOL

This Agreement dated April 1, 2015, by and between the Town of Hamilton, Massachusetts ("Hamilton") and the Town of Wenham, Massachusetts ("Wenham") is the basis for shared costs for the construction, final design, operation, maintenance and future capital of the Veterans' Pool at Patton Park, Hamilton (the "Pool"). Since 1995, the Pool has been used for the summer park and recreation program offered by the Hamilton-Wenham Joint Recreation Committee (the "Committee"). Hamilton and Wenham agree to continue the Pool program under the auspices of the Committee and for the benefit of both Towns' residents under the terms set forth herein, pursuant to G.L. c. 40, § 4A.

1. Mission: The Recreation Director in consultation with the Committee will schedule programs and services at the Pool as appropriate to serve the recreation needs of both Towns.
2. Residents of Hamilton and Wenham shall be eligible to participate in Pool activities on an equal basis, without access or cost discrimination on the basis of town of residence, for so long as the two Towns share costs pursuant to this Agreement.
3. Management of the Pool: The management of the Pool shall be provided by the Town of Hamilton in consultation with the Committee. The Pool shall be dedicated to the use of programs sponsored or managed by the Recreation Director in consultation with the Committee.
4. All operational, maintenance, capital improvement, or repair costs of the Pool and accessory structures (i.e., bathrooms, parking lot, equipment or storage shed, lights) shall be shared by the Towns as provided in this Agreement. Any utility costs not provided and separately billed directly to the Pool or its accessory structures shall be provided to the facility by Hamilton, and the *pro rata* share of such costs shall be treated as costs to be shared by the Towns as provided in this Agreement.
5. Personnel: All employed staff of the Pool, including part-time and seasonal, shall be employees of the Town of Hamilton, which shall be responsible for all employment relations obligations. As Hamilton employees, the Pool staff shall be governed by Hamilton's Personnel Policies and other employment practices pertaining to hire, probation, benefits, performance, compensation and termination. The direct cost of employment incurred by Hamilton with respect to the Pool staff shall be costs shared by the Towns as provided in this Agreement.

The Director, after consulting with the Committee, shall make all employment decisions for all Pool staff.

6. Pool Capital Costs: All direct or indirect costs, the latter of which shall be agreed upon by the two Towns, to replace the Pool shall be shared by the Towns as follows:

Hamilton will contribute 66.4% and Wenham will contribute 33.6% of the final design and construction costs subject to appropriation at each Town's 2015 Annual Town Meeting and contingent upon funding by both Towns as recommended by each Town's Community Preservation Committee. Aggregate costs for final design shall not exceed \$80,000.00 and for construction shall not exceed \$2,000,000.00.

7. Sharing of Pool Operational and Maintenance Costs: All direct or indirect costs, the latter of which shall be agreed upon by the two Towns for those indirect costs excluded from the administrative fee, of operating the Pool shall be annual Pool costs paid for out of revenues collected and deposited in a pool revolving fund to be created and maintained by the Town of Hamilton.

The Hamilton Town Manager and Director, in consultation with the Committee, will prepare an annual budget for Pool costs and submit the same to the Finance and Advisory Committees of Hamilton and Wenham for their review and approval so that the pool revolving fund will be authorized at the Annual Hamilton Town Meeting with sufficient resources to meet estimated costs. In the event that there is a shortfall such that expenses exceed revenues, the parties shall negotiate a fair apportionment of payment to cover the shortfall, taking into account Pool usage by each Town's citizens and other factors identified by the Committee and Director.

Hamilton is entitled to an administrative fee for managing the Pool finances and operations. The administrative fee for the administrative costs assumed by Hamilton shall be calculated as follows:

1. The percent share ratio for determining the Indirect Cost Allocation (IDC) for the departmental administrative support will be based on the Pool expenses to the total General Fund and Recreation Revolving Fund expenses for the fiscal year. Hamilton provides to Wenham by February 15th in each calendar year for the upcoming fiscal year the total estimated budgets for the Town's General Fund, the Recreation Revolving Fund, the Pool revolving fund, and the Recreation Department. In determining the ratio, the Recreation Department expense will not include general insurance, worker's compensation and pension; those expense items will be included in the General Fund and Pool Revolving Fund total budgets.
2. The IDC comprises specific personnel and operating expenses for Hamilton's departments of Treasurer/Collector, Finance, Town Manager's Office and Legal. The IDC will be provided to Wenham by the same date in paragraph 1 and will include the following components:
 - a. Hamilton provides to Wenham its estimated budget for the personnel expenses, comprising only Wage & Salary, Medicare, Health Benefits, for the positions in the Finance

Department, personnel functions, the Town Manager, and the Assistant to the Town Manager.

- b. Hamilton provides to Wenham its estimated operating expenses comprising the following: in the Treasurer's Department - Banking Services, Billing & Collections, Professional Training; in the Finance Department - Financial software licensing agreement, the Town website, Voice/Video/Data, IT Support, Audit, GASB 45-update and Consulting Services; in the Executive Department - Voice/Video/Data, Leased Office Equipment, Office Supplies for Town Hall; and in Legal - the annual retainer for Town Counsel. The estimated budget for legal services for special matters incurred for the Joint Program will be included in Recreation Department expense budget.
3. Add the totals for paragraphs 2 a and b.
4. Multiply the figure determined for paragraph 3 by the departmental percent share ratio derived from calculation in paragraph 1. This calculated IDC is the basis for the administrative fee for the Pool.
5. Multiply the IDC result in paragraph 4 by Wenham's apportioned share of the Pool.

Wenham's estimated administrative fee is the amount calculated in paragraphs 1-5 above and is the sum to be included in Wenham's budget for the upcoming fiscal year.

After the end of each fiscal year, no later than September 1, Hamilton will calculate the actual administrative fee for the Joint Program by recalculating the formula set forth in paragraph 1-5 above using the actual expenses, not estimated. The Finance Directors of the two towns will sign a certified reconciliation statement reflecting the actual administrative support fee due from Wenham to Hamilton for the recently ended fiscal year. The difference between the estimated and actual administrative support fee will be applied to the new fiscal year budget by the Finance Directors as a reconciling item.

If the Pool Revolving Fund is not authorized in any fiscal year, the Pool Operational Costs will be apportioned annually to the member Towns on the basis of the total of Each Town's Net Population (defined below) as of June 1 of the preceding year. Each member Town's share for each fiscal year shall be determined by computing the ratio, to the nearest one hundredth of one percent, of the total of each Town's Net Population to the aggregate total of the Net Population for both member Towns. For example, if the total of Hamilton's Net Population as of June 1, 2014 is 5,500 and the total of both Towns' Net Population as of June 1, 2014 is 10,000, then for the fiscal year starting July 1, 2015, Hamilton's share is 55% of the total cost.

Net Population means the total population of a member Town as included in the annual census minus, in the case of Wenham, that portion residing on Gordon College property and, in the case of Hamilton, that portion residing on Gordon-Conwell Theological Seminary property.

8. Term and Termination: This Agreement shall have a set term of twenty-five (25) years. This Agreement may be terminated by either Town effective upon the last day of any fiscal year by notice by the Board of Selectmen from the terminating Town to the other Town given not less than three (3) years prior to the effective date. Wenham is not entitled, and waives any claim, to return of any portion of its capital contribution in the event that Wenham terminates the Agreement. If Hamilton terminates the Agreement prior to the expiration of twenty-five (25) years, then Hamilton shall pay to Wenham a buy-out equal to 1/25th of Wenham's share of the Pool Capital Costs under Section 6 for each year remaining of the twenty-five (25) year term, starting with the Effective Date of the Termination (*i.e.*, three years after notification of termination).

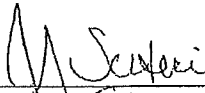
Failure of a Town to give timely notice of termination shall obligate the Town to pay its share of budgeted Pool costs for the next fiscal year notwithstanding any subsequent appropriation decisions by the Town. Termination will not extinguish either Town's continuing obligation to fund its share of a Pool employee's retirement benefits, workers' compensation benefits, or any other costs and expenses continuing after termination for Pool staff who were employees when the terminating Town participated in the Pool.

9. The Effective Date of this Agreement, for purposes of calculating the Term is April 1, 2015.

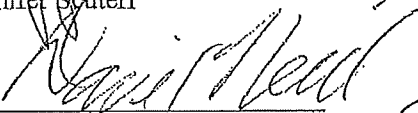
TOWN OF HAMILTON
By its BOARD OF SELECTMEN



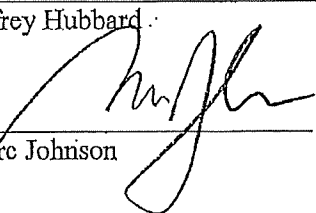
Scott Maddern, Chairman



Jennifer Spiteri

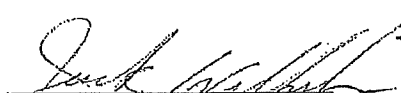


David Neill

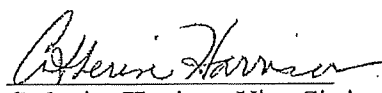
Jeffrey Hubbard


Marc Johnson

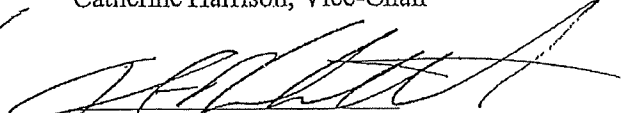
TOWN OF WENHAM
By its BOARD OF SELECTMEN



Jack Wilhelm, Chairman

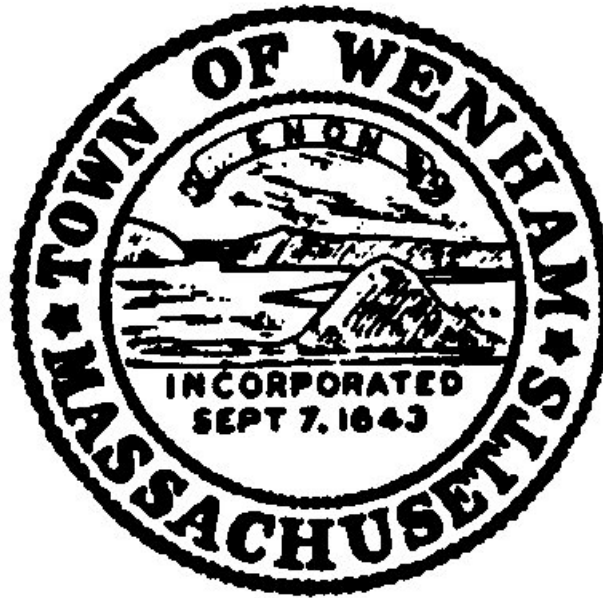


Catherine Harrison, Vice-Chair



Kenneth Whittaker

**Town of Wenham
FY 2018
Capital Funding Requests
FY 2018 – FY 2022
Capital Improvement Program**



Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Michael Lucy, Chair

Alexander Begin

Richard Quinn

Mike Therrien

Ned Flynn

Finance Director

Leslie Davidson

Capital Improvement Program

Introduction

To provide as much information as possible to residents about the budget process, we have provided the following introduction to capital improvement planning that we hope outlines the terms, processes, timeline, and benefits of Wenham's capital planning activities.

I. What is the Capital Improvement Program?

The Capital Improvement Program (CIP) is a multi-year plan used to coordinate the financing and timing of major public improvements for the Town of Wenham. It contains a list of proposed capital projects for the Town within the next five years and reflects the recommendations of Town staff, relevant boards, committees, and commissions, the Finance & Advisory Committee, and the Board of Selectmen. Further, it is consistent with the recommendations provided to the Town by Municipal Resources, Inc., a consulting firm that recently reviewed the Town's current assets and financial considerations with staff to recommend best practices for the Town's CIP.

The CIP identifies each proposed project and presents a summary description, estimate of cost, method of financing, and a schedule of implementation. The Capital Improvement Program constitutes a rational plan for preserving, and supplementing as necessary, the capital assets of the Town. While CIPs are considered a best practice in municipal finance for cities and towns of all sizes, this CIP document is a valuable planning tool in Wenham as we review, prioritize, and allocate funding to capital projects on an annual basis.

II. What are Capital Assets and Capital Projects?

A capital asset is a new or rehabilitated physical asset that has a useful life of at least five years and is of significant value. For our purposes, projects submitted must generally exceed \$10,000 in value to qualify for inclusion in the Town of Wenham Capital Improvement Program. Capital projects are undertaken to acquire, renovate, or improve capital assets and are differentiated from ordinary repairs or maintenance of a recurring nature. Examples of capital projects include land acquisitions, construction or major improvements to public buildings, road construction, and the acquisition of large equipment.

III. What is the difference between the Capital Improvement Program and the Capital Budget?

The first year of the CIP is the proposed Capital Budget for the upcoming fiscal year. The Capital Budget consists of those capital projects and equipment which, through the annual budget process, are approved and funded. Projects slated for subsequent years in the CIP are used for long-term forecasting and planning basis only, and are reviewed on an annual basis for updated pricing and prioritization before being incorporated into the Capital Budget and recommended to Town Meeting for approval. It is important to note that as priorities and monetary constraints change, projects may be moved up, moved back, or even eliminated from the plan. This comprehensive annual review is critical to maintaining fiscal responsibility as well as ensuring the future safety and welfare of Town staff and Wenham residents.

IV. How is the Operating Budget Related to the Capital Budget?

The Town of Wenham prepares a Capital Budget that is separate from the Operating Budget, yet the two are closely linked. The annual Operating Budget provides for general municipal service delivery, including personnel service costs, supplies and other contractual services, and certain capital equipment. Revenues for the Operating Budget are derived primarily from recurring taxes, inter-governmental sources, and user fees. Appropriations to the annual Operating Budget are for a single fiscal year.

In contrast, the Capital Budget is a multi-year budget designed to invest monies in the physical assets of the Town. In many cases, capital projects require expenditures which take place beyond a single fiscal year: funding with debt because of significant costs to be shared by current and future beneficiaries; systematic acquisition over an extended period of time in order to implement major operating systems or programs; and scheduled replacement or maintenance of specific elements of physical assets. Revenues for capital projects are most often derived from the sale of municipal bonds (borrowing), State & Federal Grants (when available), Community Preservation Act funds (when applicable), or one-time funding sources, such as donations or certified Free Cash.

Notwithstanding these differences, the Operating and Capital Budgets are closely interwoven since operating costs related to capital projects need to be provided for in the Operating Budget. Many capital projects have an impact on the operating costs of the department responsible for maintaining those facilities or equipment. We strive to accurately project the net effect a capital project will have on the operating budget and account for any incremental increases that result. In addition, since many large capital projects are financed through municipal debt, repayment of that debt becomes part of the operating budget as well as the Town's fiscal forecasting models. The necessity to incur some degree of debt in order to finance the Capital Improvement Program carries with it the burden to effectively manage that debt within the Town's financial resources.

V. How does Capital Programming save the Town money?

The presence of a rational, comprehensive, long-term planning instrument is taken into consideration by rating agencies when the Town seeks to issue debt. Accordingly, failure to have a CIP may result in higher interest rates on bond issues and more tax dollars going to pay for the interest on loans. Wenham currently continues to enjoy a superior credit rating of AAA from Standard & Poor's Rating Service based, in part, on our strong management practices. Thus, very real and tangible cost savings result from the development of and commitment to a Capital Improvement Program.

Another financial benefit from the capital programming process is the avoidance of poorly timed projects. Proper planning can ensure that capital improvement efforts are coordinated and costly duplication is avoided. In addition, significant savings can accrue to taxpayers when major capital financing is coordinated such that bond issues are sold infrequently and can take advantage of low interest rates. The development of a CIP ensures sound fiscal and capital planning.

VI. How are Capital Projects financed?

An annual appropriation is typically included in the Operating Budget for capital expenditures as one of several funding sources to finance select capital projects. In some cases, a single line item is designated for Capital Projects, while in others, capital projects are listed under the relevant department. Other financing sources for Wenham's capital projects include state and federal grants, certified Free Cash, Revolving funds, Community Preservation Act funds, and debt.

The single largest source of financing for capital projects is borrowing through the issuance of General Obligation bonds. Much like mortgaging a house, borrowing allows the Town to purchase expensive capital assets and spread the costs over the useful life of the asset, thus eliminating the need to temporarily raise taxes every time a large capital asset is acquired. In addition, debt allows current and future beneficiaries to share the cost of long-term capital improvements such as new buildings or roads. All borrowing is done strictly in accordance with Massachusetts General Laws and in coordination with bond counsel.

VII. How is the CIP developed?

The CIP is reviewed and updated on an annual basis based on the following timeline:

September: After completing the updated forecast for the next fiscal year and establishing budgetary guidelines with the Board of Selectmen, the Town Administrator and Finance Director ("Administration") distribute a memo to all Department Heads detailing the Capital Budget parameters for the next fiscal year and the Capital request forms for individual projects. These forms are to be completed and submitted back to the Administration by October 1.

October: Administration begins review of the documentation and compiles a draft Capital Improvement Program (CIP) based upon last year's document, this year's submitted revisions, and in consultation with all affected Department Heads. The Administration determines "fit" of requested funding against projected available resources and completes a preliminary CIP for consideration of the Board of Selectmen during the commencement of the subsequent fiscal year operating budget deliberations by the end of October.

November/December: Administration presents preliminary CIP to Board of Selectmen and makes revisions as necessary and/or directed based on considerations of available funding (including certified Free Cash) and prioritization of projects. CIP is further refined and incorporated into the Administration budget that is presented to the Finance and Advisory Committee.

January: Administration continues to adjust and amend the Revenues and Expense assumptions as details such as expected state aid and the trending local receipts collections historical data for the first 6 months of the current fiscal year becomes clear. The Administration continues to revise these baseline assumptions and includes any changes into the budget document and the companion CIP to reflect best available information. The Administra-

tion presents finalized CIP to Finance and Advisory Committee for consideration.

February/March: The budget process is completed with the Finance and Advisory Committee making their final recommendations, including funding for the CIP, to the Board of Selectmen. The warrant is finalized and closed. All relevant supporting documentation justifying the spending plans for the upcoming Fiscal Year is included in the materials for Town Meeting.

April: Town Meeting votes on the proposed budget, including all CIP recommendations.

VIII. What do the different priority levels indicate?

As a tool to help inform the review and recommendation process, departments that submit capital improvement requests must establish priority levels for the projects being submitted. These priority levels are reviewed by the Town Administrator and Finance Director, who provide a recommendation for priority levels and funding sources to the Finance & Advisory Committee and Board of Selectmen.

Wenham has instituted four priority levels, as recommended by Municipal Resources, Inc.:

Highest Priority (Red): Projects/items essential to protect the health and safety of the public, employees, and school children. Additionally, projects that will protect public and private properties in the community. Mandated State and Federal laws would fit into this category (i.e., accessibility requirements). Emergency situations such as storm damage to roads and bridges, washouts, and building damage caused by wind or structural issues are further examples of a high priority.

Second Highest Priority (Orange): Projects/equipment without which an existing or critically needed service cannot be properly delivered in terms of maintaining quality and assuring dependability (i.e., public safety equipment, Public Works equipment, Infrastructure, etc.).

Third Highest Priority (Yellow): Projects or initiatives that produce a measurable cost savings to the community by reducing future replacement or general departmental operating cost (i.e., engineering studies, update Master plan, Open Space Plan, re-org proposals, IMA enhancements, specialized equipment, etc.).

Fourth Highest Priority (Green): Projects that are an enhancement and/or expansion of an existing service, usually at the request of a segment of the local population or a specific advocacy group.

IX. Why do we need a CIP?

The CIP provides a means of coordinating and centralizing the capital project requests of various departments, thus minimizing the potential for unnecessary overlap or delays. It focuses attention on Wenham's goals and financial capability by comprehensively considering not only what capital projects Wenham needs but what it can afford. Additionally, the formalized process allows more time for the study of projects, encourages public discussion of proposed undertakings, and allows residents the opportunity to provide input on the proposed projects and related expenditures.



Executive Summary
Wenham CIP

The Town of Wenham engaged the firm of Municipal Resources, Inc. to help the community leaders plan for, develop, and incorporate a 5-year Capital Improvement Plan (CIP) for the Town to maintain, protect, and enhance the capital assets of the community. The intent of the elected and appointed leaders in the community was to incorporate this plan into the annual budget process, and to assure the plan would be “sustainable, predictable, and pragmatic”. This work was performed for the Town by utilizing a state grant issued through the Massachusetts Department of Revenue (DOR) under the “Community Compact Program”. The consultants segmented the report into three sections: Part I (an educational primer on the importance of a CIP in Massachusetts communities), Part II (specific detailed financial information about Wenham and its ability to sustain this type of program), and Part III (the consultant recommendations for the Town to consider in moving forward with a CIP program).

Part I

In this “educational” component of the analysis, the consultants defined terms, discussed the planning process, and detailed the long- and short-term goals of a comprehensive CIP, while also pointing out “best municipal fiscal practices” used for building a realistic 5-year program. Highlights from Part I include the following descriptive data points:

Objectives of a “sustainable” 5-year CIP: The major objective of this planning process is to develop a realistic 5-year schedule to fund needed capital projects (facilities equipment) by committing annually to supporting capital needs as a part of the budget cycle and avoiding “surprises” for future year funding needs.

Town Values: According to the Town’s insurers, Wenham has \$16-\$20 million dollars in tangible assets to protect and maintain for its residents. This amount **excludes** the School properties.

What is a Capital Asset?: This is generally considered to be an item valued at \$10,000 or more, with a useful life of more than 3 years (i.e., facilities, vehicles, equipment, etc.).

Forecasting Revenues and Expenses: This exercise is a critical component in evaluating and funding Capital requests on an annual basis. Wenham has a strong history of accurate conservative forecasting of revenues and expenses already in place.

Identifying Funding Sources: The report details numerous funding sources for the Town to consider in formulating a “sustainable” 5-year CIP. Sources include: Free Cash, Stabilization funds, General funds (tax levy), CPA money, Revolving funds, and Overlay surplus money.

Financial Policy considerations when building a CIP: The consultants have recommended a number of Financial Policies for Wenham that are highly recommended by the DOR, as well as credit rating agencies (Moody’s, Standard and Poor’s, etc.), and recognized as “best practices” in most AAA rated Massachusetts communities. Wenham has already begun this process with a focus on cash reserves, debt management, and budget deliberations.

NOTE: For a review of the complete report, go to the Town’s website and click “Important Documents”.

Executive Summary
Wenham CIP
Part II

The Town of Wenham is a residential suburban community with a long history of being well managed and conservative in its fiscal management practices. The bond rating agencies back this up with investment grade bond rating of AAA/Stable from S&P, and Aa2 from Moody's. The consultants reviewed the Town Administrator's preliminary FY18 budget presentation to the Selectmen and Finance Committee of August 2 and October 11. Both paint a picture of a structural deficit due to the continued use of Free Cash to balance the Operating Budget. The Town relies on the property tax and new growth for the vast majority of its revenue sources. Wenham is nearly 100% residential with only a few commercial taxable properties and no industry. In addition, the Town has experienced very little new growth which would add to the community's tax base. In the course of the study, the consultants looked at FY16 tax bills for comparable communities and found that of the ten towns reviewed, the average tax bill was \$8,914, and the average assessed value of a single-family home was \$579,285. For Wenham, the comparable numbers are \$10,154 and \$598,285. The consultants also found one point of interest, although the total student enrollment of HWRSD is decreasing, the Wenham enrollment is increasing. This places additional pressure on an already constrained budget forecast.

Department Capital Needs Assessment Overview for FY18-FY22

The consultants reviewed and evaluated the department's Capital Budget Requests for the five years FY-18 to FY-22. The requests over the five-year period total nearly \$3M, ranging from an annual low of \$300K to a high of \$700K. This is without the capital needs of the HWRSD. The obvious challenge is to develop a sustainable plan to commit limited recurring revenues to a capital plan, while supporting the basic municipal services.

Plan to Commit Annual Expenditures on Capital Projects

Wenham has a history of maintaining its equipment and facilities. As a next step, it is recommended that Wenham follow the best practice of dedicating a portion of the total General Fund revenues to capital investments. Smaller municipalities use 1% to 2% as a guide. Also, Wenham uses lease/purchase to procure equipment; this is a sound practice.

Prioritizing Needs and Adopting a Basis for Evaluation

The consultants recommend the Town use a four-level evaluation tool to determine the relative priority of the department's capital requests. The number one or highest priority would be for projects/items essential to protect the health and safety of the public, employees, and school children. The number four or lowest priority would be for projects that are an enhancement and/or expansion of an existing service.

Analysis of Wenham's Financial Status

Any analysis of Wenham's financial status begins with looking at the Town's ability to pay both short- and long-term. The Town has healthy reserves in Free Cash, the Stabilization Fund, and the CPA fund with a declining debt service. In fact, both the tax base supported exempt debt and enterprise supported non-exempt debt drop off dramatically in 2020. Over the next few years, the consultants recommend using this time to examine the large capital needs and develop a plan to finance them by borrowing. The best practice of a number of municipalities is to keep their debt service at a percentage of the operating budget, and not let those dollars get absorbed in the operating budget.

As stated previously, the consultants carefully reviewed the Town Administrator's budget presentations in August and October. It is understood the presentation has been updated since then, and the original deficit of \$526K has been reduced. However, despite modest budget increases projected for FY 18, the Town still is relying on \$750K from Free Cash to balance the budget. Wenham is fortunate to have Free Cash to use in this manner, on the other hand, once Free Cash gets built into the revenue stream it becomes difficult to remove it. The Department of Revenue does not encourage the use of Free Cash to supplement the budget on an on-going basis.

**Executive Summary
Wenham CIP
Part III
Recommendations for Wenham**

The consultants made a number of recommendations (based on generally accepted “Best Management” practices) for the Town to consider as they determine a strategy for implementing a realistic Capital Improvement Program (CIP) for Wenham. Local officials will evaluate those suggestions given the changing fiscal realities in the community and make decisions based upon the short- and long-term interests of the Town. The Recommendations listed herein are a partial listing of our priority considerations to assist in implementing a “sustainable, practical, and realistic” Capital Improvement Program for the Town.

1. **The Town should consider using “up to 20%” of the certified free cash annually to spend on capital projects to support the needs of the departments and the preservation of physical assets within the Town (pay-as-you-go).**
2. **MRI strongly recommends that the Town of Wenham adopt a series of Financial policies regarding Debt Management, Use of Reserves, and adopting a formal CIP budget process for the community.**
3. **The Town should only use the Stabilization account for individual projects or “bundled” purchases exceeding \$100,000 to avoid interest payments on large items.**
4. **The Town should strongly consider the use of CPA (Community Preservation Act) funds for all eligible projects/programs allowed under the prevailing statutes.**
5. **MRI recommends the Town establish a “Rental Revolving Fund” and a new “Special Water Stabilization Account” to assist in addressing the overall maintenance issues related to the Iron Rail complex, and to plan for possible significant asset upgrades for the Water Department pipe and storage tank infrastructure.**
6. **The Town should consider the possibility of a general operating budget override within the next 3-5 years, to increase its taxing ability to maintain existing operations and pay for needed capital items from the annual general fund appropriations.**
7. **The Town should continue to aggressively pursue opportunities evident within the existing IMA (Inter-Municipal Agreement) with the Town of Hamilton and/or other neighboring communities for the “shared” use of specialized and costly municipal equipment, as well as service delivery options.**

FY 2019 Capital Budget Narrative

As we work to address the Town's capital needs in a comprehensive manner that is in line with the recommendations outlined by Municipal Resources, Inc. in their November 2016 report, we have identified a number of key equipment purchases and other projects that have been recommended for funding in FY19. These recommendations collectively represent our FY19 Capital Budget.

Consistent with our adoption of the 5 Year Capital Improvement Program two years ago, we have worked with Department Heads over the past several months to identify priority projects and equipment for the next 5 years, and have updated the master document that we produced last year to reflect current capital needs. We plan to fund these requests outside of the operating budget, using available Free Cash, as we did for FY18. With FY17 Free Cash certified at \$1.232M and accounting for the \$750k we have applied to balance the FY19 operating budget along with the \$250k minimum Free Cash balance per our financial policies, we have \$232k available for these purposes.

These requests for new or one-time capital costs in FY19, totaling \$200,500, have been incorporated into the respective departmental budget submissions and can be summarized as follows:

- \$18k for 2nd half of Town Hall exterior painting
- \$45k for DPW Road Capital (in addition to \$40k included in FY19 operating budget) - meeting our goal to increase our investment by \$10k each year (\$75k total in FY18)
- \$17,500 for new Police Dept. administrative vehicle (Year 1 of 3-year lease, plus initial equipment purchase and installation costs) *
- \$30k for new Fire Dept. portable radios
- \$40k for new DPW Front end loader (Year 1 of 5-year lease)
- \$45k for new DPW portable truck lift
- \$5k for transfer of current Water Dept. pick-up to Building & Grounds

In addition, the \$49k balance needed for the new Water Department pick-up truck (total cost of \$54k, minus \$5k trade-in value to be paid by Buildings & Grounds from Free Cash) will be paid from \$221k in available Water Reserves. The Water Department's FY19 operating budget will also include \$35k in capital to replace the \$36k in expiring

FY 2019 Capital Budget Narrative

debt – essentially level funding their budget from this year to next. These funds will be transferred into a new, separate Capital Reserve account that will ultimately be used to fund major infrastructure repairs needed down the line. We have 23+miles of water main that were installed 50+ years ago that will need to be incrementally replaced over time. While these mains are in relatively good condition today, establishing and beginning to fund this account now will mitigate future rate increases needed to cover those project costs and can be accommodated within the existing operating budget based on projected revenues.

If all of these capital requests are included on the warrant and approved by Town Meeting, we can expect a starting balance of at least \$450k in FY18 Free Cash aggregated from the following sources:

- \$250k minimum balance from FY17 Free Cash
- \$32k additional unused balance from FY17 Free Cash
- ~\$100k remaining balance from FY18 Reserve Fund
- \$85k in overlay surplus to be released by Board of Assessors

This amount is generally in line with where we ended up closing out FY17 from these various sources after Town Meeting approved funding capital needs and OPEB from Free Cash last spring. These preliminary calculations obviously do not account for higher than projected revenues and unspent departmental expenses which will be identified through the standard year-end closeout process.

Finally, attached you will find a breakdown by department and funding source for all FY 2019 capital expenditures, followed by the five-year capital plan, and detail reports on major capital expenses.

* Current Police Dept. administrative vehicle may be repurposed for use by the Building Department to conduct inspections, thereby decreasing mileage reimbursement costs. The \$3500 trade-in value of this vehicle is offset by frontloading equipment costs for the new vehicle in Year 1, resulting in projected annual lease payments of about \$12k in Years 2 and 3.

FY 2019 CAPITAL IMPROVEMENT PROGRAM*	Operating Budget (Article 1)	Non- Excluded Debt (Article 1)	Free Cash (Article 6)	Water Surplus (Article 7)	Iron Rail Rental Revolving (Article 14)	Departmental Totals
<u>IT</u>						\$ 26,906.00
Town Staff Computers, Printers & Monitors	\$ 7,000.00					
Financial Software		\$ 19,906.00				
<u>Police</u>						\$ 57,500.00
Marked Police Cruiser	\$ 40,000.00					
Administrative Vehicle			\$ 17,500.00			
<u>Fire</u>						\$ 119,575.00
Pumper Fire Truck		\$ 89,575.00				
Portable Radios			\$ 30,000.00			
<u>Permitting-Inspectional Services</u>						
Permitting Software Upgrade	\$ 3,000					\$ 3,000.00
<u>DPW - Highway</u>						\$ 233,943.00
Street & Sidewalk Maintenance	\$ 40,000.00		\$ 45,000.00			
Peterbilt Truck Lease Payment	\$ 43,020.00					
2 Highway Plow Trucks		\$ 20,923.00				
Front End Loader			\$ 40,000.00			
Portable Hydraulic Lift			\$ 45,000.00			
<u>Water</u>						\$ 169,382.00
Mini Excavator Lease Payment	\$ 4,632.00					
Water Capital Reserve	\$ 35,000.00					
Water Tower Construction		\$ 75,750.00				
Utility Truck with Plow				\$ 54,000.00		
<u>Miscellaneous</u>						\$ 268,000.00
Iron Rail Roof & Paving					\$ 245,000.00	
Town Hall Exterior Painting			\$ 18,000.00			
Used Utility Truck			\$ 5,000.00			
FY 2019 Capital Totals	\$ 172,652.00	\$ 206,154.00	\$ 200,500.00	\$ 54,000.00	\$ 245,000.00	\$ 878,306.00

**Town of Wenham
Capital Improvement Program FY 2019-2023**

Department	FY 2019	TA Recommended & BOS/FinCom Approved	Funding Source	FY 2020	FY 2021	FY 2022	FY 2023	5 year total
DPW								
2 Highway Plow Trucks	\$20,923	\$20,923	General Fund Operating (Nonexcluded Debt)	\$19,584	\$18,267			\$58,774
Peterbilt Truck	\$43,020	\$43,020	General Fund Operating	\$43,020	\$43,020			\$129,060
Mini Excavator	\$4,632	\$4,632	DPW Revolving	\$4,632				\$9,264
State Road Capital	\$150,000	\$150,000	Chapter 90	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Highway Road Capital	\$85,000	\$85,000	General Fund Operating (\$40k) & Free Cash (\$45k)	\$90,000	\$100,000	\$100,000		\$375,000
Front end Loader	\$40,000	\$40,000	Free Cash	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
Portable Hydraulic Lift	\$45,000	\$45,000	Free Cash					\$45,000
Mowers	\$7,000	\$7,000	DPW Revolving					\$7,000
One Ton Pick-up				\$60,000				\$60,000
Backhoe				\$170,000				\$170,000
Landscape Trailer					\$5,200			\$5,200
Medium duty Truck w/ Plow					\$170,000			\$170,000
DPW Fuel Storage Tank					\$250,000			\$250,000
Total DPW in General Fund Operating		\$103,943						
Total DPW from Free Cash		\$130,000						
Total DPW	\$395,575	\$395,575		\$577,236	\$776,487	\$290,000	\$190,000	\$2,229,298
Police								
Front line Cruiser	\$40,000	\$40,000	General Fund Operating	\$42,000	\$42,000	\$42,000	\$42,000	\$208,000
Administrative Vehicle	\$17,500	\$17,500	Free Cash	\$12,000	\$12,000	\$15,000	\$15,000	\$71,500
Tactical Vests				\$12,000				\$12,000
4 MDT units (Cruiser Laptops)					\$24,000			\$24,000
Auto Plate Reader						\$22,000		\$22,000
14 Rifles							\$14,000	\$14,000
Station Cameras & Security Hardware Upgrade							\$150,000	\$150,000
Total Police in General Fund Operating		\$40,000						
Total Police from Free Cash		\$17,500						
Total Police	\$57,500	\$57,500		\$66,000	\$78,000	\$79,000	\$221,000	\$501,500
Fire Dept								
Pumper Fire Truck	\$87,359	\$87,359	General Fund Operating (Nonexcluded Debt)	\$81,768	\$76,269			\$245,396
Administrative Vehicles					\$45,000	\$50,000		\$95,000
Portable Radios	\$30,000	\$30,000	Free Cash					\$30,000
Protective Gear					\$25,000			\$25,000
Rescue Truck/Ambulance				\$100,000				\$100,000
Total Fire in General Fund Operating		\$87,359						
Total Fire from Free Cash		\$30,000						
Total Fire	\$117,359	\$117,359		\$181,768	\$146,269	\$50,000	\$0	\$495,396
IT								
Financial Software	\$19,413	\$19,413	General Fund Operating (Nonexcluded Debt)	\$18,171	\$16,949			\$54,533
Library Computers				\$11,000				\$11,000
PCs/Laptops	\$7,000	\$7,000	General Fund Operating	\$10,000	\$10,000	\$10,000	\$10,000	\$47,000
Library Server				\$9,600				\$9,600
Permitting Software Upgrade	\$3,000	\$3,000	General Fund Operating					\$3,000
Total IT in General Fund Operating		\$26,413						
Total IT from Free Cash		\$0						
Total IT	\$26,413	\$26,413		\$48,771	\$26,949	\$10,000	\$10,000	\$125,133
Recreation								

**Town of Wenham
Capital Improvement Program FY 2019-2023**

Replace Gym Floor	\$2,063	\$2,063	General Fund Operating						\$2,063
Tennis courts at Pingree Park					\$30,000				\$30,000
High School Turf Field							\$3,671,863		\$3,671,863
Total Recreation in General Fund Operating		\$2,063							
Total Recreation from Free Cash		\$0							
Total Rec	\$2,063	\$2,063		\$0	\$30,000	\$0	\$3,671,863		\$3,703,926
Library									
Phone System Upgrade	\$6,500	\$6,500	State Aid						\$6,500
Repair Sidewalk				\$12,000					\$12,000
Carpet Replacement 1st/2nd Floors				\$65,000					\$65,000
Total Library in General Fund Operating		\$0							
Total Library from Free Cash		\$0							
Total Library	\$6,500	\$6,500		\$77,000	\$0	\$0	\$0		\$77,000
Miscellaneous									
Mini Excavator	\$4,632	\$4,632	Cemetery Reserves	\$4,632					\$9,264
Paint Town Hall	\$18,000	\$18,000	Free Cash						\$18,000
Used Utility Truck	\$5,000	\$5,000	Free Cash						\$5,000
Replace Town Hall Cornerstones				\$15,000					\$15,000
COA Roof Repairs				\$15,000					\$15,000
Total Misc in General Fund Operating		\$0							
Total Misc from Free Cash		\$23,000							
Total Facilities	\$27,632	\$27,632		\$34,632	\$0	\$0	\$0		\$62,264
Iron Rail									
Replace Roofing, Gutter, and Fascia	\$12,000	\$12,000	Iron Rail Rental Revolving - Nonexcluded Debt	\$12,000	\$12,000	\$12,000	\$12,000		\$60,000
Road and Parking Lot Paving	\$5,000	\$5,000	Iron Rail Rental Revolving - Nonexcluded Debt	\$5,000	\$5,000	\$5,000	\$5,000		\$25,000
Design and Replace Septic System	\$7,500	\$7,500	Iron Rail Rental Revolving - Nonexcluded Debt	\$7,500					\$15,000
Total Iron Rail in General Fund Operating		\$0							
Total Iron Rail from Free Cash		\$0							
Total Iron Rail	\$24,500	\$24,500		\$24,500	\$17,000	\$17,000	\$17,000		\$100,000
Water									
Mini Excavator	\$4,632	\$4,632	General Fund Operating	\$4,632					\$9,264
Water Tower Construction	\$75,750	\$75,750	General Fund Operating (Nonexcluded Water Debt)						\$75,750
Utility Truck with Plow	\$54,000	\$54,000	Water Surplus						\$54,000
Water Capital Reserve	\$35,000	\$35,000	General Fund Operating	\$35,000	\$35,000	\$35,000	\$35,000		\$175,000
Emergency Generator at Pleasant St Pump Station						\$125,000			\$125,000
Total Water in General Fund Operating		\$115,382							
Total Water from Water Surplus		\$54,000							
Total Water	\$169,382	\$169,382		\$39,632	\$35,000	\$160,000	\$35,000		\$439,014
Total General Fund Operating		\$375,160							
Total One-time Funds (Free Cash, etc)		\$254,500							
Other Funding Sources		\$197,264							
Summary	\$826,924	\$826,924		\$1,049,539	\$1,109,705	\$606,000	\$4,144,863		\$7,733,531

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **2 Highway Plow Trucks**

Department: **DPW**

Priority Level: **highest**

Description and Justification:



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 80,228	\$ 21,454	\$ 20,923	\$ 19,584	\$ 18,267		\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 21,454	\$ 20,923	\$ 19,584	\$ 18,267	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Operating (Nonexcluded Debt)

FY 2019
TOTAL

\$ 20,923

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Peterbilt Truck
Department: DPW **Priority Level: highest**

Description and Justification:

Already committed to Year 3 of a 5 year lease-to-own; replaces a 1992 truck.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 129,060	\$ 43,020	\$ 43,020	\$ 43,020		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 129,060	\$ 43,020	\$ 43,020	\$ 43,020	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Operating	FY 2019 TOTAL	\$ 43,020
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Wing Plow for Peterbilt Truck**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 36,923	\$ 16,000	\$ 20,923	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 16,000	\$ 20,923	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Capital

**FY 2019
TOTAL**

\$ 20,923

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Mini Excavator
Department: DPW **Priority Level: highest**

Description and Justification:

Takuechi Mini Excavator in year 2 of a 4 year lease-to-own. This is a shared cost with Water Dept and Cemetery to dig Graves, water repair, catch basin work, and grading and draining work.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 13,896	\$ 4,632	\$ 4,632	\$ 4,632	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 13,896	\$ 4,632	\$ 4,632	\$ 4,632	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) DPW Revolving	FY 2019 TOTAL	\$ 4,632
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Street Road Capital**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:
 To Maintain existing roads and sidewalks, including new installation and repair winter damage.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 570,000	\$ 150,000	\$ 150,000	\$ 90,000	\$ 100,000	\$ 110,000	\$ 120,000
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 150,000	\$ 150,000	\$ 90,000	\$ 100,000	\$ 110,000	\$ 120,000

Sources of Fund Legend

(1) Chapter 90

FY 2019
TOTAL

\$ 150,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Highway Road Capital**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:

Need to incrementally increase to keep up with increasing costs and demand to repair roads



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 375,000	\$ 75,000	\$ 85,000	\$ 90,000	\$ 100,000	\$ 100,000	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 375,000	\$ 75,000	\$ 85,000	\$ 90,000	\$ 100,000	\$ 100,000	\$ -

Sources of Fund Legend

- (1) General Fund Operating (\$40K)
- (2) General Fund Capital (\$35K)

**FY 2019
TOTAL**

\$ 85,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Riding Mower**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) DPW Revolving

**FY 2018
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **One Ton Dump Truck**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:

Replacing 2008 truck which is showing its age and becoming undependable.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	TBD	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **2 Mowers**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:

Replace the following equipment which are no longer dependable and would require their engines to be rebuilt: 1992 Walk behind Bunton 48" Mower; 48" X Mark Mower Mower.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 7,000	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 7,000	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

FY 2019
TOTAL

\$ 7,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Backhoe**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:

Replace 2009 Backhoe with plow, which has exceeded its life expectancy, and consequently is not cost-effective to maintain.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 170,000		\$ -	\$ 170,000		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 170,000		\$ -	\$ 170,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Landscape Trailer**
 Department: **DPW** Priority Level: **second highest**

Description and Justification:

Replace old landscape trailer with broken frame and axel. A larger trailer is needed to hold additional equipment needed to maintain school grounds.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 5,200	\$ -	\$ -	\$ -	\$ 5,200	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 5,200	\$ -	\$ -	\$ -	\$ 5,200	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Medium duty Truck w/ Plow
Department: DPW **Priority Level: second highest**

Description and Justification:

This is to replace a 2002 Chevrolet Medium duty dump truck, plow and sander which has exceeded it's life expectancy and is becoming costly to maintain.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000		\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$	-
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: DPW Fuel Storage Tank
Department: DPW **Priority Level: highest**

Description and Justification:



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000		\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Front End Loader
Department: DPW **Priority Level: Highest**

Description and Justification:

Replace 1986 John Deere Front End Loader with plow which has far exceeded it's life expectancy.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 198,440	\$ -	\$ 40,000	\$ 39,610	\$ 39,610	\$ 39,610	\$ 39,610
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 198,440	\$ -	\$ 40,000	\$ 39,610	\$ 39,610	\$ 39,610	\$ 39,610

Sources of Fund Legend

General Fund Operating 39609	FY 2019 TOTAL	\$ 40,000
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Pumper Fire Truck**

Department: **FIRE**

Priority Level: **highest**

Description and Justification:



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 334,971	\$ 89,575	\$ 87,359	\$ 81,768	\$ 76,269	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 334,971	\$ 89,575	\$ 87,359	\$ 81,768	\$ 76,269	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Operating (Nonexcluded Debt)

**FY 2019
TOTAL**

\$ 87,359

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Administrative Vehicles**

Department: **FIRE**

Priority Level: **highest**

Description and Justification:

FY18 is last year of lease payments on Chief's car (2013) and utility truck; new vehicles are scheduled to be purchased outright in FY21 and FY22.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 110,000	\$ 15,000	\$ -	\$ -	\$ 45,000	\$ 50,000	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 110,000	\$ 15,000	\$ -	\$ -	\$ 45,000	\$ 50,000	\$ -

Sources of Fund Legend

(1) General Fund Operating

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Portable Radios
Department: FIRE **Priority Level: second highest**

Description and Justification:

The current portable radios are no longer supported by Motorola and are out of date



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) Free Cash

**FY 2019
TOTAL**

\$ 30,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Protective Gear
Department: FIRE **Priority Level: second highest**

Description and Justification:

Replace 10 sets of protective gear which no longer satisfy safety requirements.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 25,000	\$ -	\$ -		\$ 25,000	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Rescue Truck
Department: FIRE **Priority Level: second highest**

Description and Justification:

Replace the current rescue vehicle which is nearly 20 years old.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$

-

Project Title: **Fire & Police Radio System**

Department: **FIRE**

Priority Level: **highest**

Description and Justification:

The current system is failing on a regular basis, leaving the system down so as that emergency calls cannot be dispatched to responders



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 22,628	\$ 22,638	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 22,628	\$ 22,638	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Operating

**FY 2019
TOTAL**

\$

-

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Replace Entrance Signage
Department: IRON RAIL **Priority Level: fourth highest**

Description and Justification:

Remove existing sign and replace with a more modern sign with lighting.
 Road-side signage: existing sign in very rough shape – one side has fallen down. Existing sign is plywood and not befitting of the property. There is currently no lighting on the sign. The new sign will have space for individual tenant signs so that they can properly promote their businesses.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furnishings/Equipment	\$ 18,000	\$ 18,000		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 18,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Operating (Iron Rail Capital Reserves)

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Replace Roofing, Gutter, Fascia
Department: IRON RAIL **Priority Level: highest**

Description and Justification:

Replace existing roof and repair/replace gutter and fascia. The existing roof is at the very end of its useful life and needs to be replaced before failure. Water is leaking behind the existing gutters and finding its way into the building. Sections of the existing fascia are rotted and need to be replaced. The entire fascia needs painting to prevent additional rot.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 12,000	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 12,000	\$ -	\$ 12,000		\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ 12,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Road and Parking Lot Paving
Department: IRON RAIL **Priority Level: second highest**

Description and Justification:

Widen the existing road and pave the parking lot behind the building. The existing road is very narrow, especially considering the truck and heavy machinery traffic it carries. Much of the road is at the very end of its useful life. The parking lot behind the building needs to be paved in order for the property to be brought up to the same level as competing office/retail properties, as well as to provide a safer surface to reduce the risk of accidents due to inclement weather.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 75,000	\$ -	\$ 5,000	\$ 70,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 75,000	\$ -	\$ 5,000	\$ 70,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

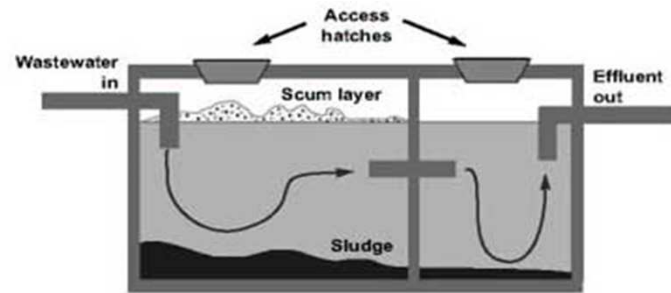
\$ 5,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Design and Replace Septic System
Department: IRON RAIL **Priority Level: highest**

Description and Justification:

Design and replace the septic system. The existing septic system is at the very end of its useful life, with sections of the leaching field currently not working properly. These issues need to be remedied before they turn into emergency repairs which could potentially shut down the building.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Other	\$ 22,500	\$ -	\$ 7,500	\$ -	\$ 15,000		\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 22,500	\$ -	\$ 7,500	\$ -	\$ 15,000	\$ -	\$ -

Sources of Fund Legend

(1) TBD	FY 2019 TOTAL	\$ 7,500
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Financial Software**
 Department: **IT** Priority Level: **highest**

Description and Justification:

IT software conversion occurred for FY 2017. Contractually obligated.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 74,439	\$ 19,906	\$ 19,413	\$ 18,171	\$ 16,949		\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 74,439	\$ 54,533	\$ 19,413	\$ 18,171	\$ 16,949	\$ -	\$ -

Sources of Fund Legend

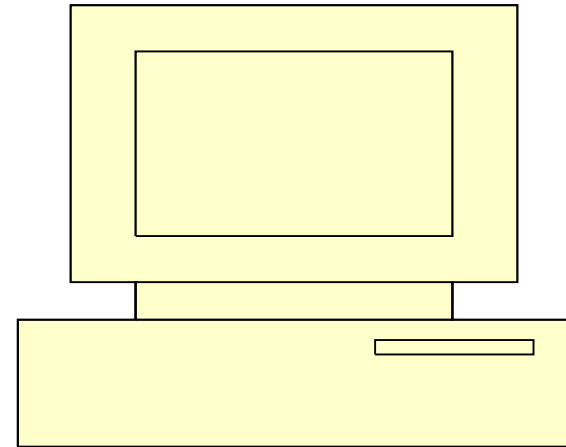
(1) General Fund Operating (Nonexcluded Debt)	FY 2019 TOTAL	\$ 19,413
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Library Computers**
 Department: **IT** Priority Level: **second highest**

Description and Justification:

Scheduled replacement of 7 computers (4 public computers and 3 staff computers). These computers are at the end of their useful life causing disruption to the staff and the public.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 7,000	\$ 7,000		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Capital (\$5K)
 (2) State Aid

(3) Friends of the Library

**FY 2019
TOTAL**

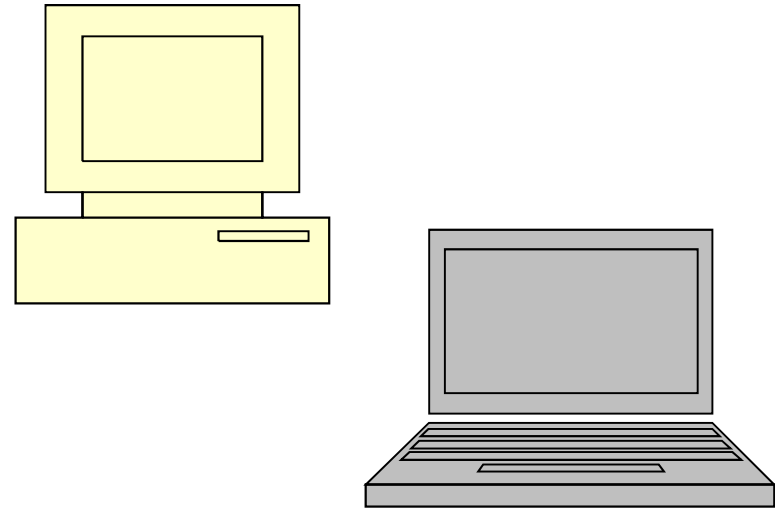
\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **30 PCs/Laptops**
 Department: **IT** Priority Level: **second highest**

Description and Justification:

Consolidated purchase for various Depts. PCs will be out of warranty in or around 2017-2018. It generally costs much more to maintain PCs that are not under warranty as opposed to purchasing new PCs that are under a warranty. Up to date PCs ensure there are minimal security risks and keep maintenance costs low. Technology costs are such that it is typically more cost-effective to purchase a new machine, as opposed to having a technician spend multiple hours troubleshooting PC issues.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 24,000	\$ 7,000	\$ 7,000	\$ 10,000		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 24,000	\$ 7,000	\$ 7,000	\$ 10,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Operating

**FY 2019
TOTAL**

\$ 7,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Library Server**
 Department: **IT** Priority Level: **second highest**

Description and Justification:

The existing computer server, which was installed in 2010 and runs Windows Server 2008, is now obsolete. The entire library network is run through this server, including file storage, Deep Freeze, Symantec and the Sharepoint Intranet.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Phone System Upgrade**
 Department: **IT** Priority Level: **second highest**

Description and Justification:

recognized as a problem townwide, dollars tbd



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Phone System Upgrade
Department: Library **Priority Level: second highest**

Description and Justification:

Replacement of the original Avaya Partner ACS Phone System to new Avaya IP Office Phone System. Electronic components start to fail within 15-20 years and the current phone system is 15 years old.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 6,500	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	6500	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

State Aid	FY 2019 TOTAL	\$ 6,500
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Repair Sidewalk
Department: Library **Priority Level: third highest**

Description and Justification:

Sidewalk is cracked and spalling. Squares that had holes and were a safety hazard and that could be repaired were repaired in August 2016. Further deterioration will be determined by winter/spring weather conditions and application of de-icing chemicals. Work would include removal of 13 squares of existing concrete sidewalk (approximately 350 square feet) between the library and the parking lot; prep subgrade as needed; install crushed stone/rewire as needed. Form new sidewalk area in existing footprint; pour new concrete sidewalk in existing footprint @4000 psi; Install broom finish; install control joints as needed; dispose of debris; clean job site.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 12,000	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	12000	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Replace Carpet on 1st and 2nd Floors
Department: Library **Priority Level: fourth highest**

Description and Justification:

Remove and Replace Carpet in entire library. Carpet installed in 2001 and has received exceptionally high use since installation. Areas were repaired in 2012 using remnants.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furnishings/Equipment	\$ 65,000		\$ -	\$ 65,000		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 65,000		\$ -	\$ 65,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Mini Excavator**
 Department: **Miscellaneous** Priority Level: **highest**

Description and Justification:

Cemetery contribution to Mini-Excavator. To be shared with DPW and Water Dept.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 13,896	\$ 4,632	\$ 4,632	\$ 4,632		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 13,896	\$ 4,632	\$ 4,632	\$ 4,632	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) Cemetary Reserves (?)

**FY 2019
TOTAL**

\$ 4,632

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Paint Town Hall
Department: Miscellaneous **Priority Level: highest**

Description and Justification:

Painting is required for adequate preservation of the structure.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Furnishings/Equipment	\$ 36,000	\$ 18,000	\$ 18,000		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 36,000	\$ 18,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Capital

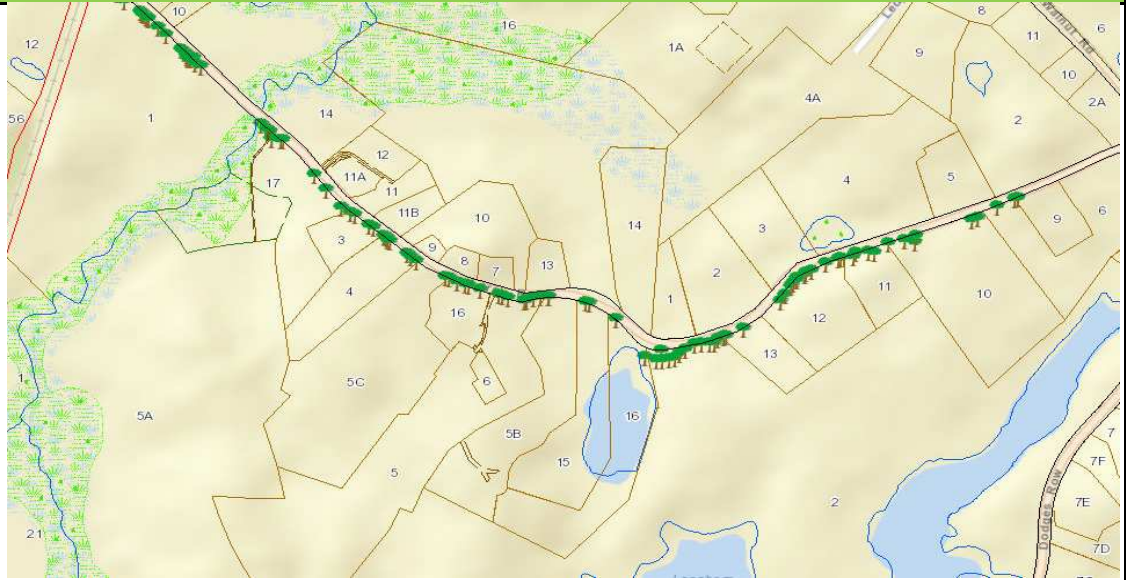
**FY 2019
TOTAL**

\$ 18,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Street Tree Inventory and Planting Plan
Department: Miscellaneous **Priority Level:** fourth highest

Description and Justification:



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Other	\$ 25,000	\$ 25,000		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Capital

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **COA Van**
 Department: **Miscellaneous** Priority Level: **second highest**

Description and Justification:

COA Van has close to 110,000 miles. It runs well but we should consider replacing it sometime in the next few years. It averages 15,000 miles a year. The COA Van will continue to play a vital role in providing a transportation option for people age 60 and over in town.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 60,000	\$ 60,000		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

- (1) General Fund Capital (\$12K)
- (2) State Grant (\$48K)

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Replace Town Hall Cornerstones
Department: Miscellaneous **Priority Level: second highest**

Description and Justification:

Manufacture and replace rotted quoins on Town Hall building. If these are not repaired water will get behind the quoins which will cause further rot, increasing the risk of structural damage.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	15000	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: COA Roof Repairs
Department: Miscellaneous **Priority Level: second highest**

Description and Justification:

To prevent further leaks and rot, perform the following work for items which have exceeded their expected service life: Strip and shingle roof at COA; replace gutters and downspouts; re-flash chimney.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Front Line Cruiser
Department: Police **Priority Level: highest**

Description and Justification:

Annual replacement incorporated into Operating Budget



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 206,000	\$ 40,000	\$ 40,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	206000	\$ 166,000	\$ 40,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ -

Sources of Fund Legend

(1) General Fund Operating

**FY 2019
TOTAL**

\$ 40,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Portable Radios**
 Department: **Police** Priority Level: **highest**

Description and Justification:

Our present radios date to 1996 in some cases with numerous small purchases over the years since. A hasty bulk purchase was made in 2012 with similar matching (outdated) radios being purchased. In our separation from Hamilton, our radio system required reengineering. This has resulted in digital equipment being mixed with dated analog equipment. Our RECC partners have fronted all of the money to date to update this system, and work is continuing to date. Our own radio consultant has pointed out that our portable radios are an area of concern and need to be replaced in order to improve officer safety. The Regional School district made the decision recently to purchase portable radios to improve their school safety situation and have better communication with the Police Departments if necessary. The radios they purchased are far superior to ours that we carry every day and rely on for primary communications continuously throughout every tour of duty.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	55000	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) General Fund Capital	FY 2019 TOTAL	\$ -
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Administrative Vehicle**
 Department: **Police** Priority Level: **second highest**

Description and Justification:

3 year leases for 2 administrative vehicles (\$40k value) - 6 year us



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 75,500	\$ -	\$ 17,500	\$ 14,000	\$ 14,000	\$ 15,000	\$ 15,000
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	75500	\$ -	\$ 17,500	\$ 14,000	\$ 14,000	\$ 15,000	\$ 15,000

Sources of Fund Legend

Free Cash	FY 2019 TOTAL	\$ 17,500
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**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Tactical Vests
Department: Police **Priority Level: highest**

Description and Justification:
 Active Shooter protection from rifle rounds not stoppable by the existing vests worn on a daily basis.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 4,800	\$ 4,800	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 4,800	\$ 4,800	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: 4 MDT units (Cruiser Laptops)
Department: Police **Priority Level: second highest**

Description and Justification:

Current MDT (Mobile Data terminals) are 8 years old and obsolete. These terminals are used every day on every shift on each traffic stop. They are also utilized for direct communication with Dispatch. Additionally, in the near future they will be used for transmitting all "E-Citations" to the courts and RMW via wireless communications. They also contain tactical plans to every school in the system and eventually plans for Town buildings as well.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 24,000	\$ -	\$ -	\$ 24,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 24,000	\$ -	\$ -	\$ 24,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Auto Plate Reader**
 Department: **Police** Priority Level: **fourth highest**

Description and Justification:

First time purchase of Automated License Plate Reader to work in conjunction with our current and future Mobile Data Terminals. These units have been a source of revenue intake for communities that have purchased them. They automatically run the license plate of every vehicle they pass and check for unpaid fees and fines entered into the RMV's data base. They will also check for missing or wanted persons and vehicles. The Department used a demo unit 2 years ago and were very pleased with the results.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 22,000	\$ -	\$ -	\$ -	\$ 22,000	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	22000	\$ -	\$ -	\$ -	\$ 22,000	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$

-

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **14 Rifles**
 Department: **Police** Priority Level: **highest**

Description and Justification:

Our arsenal of rifles will be over 10 years old at this time and have had thousands of rounds fired through them. This change from Shotguns to Rifles was mandated by training and the escalation in violent encounters.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ 14,000	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	14000	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$

-

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Station Cameras & Security Hardware Upgrade
Department: Police **Priority Level: third highest**

Description and Justification:

Bring the Departments camera's and recording hardware up to modern standards. Our camera security system is already obsolete as this report is prepared. It should remain adequate for our purposes for the immediate future. However we are already seeing much tougher unfunded mandates as a result of law changes and court decisions. The Town must be prepared to update this system at some point within this 5 year plan.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	150000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Pingree Park Playground Equipment
Department: Recreation **Priority Level: highest**

Description and Justification:

The purchase and installation of brand new playground equipment and safety surfacing for Pingree Park. The equipment will most likely include a deck and rail type system as well as the possibility of some standalone items. The new playground will be located at the same site of the old playground which needed to be removed due to a failed inspection. The "old" Pingree Park playground had been a staple at the Park for better than 20 years and served as the Town's community playground. With 3 baseball fields as well as numerous multi-use fields for soccer, the park sees an abundance of activity and the playground serves as a focal point for families during these times. The playground is essential to the parks success as a true community park. Without a playground the atmosphere surrounding the park during peak and off hour times changes dramatically than when a fully functioning playground is in place. Without any question the replacement of the playground has community wide support as well as the strong support from the Hamilton Wenham Recreation Committee. Alternatives such as repairing the existing equipment were looked at and it was concluded through various professional inspections that the due to the condition of the equipment replacing the equipment was the only option.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	125000	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) CPA	FY 2019 TOTAL	\$ -
(2) Private fundraising		

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: High School Turf Field
Department: Recreation **Priority Level: fourth highest**

Description and Justification:

Redevelopment and reconstruction of the existing game field and track at the High School Athletic Campus. The game field will be converted from a natural grass field into an artificial turf multi-use field. The project also has the capability to include athletic lighting as well as ancillary items such as bleachers, storage areas, safety fencing/netting, etc. Outlined by both the Recreation Master Plan and the High School Athletic Master Plan the towns' playing fields are currently overused which is causing deteriorating conditions. By completing this project not only will the High School fields add uses but other fields and facilities will benefit due to a shift in usage patterns shifted to the High School. While maintenance costs will more than likely remain steady, the increase in usage (specifically to the game field) could see upwards of a 300-400% increase, justifying the project. Adding additional natural grass fields have been discussed at alternative location (Patton Homestead, Lakeview Golf Course) but ultimately the Recreation Committee chose to pursue the redevelopment of the HS as its priority. This project has been professionally studied on numerous occasions and so far has seemed to have strong community support.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ -	\$ -	TBD		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Replace Gym Floor**
 Department: **Recreation** Priority Level: **third highest**

Description and Justification:



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 2,063	\$ -	\$ 2,063	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	2063	\$ -	\$ 2,063	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ 2,063

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Tennis courts at Pingree Park
Department: Recreation **Priority Level: third highest**

Description and Justification:

Renovation of the four (4) existing Tennis courts at Pingree Park which includes repairing all the cracks in the court as well as the repair of the tennis posts and surrounding areas. The tennis courts are full of large and small cracks causing the courts to eventually become unplayable. Areas around the posts are also cracking and causing potential tripping hazards for players. If this project keeps being deferred eventually the courts will become unplayable. Currently the court services community members as well as the HWRHS boys and girls tennis teams. Three years ago we had a professional repair some of the major cracks and have tried (unsuccessfully) to repair the courts in house. The renovation of the tennis courts appears in the Recreation Master Plan



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	30000	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **High School Baseball Field**
 Department: **Recreation** Priority Level: **fourth highest**

Description and Justification:

Renovation of the existing Gymnasium floor in the Recreation Center. The renovation includes the sanding, re-painting and finish work on the floor. Existing gymnasium floors should be refurbished every 18 months and fully renovated every 10-12 years. Our department has maintained a structured refurbish scheduled (last refurbish completed winter of 2015-16) but we have entered the time frame where a full renovation is needed. The court is starting to warp and heave in certain locations and the paint is starting to wear on heavy used location on the floor. The gym floor is heavily used by HW Recreation programs, HW Youth Basketball, HW Men’s Senior Basketball League, and the Boys and Girls Freshman Basketball teams.



RECOMMENDED FINANCING

Category	Total Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Construction	\$ -	\$ -	\$ -	\$ -	TBD		\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Mini Excavator**

Department: **WATER**

Priority Level: **highest**

Description and Justification:

Contribution to Mini-Excavator to be purchased with Highway and Cemetery.



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 13,896	\$ 4,632	\$ 4,632	\$ 4,632		\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 13,896	\$ 4,632	\$ 4,632	\$ 4,632	\$ -	\$ -	\$ -

Funding Source

(1) General Fund Operating

**FY 2019
TOTAL**

\$

4,632

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: **Utility Truck with Plow**

Department: **Water**

Priority Level: **highest**

Description and Justification:

Replace 2009 1 Ton Truck / Daily Work Truck



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	\$ 54,000	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ -

Sources of Fund Legend

ATM article requesting transfer from water surplus account #29-300-3560

**FY 2019
TOTAL**

\$

54,000

**CAPITAL IMPROVEMENT PROGRAM
PROJECT DETAIL SHEET**

Project Title: Emergency Generator at Pleasant St Pump Station
Department: Water **Priority Level: highest**

Description and Justification:

Replace 1970's Emergency Generator / Back up power for water supply



RECOMMENDED FINANCING

Category	Total Five-Year Cost	Estimated Expenditure by Fiscal Year					
		FY 2018 Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Departmental Equipment	TBD		\$ -	\$ -	\$ -	\$ 125,000	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL		\$ -	\$ -	\$ -	\$ 125,000	\$ -

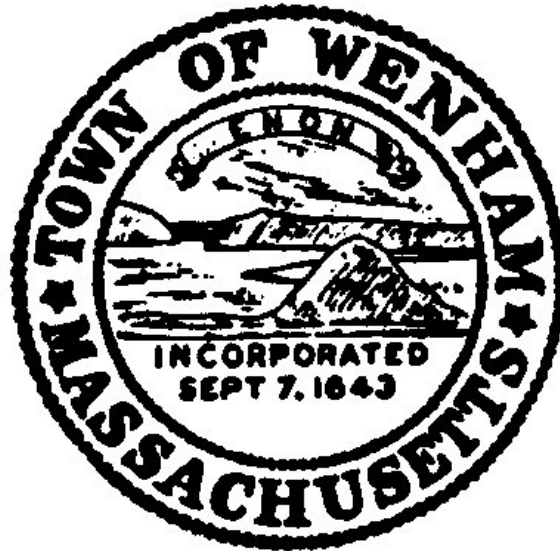
Sources of Fund Legend

(1) TBD

**FY 2019
TOTAL**

\$ -

Town of Wenham Massachusetts



Financial Policies

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

Town of Wenham
Financial Policies and Procedures

Part I Approved

Accounts Payable Policies and Procedures

**Approved by:
Board of
Selectmen
Effective:
9/9/2014**

PURPOSE:

To establish bill payment standards and practices to assure that all invoices presented are legal obligations of the Town, are paid from valid appropriations or encumbrances and are obligations of the current fiscal year.

AUTHORITY:

MGL Chapter 44 §§52, 56, 58 and 64

INVOICE REVIEW, PROCESSING AND PRODUCTION OF THE WARRANT

POLICY:

The policy of the Town is that the Accountant's office shall assure the timely payment of all original invoices and vouchers submitted and approved by authorized municipal officials. In order to accomplish this, the town's policy is that vendors are paid no less than bi-weekly. The town's policy further requires that vendor invoices are only paid after verification of available funds for said purpose and upon evidence of compliance with procurement requirements consistent with state law.

PROCEDURES:

Appropriate Documentation

Town departments shall submit invoices for payment to the Accountant's office as follows.

New Vendors

- Vendors shall not be paid until they have been entered into the Town Accountant's Vendor file. Departments are required to submit fully completed W9's and appropriate bid documentation if payment is result of procurement through MGL.

Authorization for Payment

- Only original invoices shall be submitted. They shall be covered with a *Schedule of Bills Payable* form. The bill schedule shall be signed by the appropriate municipal official as verification of receipt of the services/materials before they are turned it to the Financial Offices for payment processing Only original signatures are accepted; stamped signatures are not allowed.

- The Accountant's office shall maintain a listing by name and position with a signature for each municipal official authorized to make payments.
- Elected boards shall approve their departmental Schedule of Bills Payable. This includes but is not limited to the council on aging, library trustees, board of assessors, and board of health. A majority of the board is required to sign the Schedule of Bills Payable.
- When submitted, a signed Schedule of Bills Payable shall list each invoice presented for payment, the account to be charged and the total of bills payable on that schedule. When applicable, a copy of the purchase order and delivery documentation shall be attached as evidence of compliance with procurement requirements. The Town's Accounting system will have a report prescribed by the Town Accountant's Office that will meet the requirement of this section.
- A municipal official may seek to assign temporary signature authority to another municipal official. This process allows an alternate official to sign the Schedule of Bills Payable. Temporary signature authority is acquired by submitting a letter to the Accountant's office with the supporting details.

Departmental entry of payables in Accounting System

- All Town departments are authorized to enter payables data, and the treasurer/collector is authorized to enter refund data into the TOWN'S FUND ACCOUNTING payables module.
- All invoices related to the week's Schedule of Bills Payable prepared by an authorized department shall be entered for processing via the TOWN'S FUND ACCOUNTING system in the TOWN'S FUND ACCOUNTING AP Invoice Entry Module.
- When the department has reviewed and confirms that the Schedule of Bills Payable and the TOWN'S FUND ACCOUNTING Payables Batch reconcile, then the Schedule of Bills Payable and all the original documentation shall be submitted to the Accountant's office for review and additional processing.
- The Accountant or his/her designee enters all other department's invoices.

Accountant's Office Review of Payables

- The Accountant or his/her designee shall review all invoices submitted for:
 - Verification of mathematical accuracy of
 - Verification of delivery when applicable
 - Verification that the bill is not a statement
 - Verification that the Town has not been charged sales tax
 - Verification that applicable discounts have been utilized
 - Verification that vendor record is set up correctly.
- The Accountant or his/her designee shall review all invoices submitted for:
 - Verification of fund, org and account coded/charged
 - Verification of compliance with procurement requirements
 - Verification of sufficiency of funds.

- After entering all invoices, the Accountant or his/her designee shall run a TOWN'S FUND ACCOUNTING Preliminary Warrant and verify that the TOWN'S FUND ACCOUNTING Warrant Total reconciles to the grand total of each department's Schedule of Bills Payable for the week.
- The Preliminary Warrant will also identify and allow adjustments to the warrant in progress due to any accounts with insufficient funds.
- When this process has been completed for all departments submitting bills for payment, a TOWN'S FUND ACCOUNTING Edit List shall be run and reconciled to a town-wide total of all Schedules of Bills Payable for that week.
- The Accountant or his/her designee will run the TOWN'S FUND ACCOUNTING Payments Journal to verify that no vendor has a credit balance.
- The Accountant or his/her designee will then run the TOWN'S FUND ACCOUNTING Check Reconciliation report and will verify the vendor count to the number of checks.

Accountant's Review

Upon completion of these steps, a final edit listing of the warrant for the week shall be produced by/for to the Accountant for review.

- The focus of the Accountant's review shall be:
 - Appropriateness of fund, organization and account charged
 - Sufficiency of funds.
- In the instance of insufficient funds, the invoice shall be removed from the warrant and the invoice shall not be paid until budgeted funds are transferred, or until there is an authorized funding source.
- Upon approval of the TOWN'S FUND ACCOUNTING Preliminary Warrant, the Accountant or his/her designee shall produce the Final Warrant. Two copies of the warrant shall be produced for the Accountant's signature.

Revisions to Department's Payables

- Any invoice that cannot be paid shall be sent back to the department indicating the reason.

Submittal of Warrant to the Town Administrator/BOS for Signature

After signature of the warrant by the Accountant, the warrant shall be submitted to the Town Administrator and Board of Selectmen for signature. The payables checks will be released after the majority of the Board of Selectmen have reviewed and signed the warrant.

UNPAID BILLS OF THE PRIOR YEAR

Policy:

The policy of the Town is to assure integrity to the Annual Budget by charging all invoices to the proper fiscal year via an encumbrance of current year funds. In the event that an invoice is not submitted by the department head for payment in the appropriate fiscal year, it shall be submitted to Special Town Meeting for a vote as to its disposition, consistent with the requirements of MGL Chapter 44 §64.

Procedures:

- In the event any department submits a bill from the prior year on a Bill Schedule, it shall be removed from the Bill Schedule. The Accountant will review the bill with the department head.
- The Accountant shall forward the invoice and an explanation of the facts to the Town Administrator. The Accountant will make a recommendation to the Town Administrator relative to the payment of the bill and potential funding options.
- The Town Administrator will present a recommendation to the Board and Town Meeting for payment of the unpaid bill of the prior fiscal year with an explanation of the facts and circumstances as to why the bill was not paid within the proper fiscal year. The appropriation may be funded by Town Meeting from any available funds.
- The appropriation can only be approved with a four-fifths vote of Annual Town Meeting or a nine-tenths vote of a special Town Meeting.
- The proper municipal official or their lawful surrogate and the lawful vendor shall, under penalty of perjury, complete a prescribed certificate for presentation to the Board of Selectmen. At the time of payment, the invoice and certificates shall be submitted to the Accountant along with the proper Schedule of Bills Payable.

**BUDGET ADMINISTRATION AND FINANCIAL REPORTING
POLICIES AND PROCEDURES**

**Approved by:
Board of
Selectmen
Effective:
9/9/2014**

PURPOSE:

To establish budget administration and financial reporting standards and practices that accurately report the financial position of the town's funds at the close of each month and on a timely basis after the close of the fiscal year.

AUTHORITY:

MGL Chapter 40 §6
MGL Chapter 41 §§57, 58, 60 and 61
MGL Chapter 44 §§20, 30B and 53E ½
MGL Chapter 71 §47

GENERAL FUND

Budget Posting -Appropriations Order

Policy:

After the Town Meeting approves the Finance Committee's proposed budget (or votes to decrease the budget), Town Meeting then adopts the budget appropriations order. By doing so, Town Meeting authorizes the various departments to expend money effective as of July 1st based on appropriations for specific categories as prescribed by the Finance & Advisory Committee for each department of the Town.

Procedures:

- The Town Clerk sends the Accountant the budget as voted by Town Meeting within 10 days after the close of Town Meeting.
- Prior to the commencement of the new fiscal year, the Accountant records the appropriations in the Budget Module of the TOWN'S FUND ACCOUNTING system.
- The amounts voted are entered by the specific appropriation control levels for each respective department, (i.e. total amount appropriated for salaries, for expenses etc). All entries should be reviewed and reconciled to the Town Meeting's appropriation order by the Accountant.
- The Accountant should also record the preliminary revenue budget and should record all free cash and other available funds appropriated so that current year-end financial statements properly recognize all current year funds appropriated to support the Town's following year budget.

Tax Recapitulation Sheet Posting

POLICY:

The final budget of the Town as set forth on the town's annual *Tax Recapitulation Sheet* shall be recorded within ten days of the certification of the tax rates by the Department of Revenue (DOR). This usually occurs in late November or December.

PROCEDURES:

Although the budget was adopted in April of the prior year for July 1st, the final revenue budget cannot be recorded, as the actual tax rate is not set until late November or early December. After this process and approval of the Tax Recapitulation Sheet by DOR, the Accountant must prepare various journal entries to record the final revenue budget of the Town for the fiscal year.

The Accountant and Finance Director should record budget adjustments to:

- o Property *Tax Levy Budget* as a function of final new growth
- o Final *Overlay Amount* (provision for abatements and exemptions)
- o Final *Cherry Sheet* receipts
- o Final *Local Receipts* estimates (based upon the final tax levy, overlay, etc.).

Recording Budget Amendments voted by Special Town Meetings

POLICY:

The policy of the Town is that the accounting office is to record all types of budget amendments as voted by Town Meeting within five business days of the notification by the town clerk to approve the amendment and appropriate and/or transfer funds.

PROCEDURES:

On an annual basis, Town Meeting adopts the operating budget of the Town no later than June 30th. Over the course of the fiscal year the adopted budget may be amended as a result of the following types of actions:

1. Supplemental appropriations funded by *Free Cash* – Town Meeting Action
2. Supplemental appropriations funded by *Interfund Transfers* - Town Meeting Action
3. Supplemental appropriations funded by a new revenue source -Town Meeting Action
4. Interdepartmental and intradepartmental transfers Town Meeting Action
5. Other year-end transfers as allowed by MGL Chapter 44 §33B, which governs appropriation transfers in cities and towns - BOS & FINCOM
6. Supplemental appropriations funded by *Unexpended Articles* - Town Meeting Action
7. Supplemental appropriations funded by *Overlay Surplus* - Town Meeting Action

8. *Reserve Fund* transfers allowed under MGL Chapter 40 §6, - FINCOM

Each type of amendment requires a unique budget entry to record the vote.

- **Budget Amendments/Supplemental appropriations funded by Free Cash**

When the Town Administrator and Finance Committee recommend the use of Free Cash as the source to fund an appropriation, and Town Meeting votes to approve this use of Free Cash, the Accountant then records the additional appropriation in the *Budget Module* of TOWN'S FUND ACCOUNTING and adjusts the *Undesignated Fund Balance* in the General Ledger in accordance with the UMAS manual.

- **Supplemental appropriations funded by interfund transfers**

When the town administrator and finance committee recommend the use of a fund balance from another fund (i.e. *Stabilization Fund, Receipts Reserved for Appropriation*) and Town Meeting votes to do so, the Accountant records the amendment in the TOWN'S FUND ACCOUNTING *Budget Module* to increase the respective budget and records the Interfund Transfer in accordance with the UMAS manual.

- **Supplemental appropriations funded by new/additional revenue sources**

Normally, additional revenues in excess of budget estimates stated on the Tax Recapitulation Sheet are not available for appropriation during the fiscal year; the additional revenues are received and recorded and simply close to undesignated fund balance at year-end. When Free Cash is certified, these funds are usually available for appropriation. On occasion, the DOR allows municipalities to use new or additional revenues as the funding source during the fiscal year and after approval of the Tax Recapitulation Sheet. A vote of Town Meeting to appropriate based on a DOR authorized revenue source is recorded by

- Increasing the respective departmental budget appropriation and
- Increasing estimated revenue in accordance with the UMAS manual.

- **Interdepartmental and intradepartmental transfers**

The Town Administrator and Finance Committee may recommend that Town Meeting fund a supplemental appropriation without the need to use fund balances or new revenue sources by transferring from one category of appropriation or from one department to another department. A vote of Town Meeting to authorize a transfer from one appropriation is recorded by:

- Increasing the respective appropriation and
- Decreasing the source appropriation in the TOWN'S FUND ACCOUNTING *Budget Module* in accordance with the UMAS manual.

- **Funded by unexpended articles**

The Town Administrator and Finance Committee may recommend that Town Meeting fund a supplemental appropriation without the need to use fund balances or new revenue sources by transferring from unexpended balances in voted articles. A vote of Town Meeting to authorize a transfer from unexpended article balances is recorded by:

- Increasing the respective appropriation and
- Decreasing the article balance in the TOWN'S FUND ACCOUNTING *Budget Module* in accordance with the UMAS manual.

- **Funded by Overlay Surplus**

The Town Administrator and Finance Committee may recommend that Town Meeting fund a supplemental appropriation without the need to use fund balances or new revenue sources by transferring from Overlay Surplus. A vote of Town Meeting to authorize a transfer from Overlay Surplus is recorded by:

- Increasing the respective appropriation *and*
- Reducing the Overlay Surplus in the TOWN'S FUND ACCOUNTING Budget Module in accordance with the UMAS manual.

Monthly Financial Reporting

Expenditure Reports

POLICY:

The policy of the Town is that all expenditure budgets will be reviewed on a monthly basis by department heads. The official record of expenditures is the town's General Ledger as maintained by the Accountant, and department heads must submit documentation to support a journal entry if an account on the General Ledger needs adjustment.

PROCEDURES:

- The Accountant shall notify department heads via email when each period or month is closed. The email indicates which payroll warrant and which accounts payable warrant is included in the period or month. Departments are required to print the TOWN'S FUND ACCOUNTING Year-to-Date Report for their department.
- Department heads must return the Year-to-Date Report with a signature indicating all activity is correct. If the department head does not agree they must submit documentation of the issue or variance and request a journal entry.
- Departments at any time (and more frequently than at month end) may access their current balances by accessing the General Ledger Inquiry module of TOWN'S FUND ACCOUNTING. This module will show the current balance of any account as of that date. Departments are encouraged to do so.
- The Finance Director will prepare a brief summary level expenditure analysis report for distribution to the Board of Selectmen, Town Administrator and Finance Committee within 15 days after the close of each month. The report shall indicate expenditure and encumbrance activity to date, and shall indicate any potential issues with the viability of the budget.

Revenue Reports

POLICY:

The policy of the Town is that all revenue budgets will be reviewed on a monthly basis by department heads. The official record of revenues is the Town's General Ledger as maintained by the Accountant, and department heads must submit documentation to support a journal entry if a revenue account on the General Ledger needs adjustment.

PROCEDURES:

- After the close of the month, departments will print copies of the TOWN'S FUND ACCOUNTING Year-to- Date Budget Report - (revenues through date). This report indicates the Revenue Budget/Estimate, the Actual Year-to-Date Revenue, MTD Revenue and the Remaining Revenue (to be collected), as well as the Percent Collected.
- The TOWN'S FUND ACCOUNTING Revenue Report shall be distributed to respective department heads, to the Town Administrator, and to the Chair of the Finance Committee.
- If a department head finds that a departmental receipt turned over to the treasurer/collector's office is not recorded on the General Ledger as revenue, the finding shall be documented and reported to the Accountant.
- The Finance Director shall prepare a brief Summary Level Revenue Analysis Report for distribution to the Town Administrator, Board of Selectmen and to the Finance Committee for each month, by the fifteenth of the following month. The report shall indicate revenue activity to date (the six month point) in comparison to the "budgeted revenue" and shall indicate any potential issues with the viability of the revenues to sustain the adopted budget.

Quarterly and Year-End Financial Reporting

Full Set of Financials

POLICY:

The policy of the Town is that the Accountant shall prepare and issue quarterly and year-end financial statements to the Town Administrator, the Board of Selectmen, the Finance Committee and the Department Heads in order to report and inform them of the financial status of the Town.

PROCEDURES:

Year-end Financial Reporting

- The Accountant shall prepare within 60 days of June 30th, the close of the fiscal year, the combined balance sheet and the DOR year-end reporting packet and Free Cash Worksheet. These reports shall be submitted to the town administrator and then distributed to the Finance Committee and Board of Selectmen.

- Within 60 days of the close of the fiscal year (August 31st), UMAS financial statements including individual fund, combining fund and combined funds balance sheets and operating statements shall be issued by the Accountant. These statements shall be submitted to the town administrator and then distributed to the Finance Committee and Board of Selectmen and be available for the independent CPA firm.
- On or before November 30th, the Accountant shall submit *Schedule A* to the DOR.

Year-End Closing

POLICY:

The policy of the Town is that the Accountant shall complete the year-end close no later than August 31st, 60 days after the close of the fiscal year, in order to issue year-end financial statements (UMAS and GAAP) and to assure the timely certification of Free Cash. If for reasons outside of normal operations this timetable cannot be met, the Town Accountant will provide written notice to the Town Administrator and Board of Selectmen no later than 10 days prior to the deadline with an explanation of the potential delay, and an estimated completion date.

PROCEDURES:

- By June 1st the Accountant shall prepare a year-end closing guidance memo to all departments. The memo should give directions for:
 - The deadline of submission for all bills payable for the current fiscal year
 - The deadline for submittal of all encumbrances and requests for carry-overs of funds
 - An advisory on MGL regarding *Unpaid Bills of the Prior Year*.
- Departments may request encumbrances for any goods or services ordered but not received as of June 30th. The *Request for Encumbrance* shall be supported by a purchase order or a contract/agreement executed prior to the close of the fiscal year.
- Detailed receivable lists shall be run for all receivables and the timing of commitments and receipts coordinated with the treasurer/collector's office. No entries for commitments, receipts, abatements or other adjustments shall be entered into the accounts receivable system for the new fiscal year beginning July 1st until year-end detailed reports are run (normally two to three days after year-end).
- Accounts receivable credit balances must be identified and investigated. If the balances are not part of the detailed reports they must be summarized for comparison to General Ledger accounts. Tax title records, which are not on the computer system, shall be summarized and listed by taxes, liens, betterments, interest and fees.
- The Treasurer/Collector shall advise the Accountant of the last receipt entries posted into the collections system and included in deposits for the closing fiscal year. Deposits shall be made by noon of the next business day subsequent to year-end closing. Any un-posted items for unidentified receipts must be resolved and posted prior to closing.

- Year-end commitments for water shall be reported to the Accountant based on the date posted to the receivable system.
- Prior to closing, trial balances shall be printed and reconciling procedures as described above shall be applied to all accounts. Year-end closing entries to fund balance accounts shall be made where appropriate. Other adjustments shall be made, as necessary and final trial balances of all accounts shall be printed.
- Year-end reports shall be distributed to all departments for their review and approval. After all approvals have been obtained and all accounts adjusted, a complete detailed General Ledger shall be printed for all funds. The detailed General Ledger shall be compared to the trial balances for consistency. The detailed General Ledger and supporting trial balances shall be retained in the accounting office for future reference. In addition, tape back-up of the complete TOWN'S FUND ACCOUNTING data files should be retained.
- The Accountant shall print copies of the final year-end balance sheets, revenue reports and expenditure reports for all funds. The reports shall be retained in the *Year-end Close* binder and shall serve as the source documents for *Schedule A* and *the Year-end Free Cash Submittal* information to DOR.
- Closing entries for revenue and expenditure accounts are automatically performed in the TOWN'S FUND ACCOUNTING system. The beginning balances brought forward into the new fiscal year shall be compared to the final balance sheets to assure that the system has closed correctly.

Preparation and Submittal of Year-End Reporting Packet to DOR

POLICY:

The Department of Revenue - Bureau of Accounts (DOR) must certify Free Cash after the close of each fiscal year. Once Free Cash is certified, these funds are available for appropriation by Town Meeting for any purpose recommended by the Town Administrator and Finance Committee. Each year the Town will submit a timely filing (no later than the first week of September) of all year-end documents to the DOR in order to have Free Cash certified on a timely basis.

It is Town policy to regard Free Cash as a non-recurring revenue source, which is available for appropriation-

PROCEDURES:

- The Accountant will complete the Town's year-end UMAS financial statements (balance sheet and operating statement) no later than August 31st.
- The Accountant will complete the DOR end of year-end Free Cash Checklist.
- The Town Administrator will review the above documents and the documents should be submitted to DOR for certification of Free Cash.
- The Accountant should inform the Town Administrator and the Finance Committee of the projected amount of funds to be certified as "Free Cash". The Accountant should also submit a report explaining the key factors contributing to

the new Free Cash balance, including significant departmental turn backs (unexpended funds), actual revenues in excess of budgeted revenues, the close out of overlay surplus and the like.

- The Free Cash certification letter/email, when received by the Accountant, should be distributed to the Town Administrator, Finance Committee, Board of Selectmen, Board of Assessors, Finance Director, Treasurer/Collector, and the Town Clerk.

Preparation and Submittal of Schedule A to DOR

POLICY:

The policy of the Town is that the Accountant shall file *Schedule A* with the DOR by their annual deadline, normally November 30th. *Schedule A* is a comprehensive report of all of the town's revenues for all town funds, and of all expenditures by category of expenditure for all funds of the Town.

PROCEDURES:

- The Accountant shall prepare *Schedule A* after the close of the fiscal year and completion of all UMAS financial statements.
- The source document for all revenues to be reported on *Schedule A* shall be the Year-end Revenue Subsidiary Ledger.
- The source document for all expenditures to be reported on *Schedule A* shall be the Year-end Expenditure Subsidiary Ledger.
- The Accountant shall file *Schedule A* electronically on the prescribed DOR software.

Part 1 Approved

Town of Wenham
Financial Policies and Procedures

Part 2 Approved

Miscellaneous Funds Policies and Procedures

Approved by:
Board of Selectmen
Effective:
8/18/15 &
9/1/15

SPECIAL REVENUE FUNDS

Revolving Funds

POLICY:

The Town has two types of *Revolving Funds*:

1. Funds established pursuant to MGL Chapter 44 §53E1/2 and
2. Funds established based upon acceptance of specific statutes authorizing revolving funds for specific purposes.

The Town's policy is to comply with the Commonwealth's laws and the Department of Revenue's standards that govern each category of revolving fund.

PROCEDURES for Chapter 44 §53E1/2 Revolving Funds:

- The Accountant shall oversee and assure that an annual expenditure budget and revenue budget is prepared for all Chapter 44 §53E1/2 revolving funds of the Town. The revolving fund requests by the department shall be prepared based on the same guidelines and standards distributed by the Town Administrator to department heads for preparation of their annual General Fund budgets. The budgets shall be subject to the same level of review as all General Fund expenditure proposals.
- The proposed revolving fund revenues and expenditures shall be included as part of the Administrator's proposed budget for the ensuing fiscal year.
- Town Meeting must vote the *Annual Expense Budget Authorization* for all Chapter 44 §53E1/2 revolving funds. The authorization shall be included as a separate section of the *Appropriations Order*. In any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the Board of Selectmen and Finance Committee provided, however, that the one percent limit established by clause (4) of the third paragraph of Chapter 44 Section 53E1/2 is not exceeded.
- The Accountant shall assign a separate fund in the chart of accounts for the revolving fund.
- Notwithstanding the fact that Town Meeting has voted a spending limit for Chapter 44 §53E1/2 funds, expenditures cannot be authorized for payment by the Accountant that exceed the sum of the fund balance and the year-to-date revenues.

- Town Meeting must annually vote to authorize all of these funds.
- Unexpended balances shall revert back to the General Fund at year-end if that specific Chapter 44 §53E1/2 revolving fund is not re-activated at the Annual Town Meeting for use during the following fiscal year.

PROCEDURES for Other Revolving Funds:

- The Accountant will record expense budgets for each revolving fund based on actual revenues received for that fund.
- The Accountant shall adjust the expense budget for the fund based on additional revenues reported on the *Schedule of Departmental Payments to the Treasurer* received from the Treasurer/Collector.

Receipts Reserved for Appropriation Funds

POLICY:

The Town has several *Receipts Reserved for Appropriation Funds* that, pursuant to Massachusetts General Laws, require the Town Meeting to vote an appropriation as the authorization for any expenditure from the fund. Receipts reserved for appropriation funds include insurance reimbursement greater than \$20,000, sale of surplus property, etc.

PROCEDURES:

- The Accountant shall certify the total receipts reserved for appropriation funds available, and the Town Administrator shall prepare a resolution for vote by Town Meeting any time there is a planned use of monies from a receipts reserved for appropriation fund. The resolution should include the purpose of the proposed use of the funds and the specific amount of funds requested for appropriation by Town Meeting.
- The Town Clerk shall forward all approved appropriation orders voted by Town Meeting to the Accountant within five days of the vote of Town Meeting.
- The Accountant shall record the vote appropriation as an inter-fund transfer from the Receipts Reserved for Appropriation Fund to the General Fund in order to provide sound control and to assure that no excess expenditures are made from the receipts reserved fund.
- Expenditures for the purpose authorized by Town Meeting will be made from the General Fund after the inter-fund transfer is made from the Receipts Reserved for Appropriation Fund.

CAPITAL PROJECT FUNDS

POLICY:

The policy of the Town, consistent with UMAS fund accounting, is to use capital project funds to account for the financial resources to be used for the acquisition or

construction of major capital facilities other than those financed by proprietary funds or trust funds.

PROCEDURES:

- Town Meeting votes the approval of a capital project.
- The Accountant will establish a new capital project fund and post the approved budget based on a Town Meeting vote, at the point that the project is financed through either:
 - a. Receipt of bond or grant anticipation loan proceeds
 - b. Receipt of an approved inter-fund transfer
 - c. Receipt of long-term bond proceeds.
 - d. General Fund expenditure.
- The Accountant will not approve any-invoice, nor allow any obligation to be incurred, in a capital project fund without one of the three financing methods listed above being in place.
- Most capital project fund budgets are multi-year budgets and will be expended over a multiple fiscal years.
- On a quarterly basis, the Accountant shall review all open capital projects in order to identify completed capital projects with available balances that may be used to finance other capital needs of the Town.
- When the capital project is completed, the Accountant will close out the fund. A *Residual Equity Transfer* will be appropriated consistent with MGL Chapter 44 §20.

TRUST FUNDS

POLICY:

The policy of the Town is to oversee and assure the appropriate expenditure of funds in conformance with the trust agreement, and authorized payments based on approval of trustees of the trust. The Accountant will only establish trust funds for assets that the Town is holding in trust for a third party, such as scholarships, cemetery perpetual care and library trusts.

The Town's trust funds are fiduciary funds and each trust fund account has been created to conform to the requirements of the trust agreement. The Town has expendable trust funds and non-expendable trust funds.

PROCEDURES:

- The Accountant, for purposes of sound control of trust fund expenditures, and the Treasurer/Collector, for purposes of sound investment of trust funds, shall each maintain a file of the detailed trust documents which describe the purposes the funds can be used for, any trust fund investment restrictions and any limitations on the expenditure of the funds. The file shall also retain documents that define what portion of the fund is expendable and which portion is non-expendable, and

who is authorized as to the signing authority to expend funds.

- Based upon the source trust fund documents, the Accountant shall segregate the non-expendable portion from the expendable portion. Until verified as expendable, all trust funds shall be deemed to be non-expendable.
- Although no annual appropriation is made for a trust fund, the Accountant shall require expense budgets for the expendable portion of the trust in order to monitor and control expenditures. Since the non-expendable portion is not available for expenditure, no expense budget is required.
- In order to insure that the purposes of each trust are achieved, the treasurer/collector or other custodian of the trust fund assets shall invest the trust funds to maximize return consistent with the terms of the trust document.
- The Accountant will only pay trust fund disbursements through the town's accounts payable system on a warrant approved and signed by the Accountant, Town Administrator, Treasurer/Collector and majority of the Board of Selectman.

AGENCY FUNDS

General Agency

POLICY:

The policy of the Town is to utilize agency funds for the purpose of accounting for assets that are controlled by the Town when acting as an agent for a third party.

PROCEDURES:

- The Accountant records contributions and withdrawals, as the Town is only an agent for these funds. As such, the fund has neither revenue accounts nor expenditure accounts; contributions received are recorded as liabilities and funds withdrawn reduce the liability.
- The Accountant shall establish authority for approval of disbursement of all agency funds. Final disbursement, return of all deposits, planning fee deposits and performance bonds shall be approved for release upon receipt of appropriate documentation indicating completion of work to the Accountant.
- All agency fund payments shall be processed through the town's accounts payable system and paid on the warrant signed by the Accountant, Town Administrator, Treasurer/Collector and a majority of the Board of Selectman.

**Cash Receipts, Cash Disbursements, Petty Cash,
Tailings and Reconciliation of Cash Policies and
Procedures**

**Approved by:
Board of Selectmen
Effective:
8/18/15 &
9/1/15**

PURPOSE:

To establish sound financial controls and practices to assure all cash receipts are deposited on a timely basis, are recorded on a timely basis, that disbursements are made only after proper authorizations and safeguards; and to assure that cash is reconciled on a timely basis.

AUTHORITY:

MGL Chapter 41 §§35, 41 and 57

CASH RECEIPTS

POLICY:

It is the Town's policy that the Treasurer/Collector's office is solely responsible for the entry of cash receipts to the TOWN'S FUND ACCOUNTING system. The Treasurer/Collector's office is responsible for all bank deposits. In all instances, Town departments must turn over receipts to the Treasurer's office not less than once a week. At a minimum, revenue shall be turned over immediately to the Treasurer/Collector's office when the department has collected \$250 in cash or \$500 in checks.

It is each department's responsibility to establish procedures to safeguard the collection and remittance of receipts until turned over to the Treasurer/Collector.

The Treasurer/Collector must give bond annually consistent with the provisions of MGL Ch. 41 §35. The Accountant shall verify that the treasurer has given bond as required.

The Accountant shall periodically, but not less than once per year, perform site visits to the departments to audit the receipt process.

PROCEDURES:

- Departments that collect receipts will complete a *Form AD-9/10* entitled *Schedule of Departmental Payments to the Treasurer - Attachment VII.11* to report respective receipts by appropriate General Ledger revenue account.
- Departmental staff shall deliver the form with the cash and checks to the Treasurer/Collector's office.

- The Treasurer/Collector signs the Form AD-9/10 as a verification that the total amount indicated on the form reconciles with the total cash and checks presented.
- One copy of the Form AD-9/10 is forwarded directly by the department to the Accountant as an independent source document for the Accountant to verify that the receipts have been entered to TOWN'S FUND ACCOUNTING by the Treasurer/Collector's office. This copy is sent the Accountant at the same time the receipts are submitted to the Treasurer/Collector.
- The department retains one copy of the Form AD-9/10 as signed by the Finance Assistant Treasurer/Collector for a minimum of 3 years.
- The Finance Assistant enters all receipts reported on the schedule as miscellaneous receipts in the Accounts Receivable module of TOWN'S FUND ACCOUNTING by the respective code.
- Departmental cash receipts (as well as all committed receipts) are reported on a *Cash Sheet* and tape that balances to all "departmental turnovers" and other committed receipts for the day. When all cash, checks and the tape reconcile, the deposit slip is then prepared and all documentation is turned over to the Treasurer/Collector for recording in the *Cashbook* and deposit at the bank.
- All cash receipts activity for a specific date will be entered to a TOWN'S FUND ACCOUNTING batch within four days of receipt. The TOWN'S FUND ACCOUNTING batch must reconcile to the Cash Sheet and tape submitted to the Treasurer/Collector on the prior day.
- Each town department that receives cash receipts should review the TOWN'S FUND ACCOUNTING *Revenue Year to Date Report* for their department each month to verify that all cash receipts that were turned over the Treasurer/Collector are recorded accurately to the respective General Ledger account. Any discrepancies shall be reported to the Accountant immediately.

EMERGENCY DISBURSEMENTS (MANUAL CHECKS)

POLICY:

The Town's policy is that only in extenuating circumstances will the Treasurer/Collector allow the issuance of a manual check outside of the normal warrant process.

PROCEDURES:

- In a bona fide emergency where payment must be made to a vendor outside of the normal accounts payable process, the Accountant and Town Administrator must sign a form authorizing payment to the same standards as for a normal warrant. All documentation to substantiate the reason and receipt of services shall be submitted within five days.
- The Treasurer/Collector shall produce the manually produced check upon receipt of the signed authorization of the Town Administrator and Accountant.
- The Treasurer/Collector must provide the Accountant with a copy of the manually produced check.
- The Accountant must include this payment on the next week's TOWN'S FUND

ACCOUNTING produced warrant as a “no check” item to assure that the payment is posted to the General Ledger and charged to the respective department’s appropriation.

PETTY CASH ADMINISTRATION

POLICY:

The policy of the Town is that *Petty Cash* accounts may be established for departments that need a small amount of cash to meet payments required at the time of service. Petty cash can only be replenished by submittal of all documentation and receipts through the warrant process for review of the Accountant. Petty cash transactions will never be used to finance payroll.

PROCEDURES:

- Requests for petty cash accounts or changes to the limit authorization should be submitted in writing to the Accountant.
- All requests for establishment of petty cash accounts or changes to limits should be subject to approval of the Accountant.
- If approved by the Accountant, the specific petty cash account should be under the custody of one authorized official in the respective department.
- The Accountant will create the petty cash account by reducing unrestricted cash and increasing petty cash. The Accountant will reclassify fund balance simultaneously by reducing *Undesignated Fund Balance* and increasing *Fund Balance Reserved for Petty Cash*.
- All petty cash transactions shall be documented with a receipt from the vendor/service provider to the authorized departmental petty cash cashier.
- Periodically the petty cash custodian in the department should submit all documentation and receipts on a *Bill Schedule* to the Accountant as part of the accounts payable warrant process in order to replenish the petty cash account.
- The petty cash account will only be replenished by the Accountant based on review of the documentation submitted through the warrant process. If there have been any inappropriate uses, the petty cash account will be terminated.

TAILINGS (Uncashed Checks)

POLICY:

The Town’s policy is to identify and research all *Uncashed Checks (Tailings)* as a part of the timely reconciliation of all bank accounts. All checks that are not cashed within 60 days of the date of issuance will be investigated. Checks that are not cashed after 120 days will be reported to the Accountant as uncashed so the General Ledger can be adjusted to increase cash and to record a corresponding liability.

A listing of all uncashed checks shall be published in the newspaper once a year consistent with Massachusetts General Law. Checks not claimed must be reported by the Treasurer/Collector to the Accountant so that revenue can be increased and the liability can be eliminated.

PROCEDURES:

- All Town bank accounts shall be reconciled each month; uncashed checks (tailings) will be identified and investigated as part of this process.
- The Treasurer/Collector shall identify all checks that have not cleared the bank account. If the check has not cleared for more than two months, the Treasurer/Collector (or designee) shall prepare a list of all uncashed checks.
- The Treasurer/Collector shall investigate the uncashed check by reviewing the check register run at the time of disbursement of checks on the weekly accounts payable warrant. The uncashed payroll checks shall be checked by reviewing the payroll vendor's check disbursement report.
- The Treasurer/Collector shall identify and record on a spreadsheet a listing of uncashed checks, the date of issuance, and amount of check, name and address of check recipient.
- The Treasurer/Collector shall send a notice of the uncashed check and the amount to the recipient at their last known address and retain evidence of this mailing.
- If the check has not been cashed 120 days after the date of issuance, the Treasurer/Collector, consistent with Massachusetts General Law, shall submit a *List of Uncashed Checks* to the Accountant so that cash can be adjusted and the liability of the tailings/abandoned property can be recorded on the General Ledger.
- The Treasurer/Collector shall publish the *List of Uncashed Checks* in a newspaper of general circulation consistent with state law.
- The Treasurer/Collector shall prepare a *List of Abandoned Property/Uncashed Checks* for all checks that are not claimed after the public advertisement and submit it to the Treasurer/Collector for approval.
- After signing the document, the Treasurer/Collector shall submit the *List of Abandoned Property/Uncashed Checks* to the Accountant. The Accountant will increase the revenue of the Town on the General Ledger and eliminate the liability.

RECONCILIATION OF CASH

POLICY:

It is the policy of the Town that the Treasurer/Collector and the Accountant shall reconcile cash as recorded in the *Treasurer's Cashbook* and as recorded on the General Ledger at the close of the prior month. The Treasurer/Collector maintains a *Reconciliation of Cash* documenting the reconciliation for each period. Each official is responsible to sign the *Summary Cash Reconciliation* spreadsheet annually and to then submit a letter and the *Summary Cash Reconciliation* spreadsheet to the Finance Committee as evidence that cash is reconciled.

PROCEDURES:

- The Treasurer/Collector or designee reconciles the Treasurer's Cashbook to the bank statements. This is completed within five days of receipt of the last bank statement.
- The Treasurer/Collector identifies all reconciling items between the cashbook and the bank statements. These items will include: deposits in transits, outstanding checks and other items that represent timing differences between the bank and the cashbook.
- The Treasurer/Collector will correct the cashbook for the reconciling items that are not the result of timing differences (that would clear the next month).
- The Treasurer/Collector will forward to the Accountant all the adjustments made to cashbook based on the reconciliation to the bank statements.
- The Accountant will record an adjusting entry to cash on the General Ledger if appropriate and based on supporting documentation.
- The Treasurer/Collector will follow up on any check that remains outstanding for sixty days as described above under the *Tailings Policy and Procedures*.
- The Treasurer/Collector will maintain the cashbook on a daily basis for warrants issued, deposits, transfers between accounts and investment income.
- After the month's activity in the cashbook is reconciled to the bank statements, the Treasurer/Collector or designee produces the month-end TOWN'S FUND ACCOUNTING *Account Trial Balance for Treasurer's Cash* and the TOWN'S FUND ACCOUNTING *Account Detail History for Treasurer's Cash*.
- The Treasurer/Collector produces a spreadsheet based on:
 1. Receipts reconciliation documenting:
 - The receipts per the cashbook and
 - Receipts per TOWN'S FUND ACCOUNTING General Ledger
 2. Disbursements Reconciliation documenting:
 - The disbursements per the cashbook and
 - The disbursements per TOWN'S FUND ACCOUNTING General Ledger.

These reconciliations are evidence that the cashbook ending balance agrees to the cash on the General Ledger. If there are variances, the Treasurer/Collector and Accountant research and document any adjustments.

- A final *Cash Reconciliation Summary Statement* is produced and signed by both the Treasurer/Collector and by the Accountant that states the cash balances per the General Ledger and per the cashbook, and documents any adjustments to either the cashbook or to the General Ledger.
- The *Cash Reconciliation Statement* and cover letter is submitted to the Town Administrator within 60 days of the close of the fiscal year as documentation that cash is reconciled.

Financial Administration of Grants Policies and Procedures

Approved by:
Board of Selectmen
Effective:
8/18/15 &
9/1/15

PURPOSE:

To establish financial and control standards and practices for federal and state grants that are centralized for purposes of control within the Accountant's office, to prevent deficits in grant funds (special revenue funds) and to promote timely grant reimbursements to minimize reliance on the Town's cash and accordingly optimize the Town's cash flow.

AUTHORITY:

MGL Chapter 44 §53A

POLICY:

Consistent with the requirements of state law, it is the policy of the Town that the Accountant will only record a grant budget on the General Ledger for a municipal department based upon a vote of the Board of Selectmen to accept the grant. The Accountant will monitor grant expenditures for consistency with the grant award requirements. The Accountant will monitor the department's submittal of reimbursement requests to assure timely reimbursements.

Chapter 90 - State Highway Grants

The *Highway Improvement Fund* is used to account for capital maintenance and improvement activities undertaken with the state Chapter 90 highway improvement grants. Each year, the Town receives an annual grant award based on a formula. The Board of Selectmen must vote to accept the total annual grant award. Over the course of the fiscal year, the Department of Public Works (DPW) is responsible for preparing applications to the Massachusetts Department of Transportation (MassDOT) for grant fund use. It is the policy of the Town that no grant funds related to the specific projects may be obligated until the Town has written approval for specific projects.

PROCEDURES:

- **Preparation of Annual Chapter 90 Budget Order**

The Accountant will prepare a grant acceptance order for the Board of Selectmen indicating the total amount of the Chapter 90 funding for the fiscal year award.

- **Vote of the Board**

A majority vote of Town Meeting is the authorization for the Town's annual participation in the Chapter 90 program. At this point, there is no authority to expend funds as the DPW does not have the individual project approvals from MassDOT.

- **Recording of Chapter 90 Budget Order**

The Town Accountant should record in the TOWN'S FUND ACCOUNTING *General Ledger - Chapter 90- Highway Fund* and by subfund the total undistributed grant award for the fiscal year. No obligations are to be recorded against this undistributed grant award budget.

- **Approval of Specific Projects by the State Highway Department**

Upon approval of a specific road project by the state highway department the Accountant will:

- Set up specific project level and object level accounts for the approved project
- Transfer the approved project amount from the *Undistributed Grant Award Budget* to the *Project Budget* by specific object codes that are relevant for the project (personal services, contractual services, materials etc.)

- **Payment of Project Invoices and Reimbursement Requests**

- The DPW is responsible for the management of the various Chapter 90 improvement projects.
- When invoices are received they should be reviewed, coded, entered into TOWN'S FUND ACCOUNTING and then submitted to the Accountant's office consistent with the procedures in the town's *Accounts Payable Policy*.
- In order to assure timely reimbursement and minimize the period of financing with Town of Wenham cash, the DPW will prepare and submit a *Chapter 90 State Highway Reimbursement Request*. It will be submitted to the Accountant at the same time that the invoice is presented for payment on the warrant.
- The DPW Director will sign the reimbursement request as an attestation that all materials, supplies have been received and services completed for the requested reimbursement.
- The Accountant should assure that all invoices paid on the warrant are attached to and reflected on the reimbursement request.
- The Accountant will sign the reimbursement request consistent with state highway program requirements and based on verification that all costs to be paid on the warrant are included in the reimbursement request.
- The reimbursement request must also be signed by the Town Administrator. The Accountant (or designee) is responsible for forwarding the request to MassDOT.

- **Record the Chapter 90 Receivable**
 - The Town Accountant will record the amounts requested for reimbursement, by project, as a receivable within the *Chapter 90 Fund*, offset by deferred revenue.
 - The Accountant will investigate any reimbursement request that is outstanding for more than sixty (60) days.
- **Close out of Specific Projects**
 - As specific projects are completed, a project close out package is prepared by the DPW and reviewed by the Accountant for consistency with the activity recorded on the General Ledger.
 - Based upon the Accountant's review, the close out package is forwarded to MassDOT by the Accountant (or designee).
 - The Accountant transfers any unobligated balance in a project budget, at close out, to the undistributed budget line of the appropriate Chapter 90 grant award year.

Other Federal Grants and State Grants (Award Programs)

Procedures:

- **Award of Grant**

When any department receives a grant award, they should notify the Accountant and provide copies of grant guidelines, regulations and allowable costs. The Accountant and relevant department official will discuss control procedures and set up of a line item budget on the General Ledger.

- **Preparation of Grant Budget Order**

After notification of an award from a granting agency, the Accountant will prepare a grant acceptance order indicating the total amount of the grant for vote of the Board of Selectmen. The documentation submitted to the board should include an assessment of the fiscal impact on the Town.

- **Vote of the Board of Selectmen**

A majority vote of the Board of Selectmen is required to formally authorize the Town to begin to make obligations and expend funds.

- **Recording of the Grant Budget Order**

The Town Accountant should record the grant budget in the appropriate fund and subfund of the General Ledger based on receipt of both the grant award letter/documentation and the vote of the selectmen. Each grant will have a unique TOWN'S FUND ACCOUNTING sub fund number. The budget should be recorded in total and then by line items approved in the grant award budget (personal services, professional services, materials etc.). DOE grants should assure coding also by program, location and grade level to assure ability to complete the *Department Of Education's End-of-Year Report*.

Grant Amendments and Revisions

After the award of the grant, a granting agency may decrease the grant, increase the grant or make revisions to line item budgets.

- When a department managing the grant receives a grant amendment or adjustment the department must immediately forward it to the Accountant.
- The Accountant will record the grant amendment on the General Ledger and make the appropriate increase or decrease to the grant budget. If line items were adjusted the "object" budgets will be revised on the General Ledger.

Payment of Project Invoices and Reimbursement Requests

- Each Town department is responsible for the management of their grant expenditures consistent with the grant award requirements.
- When grant funded invoices are received, they should be reviewed, coded, and then submitted to the Accountant's Office consistent with the procedures in the town's Accounts Payable Policy.
- The Town Accountant and the relevant department official should discuss grant requirements and timing of reimbursement requests (at time of expenditure, monthly or quarterly) consistent with the reimbursement standards of the granting agency.
- Each Town department should request reimbursements from the granting agency as often as allowed per grant guidelines. The town department must submit evidence of the grant reimbursement request at the same time it is submitted to the granting agency, to assure timeliness of reimbursements.
- Since many grants are processed as reimbursements, the Accountant will monitor the "deficit" balances to assure that they are temporary balances and that reimbursements are received within the allowable timelines (60 days, 90 days etc) for that grant.
- Upon the completion of a grant project/program, the department should complete their final grant status/expenditure report to be submitted to the granting agency. The General Ledger of the Town is the official record of grants funds expended and receipts received.
- The Accountant will review the department's final grant report/close out for accuracy of funds received and expenditures. The Town's General Ledger is the official record of all grant activity. Any funds due to the granting agency should be subject to review and certification by the Accountant based upon the activity as recorded on the General Ledger.

Closeout of Grants

Procedures:

As grants are completed, the municipal department that received the grant must prepare a grant close out package and submit it to the Accountant. If the

grant had allowed drawing of funds based on estimated expenditure and actual expenditures were less, then the granting agency will require the return of unexpended funds.

The Accountant will review the department's documentation to the grant receipts and expenditures as recorded on the General Ledger. Any funds due to a granting agency must reconcile to the grant activity as recorded on the General Ledger. Only after the Accountant reviews the grant close out documentation to the General Ledger and approves it can a check be drawn to "refund" a granting agency.

Part 2 Approved

Financial Reserve Policies and Procedures

Approved by:
Effective:

PURPOSE:

To formalize policies for the level of reserves and appropriate uses of the Town's various reserves in order to reduce risk in managing the Town's short and long-term needs, to improve financial planning, and to help preserve the Town's financial position and credit rating.

AUTHORITY:

MGL Chapter 40 §5B

POLICY:

It is the goal of the Town to maintain a sum in overall reserves that is between 5 and 10 percent of General Fund appropriations. The Town's operating reserves are defined as *Free Cash* and the *General Stabilization Fund*.

Free Cash

POLICY:

It is the Town's goal to maintain a minimum Free Cash balance of \$250,000. Historically, it has been the policy of the Town that Free Cash be utilized to subsidize the tax rate or to fund the annual operating budget.

It is the Town's goal to limit the amount of Free Cash used in the operating budget to a sustainable level and to endeavor to use these available funds for non-recurring one-time expenses such as capital projects. For the purposes of this Policy, the following are deemed to be the highest and best uses of Free Cash:

- Appropriated Reserve – an amount to provide for extraordinary or unforeseen expenditures;
- Stabilization Fund – to fund or replenish the Stabilization Fund;
- Capital Improvement Program – to fund capital projects that would otherwise incur borrowing costs associated with the issuance of debt;
- Special Use – to augment the Town's trust funds related to benefits and unfunded liabilities related to employee benefits;
- Extraordinary Deficits – to fund any potential deficits that would otherwise be carried over to the following fiscal year;
- Emergency Appropriations – to allow for fiscal flexibility as unexpected situations arise.

PROCEDURES:

- Within 60-75 days of the close of the fiscal year, the Accountant should submit

the Town's *Year-end Balance Sheet*, *Free Cash Checklist*, and the *Year-end Reporting Checklist* to the Department of Revenue/Bureau of Accounts (DOR) for certification.

- Upon certification of Free Cash by the DOR, a copy of the certified balance should be provided to the Treasurer/Collector, Accountant, Town Administrator and members of the Board of Selectmen and Finance Committee.
- At the time of submittal of the Town Administrator's proposed budget for the ensuing fiscal year, the Town's (projected) Free Cash balances should be included with a recommendation on the use of said funds, ensuring that a minimum Free Cash balance is retained consistent with this Policy.
- Reserve funds should be allocated only after an analysis has been prepared by the Accountant and Town Administrator and presented to the Board of Selectmen and/or Finance Committee as applicable. This analysis should provide sufficient evidence to establish that the remaining balance is adequate to offset potential future downturns in revenue and to meet the daily cash needs of the Town.

General Stabilization Fund

POLICY:

It is the policy of the Town to maintain a *General Stabilization Fund*.

PROCEDURES:

- Within 75 days of the close of the fiscal year, the Accountant shall report the balance in the General Stabilization Fund balance to the Treasurer/Collector, Town Administrator, and members of the Board of Selectmen and Finance Committee.
- The Town Administrator may recommend to the Finance Committee as part of the recommended annual budget to maintain Stabilization Fund reserves, to increase them via a transfer from Free Cash, or to use a portion for non-recurring capital needs proposed in the annual budget for the ensuing fiscal year. The proposed budget should disclose the balance in the Stabilization Fund.
- Any votes to increase or to expend from the Stabilization Fund shall require a two-thirds vote of the Town Meeting, consistent with the requirements of state law.
- At no time can an appropriation placed into the fund exceed 10% of the previous year's real property tax levy nor can the fund balance ever exceed 10% of the Town's equalized value.

Fraud Prevention and Detection Policy and Procedures

**Approved by:
Board of Selectmen**

**Effective:
8/18/15 &
9/1/15**

PURPOSE:

The Town's Fraud Prevention and Detection Policy (Policy) is established to facilitate the development of controls which will aid in the prevention and detection of fraud against the Town. It is the intent of the Town to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Furthermore, the purpose of this document is to confirm that the Town supports and fosters a culture of zero tolerance towards fraud in all of its forms.

AUTHORITY:

Red Flag Program Clarification Act of 2010

APPLICABILITY:

This Policy applies to the Board of Selectmen and all other elected town officials; their appointees; all employees of the Town and all members of its boards, committees or commissions.

This Policy also applies to any other persons "acting on behalf of the Town", including vendors and contractors, consultants, volunteers, temporary and casual employees and grant sub-recipients.

SCOPE:

This Policy applies to any suspected fraud, abuse, or similar irregularity against the Town.

OBJECTIVE:

This Policy is set forth to communicate the Town's intentions regarding prevention, reporting and investigating suspected fraud, abuse and similar irregularities. The Town desires to create an environment in which employees and/or citizens can report any suspicion of fraud.

Further, this Policy is set forth to communicate the Town's desire to protect the assets, resources and reputation of the Town. It is through this policy that the Town also seeks to protect all officials, employees and associated parties from false or erroneous allegations by providing them with sufficient knowledge and training relative to the Town's fraud prevention policies and procedures to ensure that they fully understand the culture of the environment they are operating within.

This Policy provides management with specific guidelines and responsibilities regarding appropriate actions in conducting investigations of alleged fraud and similar improprieties.

DEFINITIONS:

Abuse refers to, but is not limited to:

- Improper or misuse of authority
- Improper or misuse of Town property, equipment, materials, records or other resources
- Waste of public funds, or
- Any similar or related irregularity.

Abuse can occur in financial or non-financial settings. When considering if an event or action might be construed as being abusive, one should consider if it would pass public scrutiny.

Any Other Persons "Acting on behalf of the Town" shall mean all persons responsible for or to the municipal government and/or the town's enterprises placed in that position by some official relationship with the Town.

Appointed Officials shall mean all persons responsible for or to the municipal government and/or the Town's enterprises placed in that position via an appointment.

Consultants shall mean all individuals and organizations conducting business with or on behalf of the municipal government and/or the enterprises of the Town.

Elected Officials shall mean all persons responsible for or to the municipal government and/or the Town's enterprises placed in that position by the voters of Wenham via a Town ballot.

Fraud or other irregularity refers to, but is not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of Town activities
- Disclosing confidential and/or proprietary information to outside parties
- Accepting or seeking anything of material value from consultants, contractors, vendors or persons providing services or materials to the Town
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- Any claim for reimbursement of expenses that are not made for the exclusive benefit of the Town
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes, or
- Any similar or related irregularity.

Grant Sub-recipients shall mean all individuals and/or organizations that receive any programmatic funding or “in-kind assistance” from the municipal government and/or the Town’s enterprises.

Management shall mean those individuals who have been placed in a position of trust by a lawful Town appointing authority to assist in carrying out the objectives of that department of the Town for which they are employed.

Town Administrator shall mean the highest-ranking person responsible for the municipal government and the Town’s enterprises.

Town Employee shall mean all employees of the municipal government and all of the enterprises of the Town. This definition is inclusive of all employees regardless of the designations full-time, part-time, temporary or casual.

Town of Wenham is a Massachusetts municipal corporation and shall include all its activities, as well as all boards, committees, and commissions elected or appointed by the Board of Selectmen and other appointing authorities.

Vendors and Contractors shall mean all individuals and organizations conducting business with or on behalf of the municipal government and/or the enterprises of the Town.

Volunteers shall mean all contributors of unpaid personal services to the municipal government and/or the enterprises of the Town.

POLICY:

It is the policy of the Town to investigate and report to appropriate governmental authorities, as required, any violations of compliance with town policy, state and federal laws and regulations or internal accounting controls.

PROCEDURES:

Responsibilities

The Town’s management is responsible for establishing and maintaining policies and controls that provide security and accountability for the resources entrusted to them. Internal controls are intended to aid in preventing and detecting instances of fraud and related misconduct. Management is also expected to recognize risks and exposures inherent in their area of responsibility and be aware of indications of fraud or related misconduct. Responses to such allegations or indicators should be consistent.

Every employee has the responsibility to assist the Town in complying with policies and legal and regulatory requirements, and in reporting known violations. It is the policy of the Town to encourage the support and cooperation of all employees in meeting the Town’s commitment and responsibility to such compliance.

Reporting

Employees shall report suspected instances of fraud or irregularity to their immediate supervisor or their next appropriate management level. However, in certain

circumstances, it may be appropriate for employees to report suspected instances of fraud or irregularity directly to the Town Administrator (if the alleged fraud has been committed by the employee's supervisor).

It is the responsibility of an employee or relevant manager to ensure that the suspicion of fraud and/or irregularity that is reported to them is reported as soon as practical to the Town Administrator. The written or verbal report shall be sufficiently detailed and inclusive to ensure a clear understanding of the issues raised. In the event that the Town Administrator is the subject of, or otherwise identified as involved in the acts underlying such report, the person making the report may notify and forward such report to the Board of Selectman who will then lead the investigation.

Town employees are not to initiate investigations on their own. However, anyone may report suspected violations or concerns by letter to the Town Administrator and shall indicate that he or she is an employee of the Town. The report shall be sufficiently detailed and inclusive to ensure a clear understanding of the issues raised. Mark the envelope "Confidential and Private." It is the policy of the Town that anyone who reports a violation may make such report confidentially and offsite.

There shall be no retaliation by the Town's employees against any employee who makes a report pursuant to this policy even if, after investigation, the Town Administrator determines that there has not been a violation of any applicable Town policy, state or federal laws and regulations or internal accounting controls. However, employees who make reports or provide evidence which they know to be false or without a reasonable belief in the truth and accuracy of such information may be subject to disciplinary action.

Anonymous Allegations

The Town encourages individuals to put their names to allegations. Concerns expressed anonymously are difficult to investigate; nevertheless, they will be followed up at the discretion of management. This discretion will be applied by taking into account the following:

- Seriousness of the issue raised
- Credibility of the concern
- Likelihood of confirming the allegation.

False Allegations

Employees or other parties must understand the implications (resources and costs) of undertaking investigations, and shall therefore guard against making allegations which are false and made with malicious intent. Evidence of malicious intent will result in disciplinary action, and may include termination.

Training, Education and Awareness

In order for the Policy to be sustainable, it must be supported by a structured education, communication, and awareness program.

It is the responsibility of management to ensure that all employees and other parties, are made aware of, and receive appropriate training and education with regard to this Policy, and the related policies and procedures of the Town.

Investigation

It is the Town Administrator's intent to fully investigate any suspected acts of fraud, abuse, or similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, length of service, or relationship with the Town of any party involved in such an investigation. In conducting investigations, the Town Administrator will consult with and receive guidance from the town attorney, the Police Department and others they identify.

Media Issues

Any staff person contacted by the media with respect to an audit investigation is encouraged to refer the media to the appropriate public communications official of the Town. The alleged fraud or audit investigation shall not be discussed with the media by any person other than those trained to do so. The Town Administrator will consult with the management of the department involved and assist them in responding to any media requests for information or interview.

Reporting to External Auditors

The Audit Committee will report all information relating to fraud investigations to the external auditors of the Town.

Whistleblower Protection

In addition to whistleblower protections provided by federal and state laws, this Policy provides that retaliation against employees is prohibited.

A. Except as provided in an earlier subsection (False Allegations), no appointing authority or employee shall initiate or administer any disciplinary action, deny a promotional opportunity, write an adverse job performance evaluation or in any way adversely affect an employee on account of the employee's disclosure of information. This section shall not apply to:

1. An employee who discloses information that the employee knows to be false, or who discloses information with disregard for the truth.
2. An employee who discloses information from public records that are closed to public inspection pursuant to the Massachusetts Public Records Law.
3. An employee who discloses information that is confidential under any other provision of law.

B. It shall be the obligation of an employee who discloses information under this part to make a good faith effort to provide to their employee, or appointing authority or the Town Administrator, the information to be disclosed prior to its public disclosure.

Security and Confidentiality

All work products of the Town Administrator's investigations, including but not limited to working papers, notes, interviews, and other information relating to investigations will not be shared, discussed, or given to anyone without an absolute need to know or pursuant to court order. The Town Administrator will provide a secure environment for the storage of all work-in-process regarding investigations, subject to applicable law.

Town of Wenham, Massachusetts
Post-Issuance Tax Compliance Procedures
For Tax-Exempt Obligations and Other Tax-Benefited Obligations

Approved by:

Board of Selectmen

Effective:

1/22/2015

I. Introduction

These post-issuance compliance procedures of the Town of Wenham, Massachusetts are designed to provide for the effective management of the Town's post bond issuance compliance program for tax-exempt and other tax-benefited bonds in a manner consistent with state and federal laws applicable to such obligations.

II. Post-Issuance Tax Compliance

The Treasurer of the Town shall be the primary bond compliance officer responsible for each issuance by the Town of tax-exempt (or otherwise tax-benefited) bonds, notes, financing leases, or other obligations (herein, collectively referred to as "bonds"). All information related to each bond issue and the facilities, equipment and other assets financed by such issue shall be maintained by or on behalf of the Treasurer and the actions taken under subsections A through C of this Section II shall be taken by or on behalf of the Treasurer by the Treasurer or such other officers or employees of the Town as appropriate, including but not limited to, the Treasurer and the Town Accountant.

A. Tax Certificate and Continuing Education

- 1. Tax Certificate** – A Tax Certificate is prepared for each issuance of Bonds. Immediately upon issuing any bonds, the Treasurer, in conjunction with the Town's bond counsel and financial advisor, shall review the Tax Certificate and make notes regarding specific compliance issues for such bond issue on the Post-Issuance Compliance Notes form at Exhibit A. The Tax Certificate and Notes shall clearly define the roles and responsibilities relating to the ongoing compliance activities for each bond issue and will identify specific compliance requirements.
- 2. Continuing Education** – The Treasurer will actively seek out advice of bond counsel on any matters that appear to raise ongoing compliance concerns and may attend or participate in seminars, teleconferences, etc. sponsored by organizations such as the Massachusetts Collector-Treasurer Association and the Massachusetts Government Finance Officers Association that address compliance issues and developments in the public finance bond arena. In addition, national organizations such as the Securities Industry and Financial Markets Association (SIFMA) and the National Association of

Bond Lawyers (NABL) offer numerous training opportunities and materials which may be useful to the Treasurer.

B. Tax-Exempt Bonds Compliance Monitoring

1. Restrictions against Private Use – The Treasurer will continuously monitor the expenditure of bond proceeds and the use of facilities or equipment financed or refinanced with bonds to ensure compliance with Section 141 of the Internal Revenue Code (the “Code”) which generally establishes limitations on the use of bond-financed facilities by non-state or local governmental entities, such as individuals using bond-financed assets on a basis other than as a member of the general public, corporations and the federal government and its agencies and instrumentalities.

a. Use of Bond Proceeds – The Treasurer will monitor and maintain records with respect to expenditures to ensure that bond proceeds are being used on capital expenditures for governmental purposes in accordance with the bond documents and document the allocation of all bond proceeds. Such monitoring is required not only for tax-exempt bonds, but also for tax credit bonds.

b. Use of the Bond-Financed Facility or Equipment

- i. **Equipment assets financed with bonds** will be listed in a schedule for each bond issue, which schedule may be included in the Tax Certificate. Equipment assets generally are not to be disposed of prior to the earlier of (a) the date the bonds and all subsequent refundings of such bonds are fully paid, or (b) the end of the useful life of such equipment. The Treasurer will maintain the list of all bond-financed equipment for each bond issue, together with the equipment’s expected useful life.
- ii. **Constructed or acquired assets financed with bonds** – in order to ensure that assets constructed or acquired using bond proceeds, such as infrastructure assets, are not leased, sold or disposed of prior to the end of the term of the bonds and of all subsequent refundings of such bonds:
 - Any asset constructed or acquired with bond proceeds shall be flagged in the Town’s records, and
 - These projects will be monitored by the Treasurer.
- iii. If there is any proposal to change the use of a bond-financed facility from a governmental purpose to a use in which a private entity may have the use or benefit of such a facility on a basis that is different from the rest of the general public, the Treasurer will consult with bond counsel prior to the occurrence of the proposed change in use.

2. Qualification for Initial Temporary Periods and Compliance with Restrictions against Hedge Bonds

a. Expectations as to Expenditure of “New Money” Bond Proceeds

- i. In order to qualify under the arbitrage rules for an initial temporary period of 3 years for “new money” issues during which bond proceeds can be invested without regard to yield (but potentially subject to rebate), the

Town must reasonably expect to spend at least 85% of "spendable proceeds" by the end of the temporary period. In general under Code Section 149, in order to avoid classification of an issue of bonds as "hedge bonds," the Town must both (x) reasonably expect to spend 85% of the "spendable proceeds" of the bond issue within the 3 year period beginning on the date the bonds are issued and (y) invest not more than 50% of the proceeds of the issue in investments having a substantially guaranteed yield for 4 years or more. These expectations have been documented for the Town's outstanding bond issues in the tax certificates executed in connection with each bond issue.

- ii. If, for any reason, the Town's expectations concerning the period over which the bond proceeds are to be expended change from what was documented in the applicable tax certificate, the Treasurer will consult with bond counsel.

b. Project Draw Schedule Compliance Monitoring – While there are unspent proceeds of a bond issue, the Treasurer will compare and analyze the original anticipated project draw schedule and the actual expenditure payouts and reimbursements on each bond-financed project on an annual or more frequent basis. The purpose of this analysis is to determine the variances from the original expected draw schedule for each project and to document the reasons for these variances to provide a continual record on the spending progress of each bond-financed project. Factors relevant to the analysis include unexpected delays in the project timelines, extreme weather, contract time extensions due to unexpected events, supplemental agreements and any other factor with a potential to impact the progress or completion of the projects. Generally, there should be no effect on the tax-exempt status of the bonds under either the temporary period rules or the hedge bond rules if the actual disbursements do not meet the original project draw schedule, unless circumstances surrounding the actual events cast doubt on the reasonableness of the stated expectations on the issuance date. Therefore, it is important for the Treasurer to update the progress of each project at least annually, and consult with bond counsel as to any variance from the original schedule.

c. Bond Proceeds Expenditure Schedule Compliance Monitoring – While there are unspent proceeds of bonds, the Treasurer will compare and analyze the bond proceeds expenditure schedule and the actual investment earnings on each project on an annual or more frequent basis. The purpose of this analysis is to determine any variances from the expected expenditure schedule and to document the reasons for these variances.

3. Arbitrage Rebate Compliance

- a.** Bonds may lose their tax-favored status, retroactive to the date of issuance, if they do not comply with the arbitrage restrictions of section 148 of the Code. Two general sets of requirements under the Code must be applied in order to determine whether governmental bonds are arbitrage bonds: the yield restriction requirements of section 148(a) and the rebate requirements of section 148(f).
- b. Yield Restriction Requirements.** The yield restriction requirements provide, in general terms, that gross proceeds of a bond issue may not be invested in investments earning a yield higher than the yield of the bond issue, except for investments (i) during one of the temporary periods permitted under the regulations (including the initial three year temporary period described above), (ii) in a reasonably required reserve or replacement fund or (iii) in an amount not

in excess of the lesser of 5% of the sale proceeds of the issue or \$100,000 (the "minor portion"). Under limited circumstances, the yield on investments subject to yield restriction can be reduced through payments to the IRS known as "yield reduction payments." The Tax Certificate will identify those funds and accounts associated with a particular issue of bonds known, as of the date of issuance, to be subject to yield restriction.

c. Rebate Requirements

- i. If, consistent with the yield restriction requirements, amounts treated as bond proceeds are permitted to be invested at a yield in excess of the yield on the bonds (pursuant to one of the exceptions to yield restriction referred to above), rebate payments may be required to be made to the U. S. Treasury. Under the applicable regulations, the aggregate rebate amount is the excess of the future value of all the receipts from bond funded investments over the future value of all the payments to acquire such investments. The future value is computed as of the computation date using the bond yield as the interest factor. At least 90% of the rebate amount calculated for the first computation period must be paid no later than 60 days after the end of the first computation period. The amount of rebate payments required for subsequent computation periods (other than the final period) is that amount which, when added to the future value of prior rebate payments, equals at least 90% of the rebate amount. For the final computation period, 100% of the calculated amount must be paid. Rebate exceptions and expectations are documented for each bond issue in the tax certificate executed at the time of such bond issue.
- ii. While there are unspent proceeds of bonds, the Town will engage an experienced independent rebate analyst to annually calculate any rebate that may result for that year and annually provide a rebate report to the Treasurer. Bond counsel can assist with referrals to qualified rebate analysts.

d. Timing of Rebate Payments

The Treasurer will work with the rebate analyst to ensure the proper calculation and payment of any rebate payment and/or yield-reduction payment at the required time:

- i. First installment due no later than 60 days after the end of the fifth anniversary of each bond issuance;
- ii. Succeeding installments at least every five years;
- iii. Final installment no later than 60 days after retirement of last bond in the issue.¹

4. Refunding Requirements

¹ Generally, rebate payments must be paid not later than 60 days after retirement of the last bond in the issue.

a. Refunded Projects. The Treasurer will maintain records of all bond financed assets for each bond issue, including assets originally financed with a refunded bond issue.

b. Yield Restriction. The Treasurer will work with its financial advisor and bond counsel to maintain records of allocation of bond proceeds for current and advance refundings of prior bond issues to ensure that such bond proceeds are expended as set forth in the applicable tax certificate executed at the time the refunding bonds are issued. Any yield restricted escrows will be monitored for ongoing compliance.

C. Record Retention

1. Section 6001 of the Code provides the general rule for the proper retention of records for federal tax purposes. The IRS regularly advises taxpayers to maintain sufficient records to support their tax deductions, credits and exclusions. In the case of a tax-exempt bond transaction, the primary taxpayers are the bondholders. In the case of other tax benefited bonds, such as "build America bonds" or "recovery zone economic development bonds", the Town will be treated as the taxpayer. In order to ensure the continued exclusion of interest to such bondholders, it is important that the Town retain sufficient records to support such exclusion.

2. In General

a. All records associated with any bond issue shall be stored electronically or in hard copy form at the Town's offices or at another location conveniently accessible to the Town.

b. The Treasurer will ensure that the Town provides for appropriate storage of these records.

c. If storing documents electronically, the Town shall conform with Rev. Proc. 97-22, 1997-1 C.B. 652 (as the same may be amended, supplemented or superseded), which provides guidance on maintaining books and records by using an electronic storage system. Bond counsel can furnish a copy of this Revenue Procedure if needed.

3. Bonds – The Town shall maintain the bond record as defined in this section for the longer of the life of the bonds plus 6 years or the life of refunding bonds (or series of refunding bonds) which refunded the bonds plus 6 years. The bond record shall include the following documents:

a. Pre-Issuance Documents

i. **Guaranteed Investment Contracts ("GICs") and Investments (other than Treasury's State and Local Government Series Securities, "SLGs")** – if applicable, the Treasurer shall retain all documentation regarding the procurement of each GIC or other investment acquired on or before the date of bond issuance, including as applicable the request for bids, bid sheets, documentation of procurement method (i.e., competitive vs. negotiated), etc. If investments other than SLGs are used for a defeasance escrow, the documentation should include an explanation of the reason for the purchase of open market securities and documentation establishing the fair value of the securities and compliance with safe harbor bidding rules. If SLGs are purchased, a copy of the final subscription shall be maintained.

ii. **Project Draw Schedule** – the Treasurer shall retain all documentation and calculations relating to the draw schedule used to meet the "reasonable

expectations” test and use of proceeds tests (including copies of contracts with general and sub-contractors or summaries thereof).

- iii. **Issue Sizing** – the Treasurer shall maintain a copy of all financial advisor’s or underwriter’s structuring information.
- iv. **Bond Insurance** – if procured by the Town, the Treasurer shall maintain a copy of insurance quotes and calculations supporting the cost benefit of bond insurance, if any.
- v. **Costs of Issuance documentation** – the Treasurer shall retain all invoices, payments and certificates related to costs of issuance of the bonds.

b. Issuance Documents

- i. The Treasurer shall retain the bound bond transcript delivered from bond counsel.

c. Post-Issuance Documents

- i. **Post-Issuance Guaranteed Investment Contracts and Investments (Other than SLGs)** – the Treasurer shall retain all documentation regarding the procurement of any GIC or other investment acquired after bond issuance, including as applicable the request for bids, bid sheets, documentation of procurement method (i.e., competitive vs. negotiated), etc. If investments other than SLGs are used for a defeasance escrow, the documentation should include an explanation of the reason for the purchase of open market securities and documentation establishing the fair value of the securities and compliance with safe harbor bidding rules.
- ii. **Records of Investments** – shall be retained by the Treasurer.
- iii. **Investment Activity Statements** – shall be retained by the Treasurer.
- iv. **Records of Expenditures** – the Treasurer shall maintain or shall cause to be maintained all invoices, etc. relating to equipment purchases and constructed or acquired projects, either electronically or in hard copy.
- v. **Records of Compliance**
 - **Qualification for Initial Temporary Periods and Compliance with Restrictions Against Hedge Bond Documentation** – the Treasurer shall prepare the annual analysis described in Section II(B)(2) above and maintain these records.
 - **Arbitrage Rebate Reports** – may be prepared by the Treasurer or a third party as described in section II (B)(3) of this document and retained by the Treasurer.
 - **Returns and Payment** – shall be prepared at the direction of the Treasurer and filed as described in Section II(B)(3) of this document.
 - **Contracts under which any bond proceeds are spent (consulting engineering, acquisition, construction, etc.)** – the Treasurer shall obtain copies of these contracts and retain them for the bond record.

d. General

- i. **Audited Financial Statements** – the Treasurer will maintain copies of the Town’s annual audited Financial Statements.

- ii. **Reports of any prior IRS Examinations** – the Treasurer will maintain copies of any written materials pertaining to any IRS examination of the Town’s bonds.

III. Voluntarily Correcting Failures to Comply with Post-Issuance Compliance Activities

If, in the effort to exercise due diligence in complying with applicable federal tax laws, a potential violation is discovered, the Town may address the violation through the applicable method listed below. The Town should work with its bond counsel to determine the appropriate way to proceed.

A. Taking remedial actions as described in Section 141 of the Internal Revenue Code

B. Utilizing the Voluntary Closing Agreement Program (VCAP) – Section 7.2.3 of the Internal Revenue Manual establishes the voluntary closing agreement program for tax-exempt bonds (TEB VCAP) whereby issuers of tax-exempt bonds can resolve violations of the Internal Revenue Code through closing agreements with the Internal Revenue Service.

IV. Post Issuance Tax Compliance Procedures Review

The Treasurer shall review these procedures at least annually, and implement revisions or updates as deemed appropriate, in consultation with bond counsel.

Motor Vehicle Excise Tax Commitments and Accounts Receivable Policies and Procedures

**Approved by: Board of Selectmen
Effective: August 1, 2017**

PURPOSE:

To establish motor vehicle excise tax billing, collection, and abatement standards that are consistent with statutory requirements in order to assure collection of committed charges based on a sound system of internal controls and division of responsibilities.

AUTHORITY:

MGL Chapter 60A

POLICY:

The town's policy is to optimize cash flow by mailing each motor vehicle commitment within 15 days of receipt of the *Assessors Warrant to the treasurer/collector* for each commitment from the Registry of Motor Vehicles (RMV). The first major motor vehicle excise (MVX) commitment of each calendar year, which is the largest commitment, will be mailed within 21 days of receipt of the commitment file from the town's deputy collector. All subsequent commitments are to be mailed within two weeks of receipt of the file from the deputy collector.

Bills are due and payable in full within 30 days of issue. Demand notices will be mailed within 15 days of the due date of the excise bill. Interest is charged at 12 percent per annum pursuant to M.G.L. and begins accruing from the due date until it is paid.

A \$5.00 demand fee will be included along with interest on the unpaid balance of the bill. Payments not paid at demand are subject to:

- Warrant fee of \$10.00 and notice fee of \$12.00
- If not paid then final warrant fee of \$17.00 and
- If not paid then Registry of Motor Vehicle fee of \$20.00.

BACKGROUND

The town currently has a contract with a third party deputy collector which is responsible for motor vehicle excise bill printing and mailing as well as delinquent payment processing and collection. The town is responsible for assuring that commitments are accurate, for reviewing and approving abatements; for issuing refunds and for the overall monitoring and oversight of the excise tax process.

Commitment

The Massachusetts RMV maintains records of all motor vehicles registered in the state and their related valuations. Several times over the course of a year, the RMV provides an electronic tape to the deputy collector which documents the total value of the specific commitment and contains all the information for billing to taxpayers.

PROCEDURES:

- The town's deputy collector is responsible for acquiring the billing/commitment tape/files from the RMV on a timely basis. The RMV file provides the make, model, year, vehicle identification number, and registration number, as well as the owner, the address where the car is registered and the assessed value. The file is converted by the deputy collector and electronically sent to the treasurer/collector for review and processing.
- The Treasurer/Collector provides the file to the Assessor who is responsible for identifying any exempt vehicles or vehicles which should be deleted from the billing/commitment.
- The Assessor completes the commitment for the MVX billing. The Board of Assessors sends either a *Letter of Commitment or Warrant* to the tax collector and *State Tax Form 56* to the Town Accountant for recording of the commitment on the general ledger.
- The Treasurer/Collector sends the deputy collector a listing of adjustments and/or abatements in order to update the commitment file for tax bill mailing.
- Once the bills are mailed, the Treasurer/Collector posts the affidavit as to time of sending on the bulletin board outside of the Town Clerk's office in order to provide appropriate evidence of the mailing to interested residents.

Application of MVX Payments

POLICY:

The town's policy is to assure the correct application of MVX payments on a timely basis.

Current Payments and Demand Payments

PROCEDURES:

Current MVX payments and demand payments are received

- By mail to a lock box at Century Bank
- In person at the Treasurer/Collector's office
- Via online with Unibank payment.

Delinquent/Warrant Payments

PROCEDURES:

The responsibility for warrants for delinquent MVX accounts is a function of the deputy collector.

- The deputy collector collects all delinquent payments.
- The deputy collector submits the turnover of MVX collections (*transfer report*) to the treasurer/collector once a week. All collection fees due to the deputy collector will be accounted for on the transfer report. The report will show the amount collected, the amount turned over to the town and the amount retained by the deputy collector.
- The deputy collector also provides a file of all delinquent payments (weekly) to the treasurer/collector.

Collection

PROCEDURES:

- The Treasurer/Collector maintains an Excel MVX collection calendar that documents, by year, for each commitment:
 - Commitment date
 - Demand date
 - Warrant date
 - Final Warrant date
 - Flagging (bills marked) date.
- Demand bills are issued within two weeks of the due date of the original bill. A \$5.00 demand fee and 12 percent interest is added to the balance due, as allowed by Massachusetts General Law.
- If the excise bill remains unpaid, then the deputy collector is authorized to continue the collection process.
- Warrant notices are issued by the deputy within 15 days of the demand bill due date. The service of the warrant notice fee of \$12.00 is assessed as well as the warrant fee of \$10.00.
- If a second and final warrant is sent, another fee of \$17.00 is assessed for the deputy's services.
- As a final collection action the vehicle is 'marked.' The deputy notifies the RMV of any unpaid bills within 90 days of the excise bills issue date. A 'marked' bill includes an additional \$20.00 fee. Delinquent taxpayers are notified at this point that the RMV has marked their license as non-renewable and that there is reciprocity to other states.
- The Treasurer/Collector has contractually delegated to the deputy collector, the responsibility to mark a resident's driver's license and registration on the database at the RMV. This action prohibits the vehicle owner from registering the vehicle or renewing their license without paying outstanding balances.

- The Treasurer/Collector, through the deputy collector, is also responsible for removing the marking from the RMV's database upon the receipt of the MVX payment from the vehicle owner/taxpayer.

MVX Abatements

POLICY:

The town's policy is that the Assessor has sole responsibility for granting MVX abatements when appropriate. It is the town's policy to receive and process motor vehicle abatement applications in a timely manner in accordance with state law.

PROCEDURES:

- Requests for abatements can either be presented at the counter in the Assessor's office or may be filed in writing (*State Tax Form 146 - Appendix 23*) with the Assessor's office on or before December 31st of the year following the year for which the excise was assessed. If the excise bill was sent after December 31st of the succeeding year, the request for abatement must be made on or before the 30th day after the notice was sent. If the taxpayer has disposed of the vehicle, the taxpayer must present proof in the form of a plate return receipt or the bill of sale.
- When a taxpayer has a dispute with the value assigned to a vehicle, the Assessor will contact the RMV to research the valuation.
- The RMV will send the Assessor a letter if there is an error in valuation.
- The Assessor will issue a revised bill to the motor vehicle owner for the correct excise amount due for the vehicle.
- The Assessor's office will forward a listing of all abatements issued by levy year which have been granted by the Board of Assessors to the Treasurer/Collector and to the Town Accountant at the end of each month.

Refunds

POLICY:

On a monthly basis, the Treasurer/Collector will produce a *MVX credit balance report* to determine possible refunds.

PROCEDURES:

- The Treasurer/Collector will prepare the *Authorization for Payment* listing the motor vehicle owner and amount to be refunded. Each refund listed on the bill schedule should be coded with the appropriate accounts receivable code by fiscal year. This document must be verified for accuracy and signed by the treasurer/collector. Once approved by the Treasurer/Collector it is submitted to the Town Accountant for payment on the warrant.

Payroll Policies and Procedures

**Approved by: Board of Selectmen
Effective: August 1, 2017**

PURPOSE:

To define time and attendance and payroll standards and practices to assure that all payrolls presented for payment are valid obligations of the town based upon approved time and attendance records and are consistent with the requirements of collective bargaining requirements.

AUTHORITY:

MGL Chapter 41 §§41, 41A, 41B, 41C, 42 and 43

POLICY:

It is the town's policy to assure sound controls for all payroll transactions by requiring *Letters of Offer* from the appointing authority and/or *Personnel Action Forms (PAFs)* for new hires, reclassifications and salary adjustments in the payroll system. Department heads are responsible for the timely submittal of Personnel Action Forms. The Town Administrator's office is responsible for all entry of new employees and adjustments to employee's pay/classification data.

The Finance Department is responsible for the oversight and administration of the bi-weekly payroll based on receipt of approved time and attendance documentation from all town departments.

Personnel Actions

PROCEDURES:

Either a Personnel Action Form or Letter of Offer from an appointing authority is required to document and approve new hires, promotions, demotions, pay changes, transfers and changes in employment status.

- The department head (or designee) must complete a PAF in order to initiate any change in the pay or status of an employee. The PAF is sent to the Town Administrator for approval. Once approved by the Town Administrator, the PAF is submitted to the Finance Director for budget approval. Finally, the PAF is submitted to the Treasurer/Collector or his/her designee for input into the payroll system database.

Time and Attendance

POLICY:

It is the policy of the town that the Finance Department will only process a department's payroll based upon receipt of a department's certified record of time and attendance. The town utilizes this policy to control the following:

- accurate computation of employee earnings, deductions and net pay
- accurate computation of employee sick, vacation and other leave.

PROCEDURES:

- Each department must submit the town *payroll timesheet* for the respective pay period. The *payroll timesheet* report will indicate the employee name, appropriation account number to be charged and the payroll hours for the pay period designating regular, overtime, holiday, sick or personal time used.
- The department head is responsible for reviewing and signing the town *payroll timesheet*. Consistent with state law, the department head signs the payroll and "certifies under the penalty of perjury that the statements set forth on this payroll are true to the best of my knowledge."
- Consistent with MGL Chapter 41 §41, each department head must make arrangements with the Finance Office to provide for a lawful alternate payroll signer. The accountant's office will not allow an alternate signature until the board of selectmen authorizes said signer.
- The department's town *payroll timesheet* must be submitted to the Finance Department by 10:00 am on Monday following the end of the pay period. The deadline for submission on a Monday holiday, is the preceding Friday at the same time.
- The Treasurer/Collector (or designee) is responsible to fund the payroll and to transfer the required funding to the payroll bank account and to transmit the direct deposit activity to the town's payroll bank.

Property Tax Commitments and Accounts Receivable Policies and Procedures

**Approved by: Board of Selectmen
Effective: August 1, 2017**

PURPOSE:

To establish real and personal property tax billing, commitment, abatement and lien processing standards and practices consistent with statutory requirements in order to assure collection of all committed charges based on a sound system of internal controls and division of responsibilities.

AUTHORITY:

MGL Chapter 60

Commitment and Billing (Actual Tax Billing)

POLICY:

The town's policy is to issue bills for real estate and personal property on a quarterly basis in order to optimize cash flow. Interest is charged at a rate of 14 percent per annum for any unpaid balances after the respective due dates. Demand notices will be mailed by May 31st on any unpaid balances after May 1. A demand fee of \$5.00, as well as 14 percent interest, will be included on the demand bills in accordance with state statute.

PROCEDURES:

- The Assessor maintains an automated file of all property valuations. Before a tax commitment is processed an *LA4 report* is generated. An LA4 provides the type (class), parcel counts, assessed valuation and total commitment amount.
- The Assessor will independently complete the *Assessors Warrant to the Treasurer/Collector – State Tax Form 58* which documents the amount of the total billing to be committed for collection. One copy of the warrant shall be forwarded to the Treasurer/Collector and one copy shall be forwarded to the Town Accountant. The Assessor prepares one warrant (State Tax Form 58) for the real estate commitment and a separate warrant (State Tax Form 58) for the personal property commitment.
- The Assessor will submit one copy of the *accounts receivable financial report* with the final assessed values to the Department of Revenue (DOR) as verification that the assessed valuations, which were used as the basis for the billing, are in agreement with those reported on the *Tax Recapitulation Sheet* that the Town had submitted to DOR for certification of the tax rate.
- The Treasurer/Collector electronically transmits the *accounts receivable* file to the deputy collector for printing and mailing of the tax bills.
- When the treasurer/collector has reviewed the *Real Estate Warrant and Personal Property Warrant - State Tax Forms 58* and the sample tax bills and control totals provided by the deputy collector, the Treasurer/Collector will provide signed authorization to the deputy collector authorizing the mailing of tax bills.

- The Treasurer/Collector sends notice of tax billing and commitment to the Department of Revenue - Bureau of Accounts and posts the *Affidavit of Mailing* on the bulletin board outside of the town clerk's office in order to provide appropriate evidence of mailing for interested taxpayers.

Application of Tax Payments

POLICY:

It is the town's policy to assure the correct application of payments on a timely basis. Receipts that are subject to interest, demands and other costs shall be applied in the following order pursuant to M.G.L: interest, demand or other fees, utility liens, betterment assessments, tax title liens, real estate or personal property tax due.

PROCEDURES:

The Town receives tax payments in one of four ways:

- o By mail to the lock box at Century Bank,
- o Via electronic transmission from the tax servicing companies that submit payments for multiple taxpayers' accounts
- o By online payment (UniPay)
- o In person at the treasurer/collector's office.

Tax Abatements and Exemptions

POLICY:

The town's policy is to assure the correct application of taxpayers' abatements and exemptions on a timely basis.

The Assessor grants abatements for real estate and personal property as appropriate. Exemptions are granted for one year only. The qualifying date is July 1st for veterans, blind, surviving spouses, elderly and others along with and tax deferrals that meet the statutory requirements.

PROCEDURES:

- The Assessor sends documentation of each abatement or exemption that has been granted by the Board of Assessors to the Treasurer/Collector and to the Town Accountant.
- The Treasurer/Collector retains the Assessor's *Abatement/Exemption Report* as the hard copy record of the abatements/exemptions for the period.
- If the abatement or exemption creates a credit balance on the annual tax levy for the property, the Treasurer/Collector will issue a refund to the taxpayer within 30 days.

Property Tax Refunds

POLICY:

The policy of the town is that the Treasurer/Collector is responsible for taxpayer refunds. Refunds for real estate and personal property are processed after May 1 (last tax due date) of any given year to assure all taxes due for the fiscal year have been paid. If the taxpayer is not current in the payment of other balances due to the Town, the credit balance from the overpaid account will be applied to the account with an outstanding balance. If the credit balance is greater than the amount applied to the outstanding balance, the remaining credit balance shall be refunded.

Special Situations/Real Estate

POLICY:

It is the policy of the town to bill, collect and record in the collection system in an accurate and timely manner all of the special situations listed below in accordance with Massachusetts General Law.

BACKGROUND:

Omitted/Revised Assessments

The Assessor shall correct omitted or revised assessments either by June 20th or 90 days after the mailing of the tax bill, whichever is later. If the omission or revision is not corrected by June 20th, it cannot be corrected.

The Assessor records the amount of the omitted assessments on *State Tax Form 62 – A warrant issued by the Assessors to the Tax Treasurer/Collector to collect taxes for the omitted assessment*. Revised assessments are recorded on *State Tax Form 63*. One copy of the warrant is issued to the Treasurer/Collector and one to the Town Accountant for posting to the general ledger and to provide an audit trail for month-end reconciliation of the tax receivable.

Apportionment (of unpaid taxes)

An apportionment divides unpaid taxes between the assessed owner and the owner who is acquiring the property after the January 1 assessment date.

Reassessments

Reassessments correct the already committed tax bill. Reassessments are issued because of various errors. There must be a balance of taxes due to issue a reassessment.

A warrant is issued to the Treasurer/Collector and a copy sent to the Town Accountant. The Assessor uses *State Tax Form 44* to warrant reassessments. When completing *State Form 44*, the total taxes to be collected do not change.

Pro forma

A *Pro forma* is issued when a previously exempt property is sold. The *pro forma* takes the property out of its exempt status. In this case, a letter is issued to the Treasurer/Collector identifying the property as an omitted assessment and a *Purchasing*

warrant is issued using *State Tax Form 62* to assure that the full tax is collected. A copy of the warrant (State Tax Form 62) is submitted to the Town Accountant for posting to the general ledger.

Purchasing Policies and Procedures

**Approved by: Board of Selectmen
Effective: August 1, 2017**

PURPOSE:

To establish purchasing standards and practices consistent with or exceeding state procurement law, and to identify activities and reviews that are centralized for purposes of control within the office of the Town Administrator.

AUTHORITY:

MGL Chapter 30B
MGL Chapter 7 §38 A-M
MGL Chapter 7C §44-57
MGL Chapter 25A
MGL Chapter 30 §39M
MGL Chapter 149 §44 A-M

POLICY:

The town's goal is to optimize the value received for each tax dollar expended by strict adherence to competitive quotation and bidding requirements and by participation in state and regional cooperative purchasing agreements. The town seeks to obtain goods and services that will reliably perform their function at the lowest possible cost to the town.

It is the town's policy that any employee who orders materials, supplies or services without proper approvals and adherence to the town's purchasing policy and state procurement statute may be held liable for payment.

DIVISION OF RESPONSIBILITY

The town's control and oversight of all procurements are largely centralized in the Town Administrator's office. While municipal departments are responsible for obtaining quotes and following sound business practices for minor solicitations, the Town Administrator's office exercises significant control over the procurement function, as it is the sole authority to approve and issue bid specifications and related advertisements; prepare bid tabulation and evaluations; make determinations of contract award for sealed bid solicitations.

PROCEDURES:

QUOTATION AND BIDDING REQUIREMENTS

Quotations and bids for the delivery of food and/or services will be made in accordance with Chapter 30B of the Massachusetts General Laws or can be more restrictive based on the determination of the Town Administrator's office.

1. Supplies and Services under \$10,000.

M.G.L. c 30B requires the use of sound business practices, defined as the receipt of

Purchasing

favorable prices by periodically soliciting price lists or quotes, for supplies and services under \$10,000.

2. Supplies and Services between \$ 10,000 and \$34,999.

M.G.L. c 30B requires the solicitation of at least three oral or written quotes for any purchase of supplies or service of at least \$10,000 but less than \$35,000. Departments must document quotations from vendors and provide a copy of the quotation as supporting documentation to the Town Administrator for approval. Proof of procurement compliance must be submitted before payments will be processed.

3. Supplies and Services in excess of \$35,000

M.G.L. c 30B requires competitive sealed bids or proposals for supplies or services in excess of \$35,000. Bids or proposals must be publicly advertised. The Town Administrator, as the town's Chief Procurement Officer, with the assistance of the Finance Director, is responsible for assuring that all documents have been created and all requirements have been met for each bid.

General Rules for Solicitations Requiring Sealed Bids:

- **Requests to Advertise the Bid:** The department must submit the appropriate bid documents and a Request to Advertise for Bids to the Town Administrator's office.
- The Town Administrator's office will review the bid documents for form, completeness and availability of budgeted funds and approve or reject the Request to Advertise for Bids.
- **Solicitation of Bids:** When the Request to Advertise is approved, bids are solicited and a date, time, and location is established for the receipt of the bids. Vendors wishing to bid must submit their bids to the identified department on or before that time. As bids are received, they must be time and date stamped by the receiving department as proof of receipt. Bids arriving after this deadline are returned unopened to the vendor marked as a "late bid."
- **Bid Deposits:** The majority of formal bids require bid deposits in the form of certified checks or bid bonds. These must be enclosed with the bids and will be returned to the respective vendors in compliance with the terms of the bid specifications.
- **Bid Opening:** The bids are publicly opened in the pre-established location by the department's procurement designee with one witness present. Bids are informally tabulated and the apparent low bidder announced pending a complete examination of all bids for verification of totals, and compliance to specifications.
- **Bid Tabulation:** The department that opened the bids must complete a formal *Bid Tabulation* which analyzes the unit prices, discounts, delivery terms and charges, trade in allowances and all factors to determine the bidder with the lowest bid price. This tabulation should also note if other relevant factors have been met: for example, provision of a bid bond. The bid tabulation is made available to the public for inspection indicating the ranking of all bidders and the tabulation becomes a permanent part of the bid file.
- **Lowest Responsive and Responsible Bidder:** Bids should be awarded to the

lowest responsive and responsible bidder based on warranties, quality of performance on prior contracts, ability to deliver within prescribed timelines and capacity of bidder to meet the stipulated specifications. The town shall have sole determination in taking these considerations into account and naming the lowest, most responsive, and responsible bidder. The town can also always reject and all bids at its own discretion.

- **Notification of Award:** The office of the Town Administrator or its designee will send a notice of award letter to the low bidder and request (as applicable):
 - Performance Bonds
 - Labor and Materials Bonds
 - Certificates of Insurance
 - Statement of Compliance with Prevailing Wage Rates
- **Record Retention:** Copies of all bid documents including vendor responses, evaluations and award determinations should be retained in the department that received the bids for a minimum of at least six years.
- **Multiple "small" procurements are prohibited:** It is contrary to town policy and state statute or any department to "split" procurements or do several small procurements for the same class/category of materials and supplies. Each department must review the total quantities and needs of its operations for the full fiscal year and seek at least three quotations if the procurement is estimated to result in the \$10,000 to \$34,999 range or formal competitive bids if it is estimated to cost in excess of \$35,000.
- **Sole Source Procurements:** Competitive bids may be waived in instances where there is only one vendor who can provide the relevant equipment, materials or services. In the instance of sole source procurement, supporting documentation must be submitted to the Town Administrator's office.
- **Bid Protests:** All departments receiving bids must review and examine them objectively. Any bidder who protests the bid award should be referred to the Town Administrator's office. Bidders will be informed to submit their issues in writing with the specific details. The Town Administrator's office and Town Counsel will review the basis of the protest and will respond in writing.

For specific bidding requirements, refer to Chapter 30B of the Massachusetts General Laws and other publications issued by the Inspector General's office.

PROFESSIONAL DEVELOPMENT AND CERTIFICATION

The Town Administrator, as the town's Chief Procurement Officer, shall seek to attain and maintain certification through the Office of the Inspector General as a Massachusetts Certified Public Purchasing Official.

COOPERATIVE PURCHASING AND STATE CONTRACTS

POLICY:

The policy of the town is that Town Administrator (or his/her designee) has the authority to join with other units of government in cooperative purchasing plans when the best interests of the town will be served in terms of maximizing the value of each tax dollar expended. The use of these contracts saves in terms of reduced overhead expenditures as well as in terms of savings from the economies of scale of regional and state arrangements.

PROCEDURES:

- The town may bid any item or material. Prior to said award the low bid should be compared to regional cooperative bids and state bids for said item to assure that the town is obtaining the best price.
- The Town Administrator (or his/her designee) may enter into cooperative arrangements (with other groups of municipalities) to obtain economies of scale for various items such as: chemicals, sand, salt, calcium chloride, fertilizer, motor oil, bituminous material, gravel, office supplies, etc. Municipal departments will procure these materials for the fiscal year from the vendor awarded the contract by the cooperative/regional group of municipalities.

CONTRACTS AND AGREEMENTS FOR GOODS AND SERVICES

POLICY:

The policy of the town and state statute requires contracts and agreements to be executed for all purchases in excess of \$10,000. All town contracts and agreements will not be valid unless the following approval procedures and signatures of town officials are in place.

Procedures:

- Upon the award of a contract, the town department procuring the good or service should use a Standard Form Contract. The contract provides complete and detailed conditions for the performance or delivery of the respective goods or services. The contract is submitted first to the vendor or consultant for their signature. In this manner, the town will understand that the vendor has accepted the terms and conditions of the agreement.
- The following officials should then sign the agreement for these specific purposes:
 - The relevant department head shall sign the contract as confirmation that it is an appropriate charge/expense to the department's appropriation.
 - The Town Accountant shall sign all contracts verifying that there is an appropriation available to fund the contract.
 - The Town Administrator shall be the final signature on the contract to bind the town, and as confirmation that procurement requirements were met.

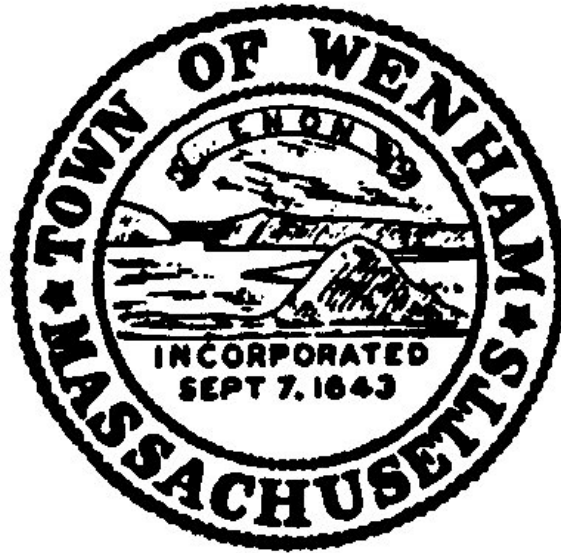
- For contracts in excess of \$35,000, Town Counsel shall sign the contract as an indication of legal review and appropriateness of the contract form and terms.
- *Prevailing Wage Rates and Payment and Performance Bonds* shall be attached to relevant contracts.
- The Town Administrator's office shall retain a copy of all contracts, including personal service contracts, executed by the town. The other original copies shall be distributed to the vendor and to the Town Accountant.

DELEGATION OF SIGNATORY AUTHORITY

In the absence of any local regulatory guidance and to streamline the town's procurement and grant application processes, the Board of Selectmen delegates its signatory authority to the Town Administrator to execute contracts for goods and services and to apply for grants in the following manner:

- Contracts in excess of \$35,000 in total value will require Board of Selectmen review and approval. The Board or their designee will execute these contracts.
- The Town Administrator can execute contracts valued between \$10,000 and \$34,999 after notifying the Board of Selectmen. Said notification will be in written form and will also be reported by the Town Administrator at a subsequent Board meeting.
- The Town Administrator can execute all contracts valued less than \$10,000 without formal notification to the Board, but will provide informal notification to the Board of Selectmen either before or after the contract has been signed.
- Signatory authority will also be delegated to the Town Administrator for grant applications and related contracts as long as there is no local funding contribution required. If a local match is needed, those grant applications and contracts will require Board of Selectmen review and approval. Written notification will be provided to the Board of Selectmen by the Town Administrator prior to the submission of any grant applications and execution of contracts that are grant funded.
- The Finance Director shall have signatory authority over any personal reimbursement requests made by the Town Administrator.
- This policy does not apply to intermunicipal agreements.

Town of Wenham Massachusetts



Additional Financial Documents

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

Town of Wenham

Combined Balance Sheet 07/01/2016 - 6/30/2017

	General Fund	Special Revenue Funds	Capital Project Funds	Trust Fund	Agency Fund	General Long Term Debt	General Fixed Assets	Total
ASSETS								
Cash/Investments	2,318,958.81	3,436,654.90	111,397.52	2,140,813.39	25,709.02			8,033,533.64
Property Taxes	220,799.91							220,799.91
Provision for Abate & Exempt	(84,950.78)							(84,950.78)
Tax Liens	85,424.80							85,424.80
Tax Foreclosures	368,455.76							368,455.76
Excises	96,177.53							96,177.53
Intergovernmental								-
Receivables - Other		15,505.79						15,505.79
CPA- Receivables		3,769.02						3,769.02
Water Receivables		29,622.00						29,622.00
Amount to be Provided for Long						4,455,000.00		4,455,000.00
TOTAL ASSETS	3,004,866.03	3,485,551.71	111,397.52	2,140,813.39	25,709.02	4,455,000.00	-	13,223,337.67

Liabilities								
Warrants Payable								-
Accrued Wages Payable								-
Withholdings Payable								-
Unclaimed Checks	351.69							351.69
Other Liabilities	612.50							612.50
Guarantee Deposits Payable					25,709.02			25,709.02
Def Rev Property Tax	135,849.13							135,849.13
Def Rev Tax Liens	85,424.80							85,424.80
Def Rev Tax Foreclosures	368,455.76							368,455.76
Def Rev Excise	96,177.53							96,177.53
Def Rev Intergovernmental								-
Def Rev Other Receivables		15,505.79						15,505.79
Def Rev CPA		3,769.02						3,769.02
Def Rev Water		29,622.00						29,622.00
Bonds Payable						4,455,000.00		4,455,000.00
TOTAL LIABILITIES	686,871.41	48,896.81	-	-	25,709.02	4,455,000.00	-	5,216,477.24

Town of Wenham

Combined Balance Sheet 07/01/2016 - 6/30/2017

	General Fund	Special Revenue Funds	Capital Project Funds	Trust Fund	Agency Fund	General Long Term Debt	General Fixed Assets	Total
Fund Balances								-
Invested in General Fixed								-
Reserved for Encumbrances	44,581.90							44,581.90
Reserved for Perpetual				419,843.13				419,843.13
Reserved for Cont Appropriations	936,000.00			1,720,970.26				2,656,970.26
Reserved for CPA		1,001,507.08						1,001,507.08
Designated for Subsequent								-
Undesignated General Fund	1,337,412.72							1,337,412.72
Undesignated Special Revenue		789,278.57						789,278.57
Undesignated Capital Projects			111,397.52					111,397.52
Undesignated CPA		1,424,010.93						1,424,010.93
Undesignated Water Surplus		221,858.32						221,858.32
Undesignated Capital Projects								-
Revenue								-
Expenditures								-
TOTAL FUND BALANCES	2,317,994.62	3,436,654.90	111,397.52	2,140,813.39	-	-	-	8,006,860.43
TOTAL LIABILITIES & FUND BALANCES	3,004,866.03	3,485,551.71	111,397.52	2,140,813.39	25,709.02	4,455,000.00	-	13,223,337.67

-

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Cash Reconciliation for June 30 - Fiscal Year 2017

Total Treasurer's Cash and Investments (6/30 year-end report)	8,280,794.45
Other trust funds not in custody of Treasurer	0.00
Total Cash and Investments	8,280,794.45
Accountant's/Auditor's Cash and Investments (PER BALANCE SHEET)	
General Fund	2,318,958.81
Special Revenue Funds	3,436,654.90
Capital Projects Funds	111,397.52
Enterprise Funds	0.00
Trust and Agency Funds	2,166,522.41
Total per general ledger	8,033,533.64
Reconciling Items (specify)	
Warrants Payable	244,307.01
Petty Cash	0.00
FY17 retro pay paid in FY18	2,953.80
	0.00
	0.00
	0.00
	0.00
Total Adjusted Accountant's/Auditor's Cash and Investments	8,280,794.45
Variance	0.00

Signatures

Treasurer

I hereby certify to the best of my knowledge that this information is complete and accurate as of this date.

Leslie Davidson, Treasurer/Collector/Finance Director , Wenham , l davidson@wenhamma.gov 978-468-5520 | 11/8/2017 12:41 PM

Accountant/Auditor

I hereby certify that the foregoing schedule, setting forth the total cash and investments in the general ledger, is either in agreement with the total cash in the custody of the Treasurer or efforts are being made to reconcile any variances.

Christopher Holak, Accountant , Wenham , cholak@wenhamma.gov 978-468-5520 | 11/8/2017 9:50 AM

Schedule of Outstanding Receivables - Fiscal Year 2017

	Detail per Treasurer/Collector	Balance per General Ledger	Variance
Personal Property Taxes			
Levy of 2017	406.00	406.00	0.00
Levy of 2016	383.00	383.00	0.00
Levy of 2015	363.00	363.00	0.00
Levy of 2014	422.00	422.00	0.00
Levy of Prior Years	1,656.00	1,656.00	0.00
Total	3,230.00	3,230.00	0.00
Real Estate Taxes			
Levy of 2017	159,964.00	159,964.00	0.00
Levy of 2016	4,523.00	4,523.00	0.00
Levy of 2015	6,360.00	6,360.00	0.00
Levy of 2014	5,892.00	5,892.00	0.00
Levy of Prior Years	5,767.00	5,767.00	0.00
Total	182,506.00	182,506.00	0.00
Deferred Property Taxes			
Deferred Property Taxes	35,064.00	35,064.00	0.00
Taxes in Litigation			
Taxes in Litigation	0.00	0.00	0.00
Motor Vehicle Excise			
Levy of 2017	66,706.00	66,706.00	0.00
Levy of 2016	3,919.00	3,919.00	0.00
Levy of 2015	2,254.00	2,254.00	0.00
Levy of 2014	1,327.00	1,327.00	0.00
Levy for Prior Years	21,972.00	21,972.00	0.00
Total	96,178.00	96,178.00	0.00
Tax Liens/Tax Title			
Tax Liens/Tax Title	85,425.00	85,425.00	0.00
Tax Foreclosures/Tax Possessions			
Tax Foreclosures/Tax Possessions	368,456.00	368,456.00	0.00
Other Excise Taxes			
Boat Excise	0.00	0.00	0.00
Farm animal excise	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Other:	0.00	0.00	0.00
User Charges Receivables			
Water	29,396.00	29,396.00	0.00
Sewer	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Utility Liens Added to Taxes			
Utility Liens Added to Taxes	226.00	226.00	0.00

Schedule of Outstanding Receivables - Fiscal Year 2017

	Detail per Treasurer/Collector	Balance per General Ledger	Variance
Departmental and Other Receivables			
Ambulance	0.00	0.00	0.00
Other: PILOT	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Other:	0.00	0.00	0.00
Special Assessments Receivable			
Unapportioned assessments	0.00	0.00	0.00
Apportioned assessments added to taxes	0.00	0.00	0.00
Committed interest added to taxes	0.00	0.00	0.00
Apportioned assessments not yet due	0.00	0.00	0.00
Suspended assessments	0.00	0.00	0.00
Special assessments tax liens	0.00	0.00	0.00

Signatures

Accountant/Auditor

I hereby certify that the foregoing schedule, setting forth the outstanding receivables in the general ledger, is either in agreement with the detail per the Treasurer / Collector or efforts are being made to reconcile any variances.

Christopher Holak, Accountant , Wenham , cholak@wenhamma.gov 978-468-5520 | 10/18/2017 1:06 PM

Collector/Treasurer

I hereby certify to the best of my knowledge that this information is complete and accurate as of this date.

Leslie Davidson, Treasurer/Collector/Finance Director , Wenham , ldavidson@wenhamma.gov 978-468-5520 | 10/18/2017 10:31 AM

Treasurer

I hereby certify to the best of my knowledge that this information is complete and accurate as of this date.

Leslie Davidson, Treasurer/Collector/Finance Director , Wenham , ldavidson@wenhamma.gov 978-468-5520 | 10/18/2017 10:31 AM

Long Term Debt Inside the Debt Limit	Outstanding July 1, 2016	+ Issued	- Retired	= Outstanding June 30, 2017	Interest Paid in FY17
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Building	3,763,000	-	459,000	3,304,000	93,092
Departmental Equipment	547,000	-	152,000	395,000	19,504
School Buildings	-	-	-	-	-
School Other	-	-	-	-	-
Sewer	459,000	-	39,000	420,000	13,119
Solid Waste Landfill	-	-	-	-	-
Other Inside	90,000	-	20,000	70,000	3,314
SUB-TOTAL Inside	4,859,000	-	670,000	4,189,000	129,029

Long Term Debt Outside the Debt Limit					
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Airport	-	-	-	-	-
Gas/Electric Utility	-	-	-	-	-
Hospital	-	-	-	-	-
School Buildings	-	-	-	-	-
Sewer	-	-	-	-	-
Solid Waste Landfill	-	-	-	-	-
Water	383,000	-	117,000	266,000	6,626
Other Outside	-	-	-	-	-

SUB-TOTAL Outside	383,000	-	117,000	266,000	6,626
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GRAND TOTAL	5,242,000	-	787,000	4,455,000	135,655
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Please complete both sides of this report and return it to the Division of Local Services no later than September 30th.

I certify to the best of my knowledge that this information is complete and accurate as of this date.

Treasurer: Leslie Davidson Date: 11/13/2017

I certify that long and short term debt as identified in this Statement of Indebtedness is in agreement with the general ledger controls in my department and are also reflected on the balance sheet.

Accounting Officer: Christopher Holak Date: 11/13/2017

TAX RATE RECAPITULATION
Fiscal Year 2018

I. TAX RATE SUMMARY

la. Total amount to be raised (from page 2, IIe)	\$ 20,504,577.38
lb. Total estimated receipts and other revenue sources (from page 2, IIIe)	5,618,085.93
lc. Tax Levy (Ia minus Ib)	\$ 14,886,491.45
ld. Distribution of Tax Rates and levies	

CLASS	(b) Levy percentage (from LA5)	(c) lc above times each percent in col (b)	(d) Valuation by class (from LA-5)	(e) Tax Rates (c) / (d) x 1000	(f) Levy by class (d) x (e) / 1000
Residential	97.5397	14,520,239.10	772,764,042.00	18.79	14,520,236.35
Net of Exempt					
Open Space	0.0000	0.00	0.00	0.00	0.00
Commercial	1.4366	213,859.34	11,381,520.00	18.79	213,858.76
Net of Exempt					
Industrial	0.1098	16,345.37	870,300.00	18.79	16,352.94
SUBTOTAL	99.0861		785,015,862.00		14,750,448.05
Personal	0.9139	136,047.65	7,240,202.00	18.79	136,043.40
TOTAL	100.0000		792,256,064.00		14,886,491.45

MUST EQUAL 1C

Board of Assessors

Steven Ozahowski, Assessor , Wenham , sozahowski@wenhamma.gov 978-468-5520 | 10/20/2017 11:44 AM

Comment:

Do Not Write Below This Line --- For Department of Revenue Use Only

Reviewed By: Susan Whouley
Date: 10/26/2017
Approved: Thomas Guilfoyle
Director of Accounts: Mary Jane Handy

Mary Jane Handy

NOTE : The information was Approved on 10/26/2017

TAX RATE RECAPITULATION

Fiscal Year 2018

II. Amounts to be raised

Ila. Appropriations (col.(b) through col.(g) from page 4)		<u>18,920,827.00</u>
Ilb. Other amounts to be raised		
1. Amounts certified for tax title purposes	<u>10,000.00</u>	
2. Debt and interest charges not included on page 4	0.00	
3. Final Awards	0.00	
4. Total overlay deficit	0.00	
5. Total cherry sheet offsets (see cherry sheet 1-ER)	9,317.00	
6. Revenue deficits	0.00	
7. Offset receipts deficits Ch. 44, Sec. 53E	0.00	
8. CPA other unappropriated/unreserved	<u>1,204,160.93</u>	
9. Snow and ice deficit Ch. 44, Sec. 31D	0.00	
10. Other :	0.00	
TOTAL Ilb (Total lines 1 through 10)		<u>1,223,477.93</u>
Ilc. State and county cherry sheet charges (C.S. 1-EC)		225,090.00
Ild. Allowance for abatements and exemptions (overlay)		135,182.45
Ile. Total amount to be raised (Total Ila through Ild)		<u>20,504,577.38</u>

III. Estimated receipts and other revenue sources

IIIa. Estimated receipts - State		
1. Cherry sheet estimated receipts (C.S. 1-ER Total)	448,608.00	
2. Massachusetts school building authority payments	0.00	
TOTAL IIIa		<u>448,608.00</u>
IIIb. Estimated receipts - Local		
1. Local receipts not allocated (page 3, col (b) Line 24)	<u>2,149,967.00</u>	
2. Offset Receipts (Schedule A-1)	<u>0.00</u>	
3. Enterprise Funds (Schedule A-2)	<u>0.00</u>	
4. Community Preservation Funds (See Schedule A-4)	<u>1,874,010.93</u>	
TOTAL IIIb		<u>4,023,977.93</u>
IIIc. Revenue sources appropriated for particular purposes		
1. Free cash (page 4, col (c))	<u>216,000.00</u>	
2. Other available funds (page 4, col (d))	<u>179,500.00</u>	
TOTAL IIIc		<u>395,500.00</u>
IIId. Other revenue sources appropriated specifically to reduce the tax rate		
1a. Free cash..appropriated on or before June 30, 2017	750,000.00	
1b. Free cash..appropriated on or after July 1, 2017	0.00	
2. Municipal light source	0.00	
3. Other source :	0.00	
TOTAL IIId		<u>750,000.00</u>
IIIe. Total estimated receipts and other revenue sources (Total IIIa through IIId)		<u>5,618,085.93</u>

IV. Summary of total amount to be raised and total receipts from all sources

a. Total amount to be raised (from Ile)		<u>20,504,577.38</u>
b. Total estimated receipts and other revenue sources (from IIIe)	<u>5,618,085.93</u>	
c. Total real and personal property tax levy (from Ic)	<u>14,886,491.45</u>	
d. Total receipts from all sources (total IVb plus IVc)		<u>20,504,577.38</u>

NOTE : The information was Approved on 10/26/2017

TAX RATE RECAPITULATION

Fiscal Year 2018

LOCAL RECEIPTS NOT ALLOCATED *

	Receipt Type Description	(a) Actual Receipts Fiscal 2017	(b) Estimated Receipts Fiscal 2018
==>	1. MOTOR VEHICLE EXCISE	734,987.00	543,000.00
	2. OTHER EXCISE		
==>	a.Meals	0.00	0.00
==>	b.Room	0.00	0.00
==>	c.Other	0.00	0.00
==>	3. PENALTIES AND INTEREST ON TAXES AND EXCISES	42,209.00	42,000.00
==>	4. PAYMENTS IN LIEU OF TAXES	15,653.00	11,000.00
	5. CHARGES FOR SERVICES - WATER	478,610.00	421,617.00
	6. CHARGES FOR SERVICES - SEWER	0.00	0.00
	7. CHARGES FOR SERVICES - HOSPITAL	0.00	0.00
	8. CHARGES FOR SERVICES - SOLID WASTE FEES	0.00	0.00
	9. OTHER CHARGES FOR SERVICES	64,219.00	50,000.00
	10. FEES	31,748.00	25,000.00
	11. RENTALS	148,464.00	138,000.00
	12. DEPARTMENTAL REVENUE - SCHOOLS	0.00	0.00
	13. DEPARTMENTAL REVENUE - LIBRARIES	5,183.00	3,218.00
	14. DEPARTMENTAL REVENUE - CEMETERIES	11,750.00	11,000.00
	15. DEPARTMENTAL REVENUE - RECREATION	0.00	0.00
	16. OTHER DEPARTMENTAL REVENUE	34,578.00	26,000.00
	17. LICENSES AND PERMITS	108,730.00	108,000.00
	18. SPECIAL ASSESSMENTS	724,005.00	751,203.00
==>	19. FINES AND FORFEITS	16,460.00	18,000.00
==>	20. INVESTMENT INCOME	3,816.00	1,929.00
==>	21. MEDICAID REIMBURSEMENT	0.00	0.00
==>	22. MISCELLANEOUS RECURRING (PLEASE SPECIFY)	0.00	0.00
	23. MISCELLANEOUS NON-RECURRING (PLEASE SPECIFY)	11,252.00	0.00
	24. Totals	2,431,664.00	2,149,967.00

I hereby certify that the actual receipts as shown in column (a) are, to the best of my knowledge correct and complete, and I further certify that I have examined the entries made on page 4 of the Fiscal 2018 tax rate recapitulation form by the City, Town or District Clerk and hereby acknowledge that such entries correctly reflect the appropriations made and the sources from which such appropriations are to be met.

Accounting Officer

I hereby certify that the actual receipts as shown in column (a) are, to the best of my knowledge correct and complete, and I further certify that I have examined the entries made on page 4 of the above-indicated fiscal year tax rate recapitulation form by the City / Town / District Clerk and hereby acknowledge that such entries correctly reflect the appropriations made and the sources from which such appropriations are to be met.

Christopher Holak, Accountant, Wenham, cholak@wenhamma.gov 978-468-5520 | 10/24/2017 5:01 PM

Comment:

* Do not include receipts in columns (a) or (b) that were voted by the City / Town / District Council or Town Meeting as offset receipts on Schedule A-1, enterprise funds on Schedule A-2, or departmental revolving funds per Chapter 44, Section 53E 1/2. Written documentation should be submitted to support increases / decreases of estimated receipts to actual receipts.

==> Written documentation should be submitted to support increases/ decreases of FY 2018 estimated receipts to FY 2017 estimated receipts to be used in calculating the Municipal Revenue Growth Factor (MRGF).

NOTE : The information was Approved on 10/26/2017

TAX RATE RECAPITULATION
Fiscal Year 2018

APPROPRIATIONS									AUTHORIZATIONS	
									MEMO ONLY	
City/Town Council or Town Meeting Dates	FY*	(a) Total Appropriations Of Each Meeting	(b) ** From Raise and Appropriate	(c) From Free Cash (See B-1)	(d) From Other Available Funds (See B-2)	(e) From Offset Receipts (See A-1)	(f) From Enterprise Funds (See A-2)	(g) From Community Preservation Funds (See A-4)	(h) *** Departmental Revolving Funds	(i) Borrowing Authorization (Other)
04/01/2017	2018	18,920,827.00	17,855,477.00	216,000.00	179,500.00	0.00	0.00	669,850.00	20,000.00	0.00
Total		18,920,827.00	17,855,477.00	216,000.00	179,500.00	0.00	0.00	669,850.00		

* Enter the fiscal year to which the appropriation relates, i.e., fiscal year 2017 or fiscal 2018.

** Appropriations included in column (b) must not be reduced by local receipts or any other funding source. Appropriations must be entered gross to avoid a duplication in the use of estimated or other sources of receipts.

*** Include only revolving funds pursuant to Chapter 44, Section 53 E 1/2.

Clerk

I hereby certify that the appropriations correctly reflect the votes taken by City / Town / District Council.

[Dianne K Bucco](#) , Town Clerk , Wenham , dbucco@wenhamma.gov 978-468-5520 | 10/24/2017 5:11 PM

Comment:

NOTE : The information was Approved on 10/26/2017

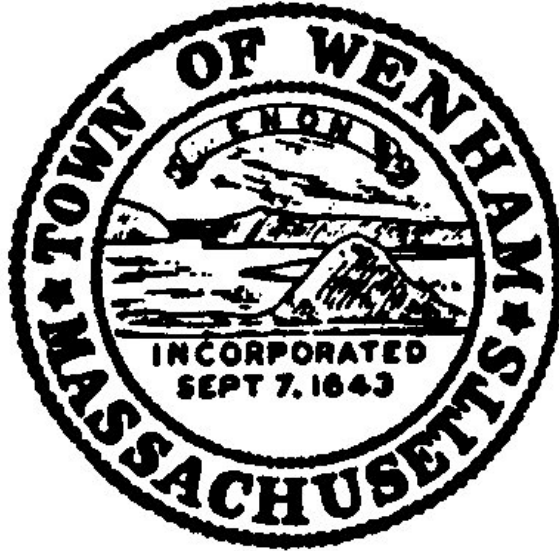
**TOWN OF WENHAM
TRUST FUND REPORT
JULY 1, 2016 - JUNE 30, 2017**

NAME OF FUND	ORIGINAL ENDOWMENT	BALANCE 7/1/2016	INTEREST EARNED	OTHER INCOME	EXPENDED	BALANCE 6/30/2017
Cemetery Flower Funds						
Abbott Fund	200.00	217.19	1.39			218.58
George Badger Fund	100.00	104.44	0.68			105.12
Batchelder Fund	400.00	430.45	2.78			433.23
Becker Fund	1,000.00	1,128.16	7.21			1,135.37
Lloyd Brooks Fund	200.00	210.86	1.35			212.21
John D. Cannon Fund	175.00	178.48	1.14			179.62
Frank Corning Fund	200.00	203.30	1.31			204.61
D'Ambrosio Fund	200.00	242.28	1.56			243.84
Elizabeth Dodge Fund	200.00	203.30	1.31			204.61
Philip Ellwood Dodge Fund	200.00	203.33	1.32			204.65
Margaret R. Dudley Fund	200.00	200.11	1.28			201.39
Almont & Eleanor Elwell Fund	200.00	203.10	1.31			204.41
A & E Cosh Fund	500.00	578.84	3.74			582.58
Dorothy Pulsifier Fund	500.00	580.25	3.74			583.99
Mercy Featherstone Fund	425.00	481.47	2.99			484.46
Goodridge & Larabee Fund	200.00	203.30	1.31			204.61
Earle E. Johnson Fund	200.00	203.31	1.32			204.63
Col. Henry F. Kent Fund	200.00	203.30	1.31			204.61
George Kilham Fund	200.00	200.08	1.28			201.36
William E. Ludden Fund	200.00	218.77	1.39			220.16
Walter C. Ober Fund	400.00	449.92	2.87			452.79
Lena Peck Fund	225.00	239.42	1.55			240.97
A & M Perkins Fund	200.00	204.29	1.32			205.61
Edward A. Perkins Fund	200.00	227.61	1.47			229.08
Ruth D. Perkins Fund	500.00	625.50	4.00			629.50
John H. Rice Fund	100.00	99.14	0.63			99.77
Ralph M. Smith Fund	200.00	235.80	1.51			237.31
Elbridge Stanley Fund	200.00	205.92	1.35			207.27
Ethel B. Wentworth Fund	200.00	229.66	1.46			231.12
General Cemetery Funds						
David O. Allen Fund	475.00	1,363.21	8.76			1,371.97
Hattie L. Batchelder Fund	596.68	1,451.53	9.28			1,460.81
JH & ML Perkins Fund	1,000.00	2,036.47	13.06			2,049.53
Ethel B. Wentworth Fund	1,000.00	1,653.99	10.57			1,664.56
General Charity Funds						
John K. Dodge Fund	500.00	528.99	3.37			532.36
Mary E. Perkins Fund	3,000.00	3,163.48	20.28			3,183.76
Ralph M. Smith Fund	34,000.00	35,842.15	229.76			36,071.91
Elizabeth P. Tilton Fund	3,000.00	3,163.48	20.28			3,183.76
Benjamin F. Young Fund	1,620.00	1,709.52	10.95			1,720.47
Library Memorial Funds						
Louise E. Brown Fund	66,108.65	68,481.86	439.02		501.61	68,419.27
Charles W. & Marjorie Davis Fund	4,780.00	5,777.70	37.03		520.00	5,294.73
Judson W. Dodge Fund	500.00	1,658.11	10.63			1,668.74
Edwin P. Hawkins Fund	100.00	318.43	2.04			320.47
Dorothy Jones Library Fund	42.37	91.18	0.56			91.74
Francis Dolan Library Fund	260.36	548.97	3.51			552.48
Bernice H. Mersereau Library Fund	1,163.64	2,413.41	15.45			2,428.86
Leon W. Bishop Library Fund	1,164.97	1,481.25	9.48			1,490.73
Dodge Public Library Fund	1,808.95	3,742.09	23.99			3,766.08
John Harnett Jr. Library Fund	2,430.15	4,618.14	29.61			4,647.75

**TOWN OF WENHAM
TRUST FUND REPORT
JULY 1, 2016 - JUNE 30, 2017**

NAME OF FUND	ORIGINAL ENDOWMENT	BALANCE 7/1/2016	INTEREST EARNED	OTHER INCOME	EXPENDED	BALANCE 6/30/2017
Justin Allen Library Fund	1,164.12	1,236.71	7.92			1,244.63
John F. & Ann Neary Library Fund	2,871.45	3,370.28	21.60			3,391.88
Priscilla Johnson Library Fund	540.00	880.12	5.64			885.76
Anita Bruyere Library Fund	490.00	1,011.80	6.49			1,018.29
Dr. Donald Conwell Library Fund	3,570.00	4,427.96	28.39			4,456.35
Katlyn MacCready Bird Educ'l Lib Fund	9,248.68	10,498.54	67.32			10,565.86
Marion K. Wilks Library Fund	2,490.00	3,452.48	22.13			3,474.61
James Hompe Memorial Library Fund	940.00	2,047.30	13.11			2,060.41
Percival & Elinor G. Whipple Library Fund	9,490.00	9,941.43	63.74			10,005.17
Newalt Rose A. Richards Mem'l Lib Trust	2,935.00	3,787.69	24.29			3,811.98
Eleanor H. Belton Mem'l Lib Trust	1,100.00	1,978.28	12.70			1,990.98
Elizabeth L. Beckett Mem'l Lib Trust Fund	975.00	1,421.85	9.12			1,430.97
Nielson Fund	3,000.00	7,127.46	45.72			7,173.18
Rae Scott Memorial Trust	12,000.00	12,196.18	78.19			12,274.37
Katherine Duffy Lib Trust Fund	143,601.69	147,019.09	942.45		1,200.00	146,761.54
Susan D Lillie Library Trust Fund	59,790.00	61,031.05	391.24		1,059.94	60,362.35
Perpetual Care Trust Funds						
Perkins War Memorial Perpetual Care	83,395.61	87,837.52	563.08			88,400.60
Perkins Cemetery Perpetual Care	143,844.62	150,862.07	967.12		444.10	151,385.09
Cemetery Perpetual Care Fund	178,215.98	188,424.11	1,207.90		5,410.81	184,221.20
Other Funds Reserved for Giving						
Education Fund		10,266.08	65.82			10,331.90
Scholarship Fund		3,921.68	25.15			3,946.83
Elderly and Disabled Fund		12,084.83	77.41			12,162.24
Wenham Affordable Housing Trust		652,114.51	6,651.11	0.00	4,439.72	654,325.90
Wenham Affordable Home Improvement		218,277.18	1,924.68			220,201.86
WISSH Financial Assistance		9,857.06			3,378.62	6,478.44
WISSH Elderly Housing		6,465.59				6,465.59
Conservation Fund						
		51,756.25	2,460.92			54,217.17
OPEB Fund						
		45,662.00	404.67	20,000.00		66,066.67
Stabilization Fund						
		516,856.09	3,313.32			520,169.41
TOTALS	791,137.92	2,374,568.73	20,354.74	20,000.00	16,954.80	2,397,968.67

Town of Wenham Massachusetts



Municipal Audit Report

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

TOWN OF WENHAM, MASSACHUSETTS

***REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS***

YEAR ENDED JUNE 30, 2017

TOWN OF WENHAM, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Wenham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wenham, Massachusetts, as of and for the year ended June 30, 2017, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wenham, Massachusetts, as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the Town of Wenham's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wenham's internal control over financial reporting.



December 20, 2017

Management's Discussion and Analysis

Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and deferred outflows and liabilities and deferred inflows, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, community preservation, and interest. The Town's business-type activities relate to the water activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. The focus of Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town adopts annual appropriated budgets for its general fund and community preservation fund. Budgetary comparison schedules have been provided as required supplementary information after the notes to the financial statements to demonstrate compliance with these budgets.

Proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town maintains one proprietary fund to account for its water activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town maintains an Other Postemployment Benefits Trust fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town’s budgetary basis of accounting as well as pension and other postemployment benefits obligations.

Government-wide Financial Analysis

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Town’s governmental assets and deferred outflows exceeded liabilities and deferred inflows by \$ 8.1 million at the close of 2017. Key components of the Town’s governmental financial position are listed below.

	2017	2016
Assets:		
Current assets.....	\$ 9,148,166	\$ 9,582,310
Noncurrent assets (excluding capital).....	35,064	28,592
Capital assets.....	12,874,665	13,364,106
Total assets.....	22,057,895	22,975,008
Deferred Outflows of Resources:		
Deferred loss on refunding.....	769,746	522,731
Liabilities:		
Current liabilities (excluding debt).....	225,233	704,178
Noncurrent liabilities (excluding debt).....	10,004,844	9,237,751
Current debt.....	641,680	683,075
Noncurrent debt.....	3,681,838	4,202,853
Total liabilities.....	14,553,595	14,827,857
Deferred Inflows of Resources:		
Deferred inflows related to pensions.....	195,061	-
Net Position:		
Net investment in capital assets.....	8,647,434	8,582,914
Restricted.....	5,261,265	5,227,468
Unrestricted.....	(5,829,714)	(5,140,500)
Total net position.....	\$ 8,078,985	\$ 8,669,882

Net position of \$8.6 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A restricted portion of the net position totaling \$5.3 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* has a year-end deficit of \$5.8 million. The Town was required to implement the provisions of the Governmental Accounting Standards Board Statement 68, Accounting and Financial Reporting for Pension. As a member unit of the Essex Regional Retirement System, the Town is required to report its proportionate share of the net pension liability and related deferred inflows/outflows.

The governmental activities of the Town are detailed below. The governmental activities net position decreased by \$591,000 during the current year which is primarily due to increases in the net pension liability, deferred inflows/outflows and the other postemployment liability.

	2017	2016
Program revenues:		
Charges for services.....	\$ 1,370,103	\$ 1,347,377
Operating grants and contributions.....	225,214	302,103
Capital grants and contributions.....	241,835	393,061
General Revenues:		
Real estate and personal property taxes.....	14,299,943	13,329,349
Motor vehicle excise taxes.....	737,053	712,324
Community preservation surcharge.....	341,945	316,749
Nonrestricted grants.....	425,522	406,310
Unrestricted investment income.....	18,443	19,978
Miscellaneous revenues.....	71,137	124,313
Total revenues.....	17,731,195	16,951,564
Expenses:		
General Government.....	1,732,931	1,868,443
Public Safety.....	3,592,743	3,271,582
Education.....	8,896,867	8,158,490
Public Works.....	1,772,517	1,660,616
Human Services.....	228,454	197,221
Culture and Recreation.....	1,437,813	1,219,889
Community Preservation.....	546,729	62,442
Interest.....	114,038	44,919
Claims and judgments.....	-	2,400
Total expenses.....	18,322,092	16,486,002
Change in net position.....	(590,897)	465,562
Net position beginning of the year.....	8,706,530	8,240,968
Net position at the end of the year.....	\$ 8,115,633	\$ 8,706,530

Business-type Activities

The Town's business-type activities reflect the operations of the Town's water enterprise fund. Business-type assets exceeded liabilities by \$1.4 million at the close of 2017. The following table identifies key elements of the net position of the Town's business-type activities.

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets.....	\$ 390,429	\$ 386,868
Capital assets.....	<u>1,340,860</u>	<u>1,385,031</u>
Total assets.....	<u>1,731,289</u>	<u>1,771,899</u>
Liabilities:		
Current liabilities (excluding debt).....	3,490	12,640
Noncurrent liabilities (excluding debt).....	6,348	4,788
Current debt.....	116,000	117,000
Noncurrent debt.....	<u>150,000</u>	<u>266,000</u>
Total liabilities.....	<u>275,838</u>	<u>400,428</u>
Net Position:		
Net investment in capital assets.....	1,089,970	1,017,141
Unrestricted.....	<u>365,481</u>	<u>354,330</u>
Total net position.....	<u>\$ 1,455,451</u>	<u>\$ 1,371,471</u>

The Town's business type activities net position increase by \$84,000 during the current year. The results reflect the Town's intention to recover its costs of operations through rates.

Program revenues:		
Charges for services.....	\$ 456,096	\$ 458,914
Expenses:		
Water expenses.....	365,490	353,524
Interest.....	<u>6,626</u>	<u>8,816</u>
Total expenses.....	<u>372,116</u>	<u>362,340</u>
Change in net position.....	83,980	96,574
Net position beginning of the year.....	<u>1,371,451</u>	<u>1,274,877</u>
Net position at the end of the year.....	<u>\$ 1,455,431</u>	<u>\$ 1,371,451</u>

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$7.9 million, a net increase of \$93,000 from the prior year.

The General Fund is the Town's chief operating fund. At the end of the current year, unassigned and total fund balance of the General Fund totaled \$2.8 million and \$2.9 million, respectively. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent 16.7% and 17.0% of total General Fund expenditures, respectively. The General Fund total fund balance decreased by \$42,000 during 2017 mainly due to budgetary surpluses being offset by the use of \$750,000 in prior year fund balance (free cash) to balance the budget.

The Town has established a community preservation fund, which is funded by a combination of real estate surcharges to taxpayers and a matching grant from the Commonwealth. At the end of 2017, the fund had a positive balance of \$2.4 million, which is recorded in the Community Preservation major governmental fund. As funds accumulate, the Town expects to appropriate funds in accordance with the legislation and in the best interest of the Town of Wenham. During 2017, the fund received \$479,000, and expended \$465,000.

Budgetary Highlights

General Fund:

For 2017, the Town adopted a \$17.2 million dollar operating budget for the General Fund. The budget was financed through current revenues, \$5,000 of transfers in from other funds and the use of \$829,000 of prior year reserves. Actual revenues and expenditures came ended with a surplus of approximately \$734,000 which was offset by use of prior fund balance.

Community Preservation Fund:

The Town's Community Preservation Special Revenue fund adopted a \$432,000 revenue budget and appropriated \$896,000 for new projects. The fund experienced a net decrease of \$464,000.

Capital Asset and Debt Administration

Outstanding long-term debt, as of June 30, 2017, totaled \$4.5 million which is comprised of \$4.2 million in governmental debt and \$300,000 of Water Enterprise Fund long-term debt. During the year, the Town did not issue new debt.

During the year, the Town acquired approximately \$164,000 in new capital assets. Significant additions consisted of construction in progress, infrastructure, vehicles, equipment, and library materials.

Please refer to the Notes to the Basic Financial Statements for further discussion of the debt and capital activity.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Wenham Town Hall, 138 Main Street, Wenham, MA 01984.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2017

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 6,566,662	\$ 242,607	\$ 6,809,269
Investments.....	1,291,414	-	1,291,414
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	184,037	-	184,037
Community preservation fund surtax.....	3,769	-	3,769
Tax liens.....	85,425	-	85,425
Motor vehicle excise taxes.....	78,897	-	78,897
Water fees.....	-	147,822	147,822
Departmental and other.....	15,506	-	15,506
Intergovernmental.....	313,100	-	313,100
Community preservation fund state share.....	51,000	-	51,000
Assets held for resale.....	189,900	-	189,900
Tax foreclosures.....	368,456	-	368,456
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Real estate tax deferrals.....	35,064	-	35,064
Capital assets, nondepreciable.....	776,317	17,361	793,678
Capital assets, net of accumulated depreciation.....	12,098,348	1,323,499	13,421,847
TOTAL ASSETS.....	22,057,895	1,731,289	23,789,184
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	769,746	-	769,746
LIABILITIES			
CURRENT:			
Warrants payable.....	129,722	3,490	133,212
Accrued interest.....	41,066	-	41,066
Other liabilities.....	42,180	-	42,180
Capital lease obligations.....	52,680	-	52,680
Compensated absences.....	12,265	-	12,265
Bonds payable.....	589,000	116,000	705,000
NONCURRENT:			
Capital lease obligations.....	81,838	-	81,838
Compensated absences.....	41,321	6,348	47,669
Net pension liability.....	7,833,563	-	7,833,563
Other postemployment benefits.....	2,129,960	-	2,129,960
Bonds payable.....	3,600,000	150,000	3,750,000
TOTAL LIABILITIES.....	14,553,595	275,838	14,829,433
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	195,061	-	195,061
NET POSITION			
Net investment in capital assets.....	8,647,434	1,089,970	9,737,404
Restricted for:			
Permanent funds:			
Expendable.....	93,746	-	93,746
Nonexpendable.....	806,288	-	806,288
Gifts and grants.....	4,361,231	-	4,361,231
Unrestricted.....	(5,829,714)	365,481	(5,464,233)
TOTAL NET POSITION.....	\$ 8,078,985	\$ 1,455,451	\$ 9,534,436

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 1,732,931	\$ 191,722	\$ 101,371	\$ -	\$ (1,439,838)
Public safety.....	3,592,743	373,096	9,016	-	(3,210,631)
Education.....	8,896,867	-	-	-	(8,896,867)
Public works.....	1,772,517	65,604	-	152,409	(1,554,504)
Human services.....	228,454	12,350	23,624	-	(192,480)
Affordable housing.....	-	-	2,211	-	2,211
Culture and recreation.....	1,437,813	727,331	88,992	-	(621,490)
Community preservation.....	546,729	-	-	89,426	(457,303)
Interest.....	114,038	-	-	-	(114,038)
Total Governmental Activities.....	18,322,092	1,370,103	225,214	241,835	(16,484,940)
<i>Business-Type Activities:</i>					
Water.....	372,116	456,096	-	-	83,980
Total Primary Government.....	\$ 18,694,208	\$ 1,826,199	\$ 225,214	\$ 241,835	\$ (16,400,960)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

YEAR ENDED JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (16,484,940)	\$ 83,980	\$ (16,400,960)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	14,299,943	-	14,299,943
Motor vehicle excise taxes.....	737,053	-	737,053
Community preservation surcharge.....	341,945	-	341,945
Grants and contributions not restricted to specific programs.....	425,522	-	425,522
Unrestricted investment income.....	18,443	-	18,443
Miscellaneous.....	71,137	-	71,137
Total General Revenues.....	15,894,043	-	15,894,043
Change in net position.....	(590,897)	83,980	(506,917)
<i>Net Position:</i>			
Beginning of year.....	8,669,882	1,371,471	10,041,353
End of year.....	\$ 8,078,985	\$ 1,455,451	\$ 9,534,436

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2017

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 2,947,996	\$ 2,429,805	\$ 1,188,861	\$ 6,566,662
Investments.....	-	-	1,291,414	1,291,414
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	184,037	-	-	184,037
Real estate tax deferrals.....	35,064	-	-	35,064
Community preservation fund surtax.....	-	3,769	-	3,769
Tax liens.....	85,425	-	-	85,425
Motor vehicle excise taxes.....	78,897	-	-	78,897
Departmental and other.....	-	-	15,506	15,506
Intergovernmental.....	-	-	313,100	313,100
Community preservation fund state share.....	-	51,000	-	51,000
Assets held for resale.....	-	-	189,900	189,900
Tax foreclosures.....	368,456	-	-	368,456
TOTAL ASSETS.....	\$ 3,699,875	\$ 2,484,574	\$ 2,998,781	\$ 9,183,230
LIABILITIES				
Warrants payable.....	\$ 110,798	\$ 4,287	\$ 14,637	\$ 129,722
Other liabilities.....	965	-	41,215	42,180
TOTAL LIABILITIES.....	111,763	4,287	55,852	171,902
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	727,428	54,769	313,100	1,095,297
FUND BALANCES				
Nonspendable.....	-	-	996,188	996,188
Restricted.....	-	2,425,518	1,633,641	4,059,159
Assigned.....	1,009,977	-	-	1,009,977
Unassigned.....	1,850,707	-	-	1,850,707
TOTAL FUND BALANCES.....	2,860,684	2,425,518	2,629,829	7,916,031
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 3,699,875	\$ 2,484,574	\$ 2,998,781	\$ 9,183,230

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2017

Total governmental fund balances.....	\$	7,916,031
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		12,874,665
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		1,095,297
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....		574,685
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(41,066)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(4,189,000)	
Capital lease obligations.....	(134,518)	
Net pension liability.....	(7,833,563)	
Other postemployment benefits.....	(2,129,960)	
Compensated absences.....	<u>(53,586)</u>	
Net effect of reporting long-term liabilities.....		<u>(14,340,627)</u>
Net position of governmental activities.....	\$	<u><u>8,078,985</u></u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 14,265,818	\$ -	\$ -	\$ 14,265,818
Motor vehicle excise taxes.....	734,968	-	-	734,968
Community preservation surcharge.....	-	341,945	-	341,945
Intergovernmental.....	1,144,427	-	328,347	1,472,774
Departmental and other.....	483,947	-	220,494	704,441
Contributions.....	-	-	93,967	93,967
Investment income.....	7,347	5,162	8,145	20,654
Community preservation state match.....	-	131,609	-	131,609
Miscellaneous.....	13,256	-	8,736	21,992
TOTAL REVENUES.....	16,649,763	478,716	659,689	17,788,168
EXPENDITURES:				
Current:				
General government.....	1,014,779	-	35,116	1,049,895
Public safety.....	2,124,732	-	198,967	2,323,699
Education.....	8,896,867	-	-	8,896,867
Public works.....	1,440,491	-	247,274	1,687,765
Human services.....	151,084	-	28,853	179,937
Culture and recreation.....	988,994	-	23,456	1,012,450
Community preservation.....	-	320,685	-	320,685
Pension benefits.....	608,276	-	-	608,276
Property and liability insurance.....	116,924	-	-	116,924
Employee benefits.....	639,324	-	-	639,324
State and county charges.....	223,661	-	-	223,661
Debt service:				
Principal.....	555,000	115,000	-	670,000
Interest.....	100,092	28,938	-	129,030
TOTAL EXPENDITURES.....	16,860,224	464,623	533,666	17,858,513
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(210,461)	14,093	126,023	(70,345)
OTHER FINANCING SOURCES (USES):				
Capital lease financing.....	163,655	-	-	163,655
Transfers in.....	5,000	-	-	5,000
Transfers out.....	-	-	(5,000)	(5,000)
TOTAL OTHER FINANCING SOURCES (USES).....	168,655	-	(5,000)	163,655
NET CHANGE IN FUND BALANCES.....	(41,806)	14,093	121,023	93,310
FUND BALANCES AT BEGINNING OF YEAR.....	2,902,490	2,411,425	2,508,806	7,822,721
FUND BALANCES AT END OF YEAR.....	\$ 2,860,684	\$ 2,425,518	\$ 2,629,829	\$ 7,916,031

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds.....		\$ 93,310
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	292,263	
Depreciation expense.....	<u>(781,704)</u>	
Net effect of reporting capital assets.....		(489,441)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(56,973)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Debt service principal payments.....	<u>670,000</u>	
Net effect of reporting long-term debt.....		670,000
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(3,627)	
Net change in capital lease obligation.....	(107,590)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	51,954	
Net change in net pension liability.....	(384,161)	
Net change in other postemployment benefits.....	(379,361)	
Net change in accrued interest on long-term debt.....	<u>14,992</u>	
Net effect of recording long-term liabilities.....		<u>(807,793)</u>
Change in net position of governmental activities.....		<u>\$ (590,897)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2017

		Water Enterprise Fund
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$	242,607
Receivables, net of allowance for uncollectibles:		
Water fees.....		147,822
Total current assets.....		390,429
NONCURRENT:		
Capital assets, nondepreciable.....		17,361
Capital assets, net of accumulated depreciation.....		1,323,499
Total noncurrent assets.....		1,340,860
TOTAL ASSETS.....		1,731,289
LIABILITIES		
CURRENT:		
Warrants payable.....		3,490
Bonds payable.....		116,000
Total current liabilities.....		119,490
NONCURRENT:		
Compensated absences.....		6,348
Bonds and notes payable.....		150,000
Total noncurrent liabilities.....		156,348
TOTAL LIABILITIES.....		275,838
NET POSITION		
Net investment in capital assets.....		1,089,970
Unrestricted.....		365,481
TOTAL NET POSITION.....	\$	1,455,451

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2017

	Water Enterprise Fund
<u>OPERATING REVENUES:</u>	
Charges for services	\$ 456,096
<u>OPERATING EXPENSES:</u>	
Cost of services and administration	294,884
Depreciation.....	70,606
 TOTAL OPERATING EXPENSES	 365,490
 OPERATING INCOME (LOSS).....	 90,606
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(6,626)
 CHANGE IN NET POSITION.....	 83,980
 NET POSITION AT BEGINNING OF YEAR.....	 1,371,471
 NET POSITION AT END OF YEAR.....	 \$ 1,455,451

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

	Water Enterprise Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 478,610
Payments to vendors.....	(139,626)
Payments to employees.....	(162,848)
NET CASH FROM OPERATING ACTIVITIES.....	176,136
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Acquisition and construction of capital assets.....	(26,435)
Principal payments on bonds and notes.....	(117,000)
Interest expense.....	(6,626)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(150,061)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	26,075
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	216,532
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 242,607
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ 90,606
Adjustments to reconcile operating income (loss) to net Cash from operating activities:	
Depreciation.....	70,606
Changes in assets and liabilities:	
Water fee receivable.....	22,514
Warrants payable.....	(3,948)
Accrued payroll.....	(5,202)
Accrued compensated absences.....	1,560
Total adjustments.....	85,530
NET CASH FROM OPERATING ACTIVITIES.....	\$ 176,136

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	<u>Other Postemployment Benefit Fund</u>
ASSETS	
Cash and cash equivalents.....	\$ <u>66,067</u>
NET POSITION	
Held in trust for other postemployment benefits.....	\$ <u><u>66,067</u></u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2017

	Other Postemployment Benefit Fund
<u>ADDITIONS:</u>	
Contributions:	
Employer contribution to the trust.....	\$ 20,000
Employer contribution to pay for OPEB benefits.....	171,732
Total contributions.....	191,732
Net investment income:	
Interest.....	405
TOTAL ADDITIONS.....	192,137
<u>DEDUCTIONS:</u>	
OPEB benefits.....	171,732
CHANGE IN NET POSITION.....	20,405
NET POSITION AT BEGINNING OF YEAR.....	45,662
NET POSITION AT END OF YEAR.....	\$ 66,067

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Wenham, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town is a municipal corporation governed by an elected three member Board of Selectmen and an appointed Town Administrator.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has one component units that require inclusion in these basic financial statements.

During 2010 the Town established the Wenham Affordable Housing Trust, which is reported within the nonmajor governmental funds. The Trust Fund was initially funded with a gift received in 2008 from a real estate developer for \$703,000. That balance, plus accumulated interest and a \$208,292 contribution from the CPA Fund is being used to increase the Town's stock of affordable housing units. The funds were used to purchase two properties during 2010. One property was sold during 2011 and the other is being held for future resale. The cost to acquire the properties totaled \$517,000. The net realizable value of the property held is estimated at \$189,900. In 2013, the WHAT Friend Court, LLC was created as a Massachusetts single-member manager-managed limited liability company. The single member is the Wenham Affordable Housing Trust and as such the LLC is reported a blended component unit. Ownership of the property has been transferred from the Town's Affordable Housing Trust to the LLC.

The Town has an agreement with the Town of Hamilton to operate a Joint Public Library under the direction of a Joint Board of Library Trustees. The Town is the administrator for all matters associated with the management of the Joint Public Library. All revenues and expenditures related to the operation of the Joint Public Library are accounted for in the Town's General Fund. Reimbursements from the Town of Hamilton for their apportioned share of expenditures are recorded as intergovernmental revenue. In 2017 operating expenses were approximately \$962,000 of which the Town's share totaled \$243,000 and Hamilton's share totaled \$719,000. The \$719,000 is reported as intergovernmental revenue.

The Town also has an agreement with the Town of Hamilton to operate a joint recreation. The program is operated by the Town of Hamilton. The Town of Wenham reimburses Hamilton for Wenham's share of the program. Reimbursements to Hamilton for the program totaled \$61,000 in 2017.

The Town is a member of the Hamilton-Wenham Regional School District (the District) which provides educational services for all levels of schools to both communities. This joint venture assesses each community its share of operating and debt service costs based on student population and other factors. In 2017, Wenham's share of the operating expense totaled \$8,433,000 and its share of the debt service expense totaled \$246,000. There is no equity interest required to be reported in the basic financial statements. Complete audited financial statements can be obtained directly from the District's administrative office located at 5 School Street, Wenham, Massachusetts 01984.

The Town, along with surrounding communities, has entered into an agreement for a regional communication center. The Town's 2017 assessment for the regional communication center of \$82,194 is budgeted as intergovernmental expenditures.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

The GASB requires separate financial statements be provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation fund* is used to account for the proceeds of a surcharge to real estate taxes along with a matching state grant. These funds must be spent in accordance with state law.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following proprietary fund type is reported:

The *water enterprise fund* is used to account for the Town's water activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund type is reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes

are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Water Fees

Water user fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. Water liens are processed after year end and included as a lien on the property owner's tax bill.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

F. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide financial statements.

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, and similar items), are reported in the applicable governmental activity column of the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Capital assets of the governmental activities column in the government-wide financial statements do not include construction period interest.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings.....	40
Machinery and equipment.....	5-50
Infrastructure.....	10-60

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

H. Deferred Outflows/Inflows of Resources

Government-Wide Statement of Financial Position and Governmental Funds Balance Sheet

In addition to assets, these statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has recorded a deferred outflow of resources related to pensions on the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town recorded a deferred inflow related to pensions on the government-wide statement of net position.

Government Fund Financial Statements

In addition to liabilities, the government funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

I. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

Government Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

J. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Statement of Activities as "Transfers, net".

K. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position are reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted for" the following:

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Grants and gifts” represents restrictions placed on assets from outside parties and consist primarily of gifts and federal and state grants.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by Town Meeting vote, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Essex Regional Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

O. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

P. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

Q. Total Column*Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

R. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's investment pool (the Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town has not formally adopted a policy for custodial credit risk of deposits. At year-end, the carrying amount of deposits totaled \$6,816,829 and the bank balance totaled \$7,068,046. Of the bank balance, \$1,276,286 was covered by Federal Depository Insurance, \$2,181,740 was covered by Depositors

Insurance Fund, \$143,941 was covered by the Securities Investor Protector Corporation, \$1,284,230 was collateralized, and \$2,181,849 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the government will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

The Town has adopted a custodial credit risk policy requiring all securities not held directly by the Town be held in the Town's name and tax identification number by a third party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

Investments and Fair Value Measurements

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The following table presents financial assets at June 30, 2017, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	Fair Value Measurements Using		
	6/30/2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Debt Securities:</u>			
U.S. Government Securities:			
U.S. government treasuries.....	\$ 304,184	\$ 304,184	\$ -
Corporate bonds.....	275,232	-	275,232
Government sponsored enterprises.....	607,343	607,343	-
Total Debt Securities.....	<u>1,186,759</u>	<u>911,527</u>	<u>275,232</u>
<u>Other Investments:</u>			
Money market mutual funds.....	58,507	58,507	-
Equity mutual funds.....	104,655	104,655	-
Total other investments.....	<u>163,162</u>	<u>163,162</u>	<u>-</u>
Total Investments measured at fair value.....	<u>\$ 1,349,921</u>	<u>\$ 1,074,689</u>	<u>\$ 275,232</u>

Debt and equity securities, U.S. Government Treasuries and Government Sponsored Enterprises, Mutual Funds, Repurchase Agreements, and MMDT classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are

valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk

The Town's policy limits the investment duration as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

The Town's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

More than 30 percent of the Town's investments are in the following securities:

<u>Issuer</u>	<u>Percentage of Total Investments</u>
Federal Home Loan Mortgage Corporation.....	45%

NOTE 3 – RECEIVABLES

At June 30, 2017, receivables for the governmental funds, in the aggregate, including the applicable allowance for uncollectibles, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 185,737	\$ (1,700)	\$ 184,037
Real estate tax deferrals.....	35,064	-	35,064
Community preservation fund surtax	3,769	-	3,769
Tax liens.....	85,425	-	85,425
Motor vehicle excise taxes.....	96,197	(17,300)	78,897
Departmental and other.....	15,506	-	15,506
Intergovernmental.....	313,100	-	313,100
Community preservation fund state share.....	51,000	-	51,000
Total.....	<u>\$ 785,798</u>	<u>\$ (19,000)</u>	<u>\$ 766,798</u>

At June 30, 2017, receivables for the water enterprise consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Water fees.....	\$ 147,822	\$ -	\$ 147,822

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows:

	General Fund	Community Preservation	Other Governmental Funds	Total
<u>Receivable type:</u>				
Real estate and personal property taxes.....	\$ 159,586	\$ -	\$ -	\$ 159,586
Real estate tax deferrals.....	35,064	-	-	35,064
Community preservation fund surtax	-	3,769	-	3,769
Tax liens.....	85,425	-	-	85,425
Motor vehicle excise taxes.....	78,897	-	-	78,897
Intergovernmental.....	-	-	313,100	313,100
Community preservation fund state share.....	-	51,000	-	51,000
<u>Other asset type:</u>				
Tax foreclosures.....	368,456	-	-	368,456
Total.....	<u>\$ 727,428</u>	<u>\$ 54,769</u>	<u>\$ 313,100</u>	<u>\$ 1,095,297</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 486,680	\$ -	\$ -	\$ 486,680
Construction in progress.....	483,673	32,008	(226,044)	289,637
Total capital assets not being depreciated.....	970,353	32,008	(226,044)	776,317
<u>Capital assets being depreciated:</u>				
Buildings.....	10,554,735	-	-	10,554,735
Machinery and equipment.....	2,346,724	212,399	-	2,559,123
Vehicles.....	2,465,668	208,655	-	2,674,323
Infrastructure.....	3,647,817	65,245	-	3,713,062
Total capital assets being depreciated.....	19,014,944	486,299	-	19,501,243
<u>Less accumulated depreciation for:</u>				
Buildings.....	(2,894,173)	(254,909)	-	(3,149,082)
Machinery and equipment.....	(1,380,167)	(201,638)	-	(1,581,805)
Vehicles.....	(1,532,972)	(243,489)	-	(1,776,461)
Infrastructure.....	(813,879)	(81,668)	-	(895,547)
Total accumulated depreciation.....	(6,621,191)	(781,704)	-	(7,402,895)
Total capital assets being depreciated, net.....	12,393,753	(295,405)	-	12,098,348
Total governmental activities capital assets, net.....	<u>\$ 13,364,106</u>	<u>\$ (263,397)</u>	<u>\$ (226,044)</u>	<u>\$ 12,874,665</u>

Business-Type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 17,361	\$ -	\$ -	\$ 17,361
<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	284,989	-	-	284,989
Vehicles.....	120,682	26,435	-	147,117
Infrastructure.....	1,808,516	-	-	1,808,516
Total capital assets being depreciated.....	<u>2,214,187</u>	<u>26,435</u>	<u>-</u>	<u>2,240,622</u>
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(175,972)	(29,307)	-	(205,279)
Vehicles.....	(92,185)	(2,644)	-	(94,829)
Infrastructure.....	<u>(578,360)</u>	<u>(38,655)</u>	<u>-</u>	<u>(617,015)</u>
Total accumulated depreciation.....	<u>(846,517)</u>	<u>(70,606)</u>	<u>-</u>	<u>(917,123)</u>
Total capital assets being depreciated, net.....	<u>1,367,670</u>	<u>(44,171)</u>	<u>-</u>	<u>1,323,499</u>
Total business-type activities capital assets, net.....	<u>\$ 1,385,031</u>	<u>\$ (44,171)</u>	<u>\$ -</u>	<u>\$ 1,340,860</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government.....	\$ 207,646
Public safety.....	218,835
Public works.....	235,383
Culture and recreation.....	<u>119,840</u>
Total depreciation expense - governmental activities.....	<u>\$ 781,704</u>
Business-Type Activities:	
Water.....	<u>\$ 70,606</u>

NOTE 5 – INTERFUND TRANSFERS

In 2017, the Town transferred \$5,000 from nonmajor funds to the General Fund was voted to support the General Fund operations.

NOTE 6 – CAPITAL LEASES

The Town has entered into several lease agreements to finance the acquisition of vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The following identifies the assets acquired through capital lease agreements:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and equipment.....	\$ 229,250
Less: accumulated depreciation.....	<u>(73,192)</u>
Total.....	<u>\$ 156,058</u>

The future minimum lease obligations and the net present value of these minimum lease payments at June 30, 2017, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2018.....	\$ 57,667
2019.....	42,991
2020.....	<u>42,990</u>
Total minimum lease payments.....	143,648
Less: amounts representing interest.....	<u>(9,130)</u>
Present value of minimum lease payments.....	<u>\$ 134,518</u>

NOTE 7 – SHORT-TERM FINANCING

The Town is authorized to borrow on a temporary basis to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund.

There was no short-term debt issued during 2017 or outstanding at June 30, 2017.

NOTE 8 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the Town's outstanding indebtedness at June 30, 2017, and the debt service requirements are as follows:

Bonds Payable Schedule

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2016	Issued	Redeemed	Outstanding at June 30, 2017
<i>Governmental:</i>							
Town Hall/Police Station.....	2017	\$ 6,358,500	3.88 - 4.50	\$ 330,000	\$ -	\$(330,000)	\$ -
Fire Truck.....	2017	465,000	4.25 - 4.50	45,000	-	(45,000)	-
Drainage/Road Repair.....	2023	656,811	2.00 - 3.25	459,000	-	(39,000)	420,000
Energy Service Company.....	2023	288,000	2.00 - 2.25	168,000	-	(24,000)	144,000
Library.....	2020	294,600	2.00	220,000	-	(60,000)	160,000
Lease Buyback.....	2020	73,600	2.00	60,000	-	(15,000)	45,000
Town Hall Renovations.....	2020	49,100	2.00	40,000	-	(10,000)	30,000
Town Hall/Police Station.....	2027	2,965,300	2.00 - 4.00	2,945,000	-	(20,000)	2,925,000
State House Serial Loan Notes.....	2021	592,000	2.70	592,000	-	(127,000)	465,000
Total Governmental Debt.....				4,859,000	-	(670,000)	4,189,000
<i>Enterprise:</i>							
Water Tower.....	2018	258,189	2.00 - 2.25	73,000	-	(37,000)	36,000
Water.....	2020	392,400	2.00	310,000	-	(80,000)	230,000
Total Enterprise Debt.....				383,000	-	(117,000)	266,000
Total Debt.....				\$ 5,242,000	\$ -	\$(787,000)	\$ 4,455,000

Debt service requirements for principal and interest for governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2018.....	\$ 589,000	\$ 103,606	\$ 692,606
2019.....	605,000	90,496	695,496
2020.....	590,000	76,973	666,973
2021.....	510,000	64,185	574,185
2022.....	395,000	53,375	448,375
2023.....	390,000	44,025	434,025
2024.....	280,000	36,350	316,350
2025.....	280,000	27,600	307,600
2026.....	275,000	16,500	291,500
2027.....	275,000	5,500	280,500
Total.....	\$ 4,189,000	\$ 518,610	\$ 4,707,610

Bonds and Notes Payable Schedule – Enterprise Fund

Debt service requirements for principal and interest for enterprise fund bonds payable in future years are as follows:

Year	Principal	Interest	Total
2018.....	\$ 116,000	\$ 4,205	\$ 120,205
2019.....	75,000	2,250	77,250
2020.....	75,000	750	75,750
Total.....	<u>\$ 266,000</u>	<u>\$ 7,205</u>	<u>\$ 273,205</u>

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2017, the Town had the following authorized and unissued debt:

Purpose	Amount
ESCO.....	\$ 260,955
DPW Equipment.....	23,000
Finance/Police Hardware Upgrades...	14,700
Finance/Police Software Upgrades....	38
Total.....	<u>\$ 298,693</u>

General Long-Term Liabilities

The Town records its liability for long-term bonds and notes in the Government-wide financial statements. Other general long-term obligations recognized by the Town are its obligations for compensated absence benefits (sick and vacation pay), net pension liability, and other postemployment benefits.

During the year ended June 30, 2017, the following changes occurred in long-term liabilities:

	Balance June 30, 2016	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Net Increase (Decrease)	Balance June 30, 2017	Current Portion
Governmental Activities:						
Long-Term Bonds and Notes.....	\$ 4,859,000	\$ -	\$ (670,000)	\$ -	\$ 4,189,000	\$ 589,000
Compensated Absences.....	37,750	-	-	15,836	53,586	12,265
Capital Leases.....	26,928	-	-	107,590	134,518	52,680
Net Pension Liability.....	7,449,402	-	-	384,161	7,833,563	-
Other Postemployment Benefits.....	1,750,599	-	-	379,361	2,129,960	-
Total.....	<u>\$ 9,264,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 886,948</u>	<u>\$ 10,151,627</u>	<u>\$ 64,945</u>
Business-Type Activities:						
Long-Term Bonds and Notes.....	\$ 383,000	\$ -	\$ (117,000)	\$ -	\$ 266,000	\$ 116,000
Compensated Absences.....	4,788	-	-	1,560	6,348	-
Total.....	<u>\$ 387,788</u>	<u>\$ -</u>	<u>\$ (117,000)</u>	<u>\$ 1,560</u>	<u>\$ 272,348</u>	<u>\$ 116,000</u>

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to the constraints imposed on the uses of the resources.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its fund balances with the following hierarchy:

	<u>General</u>	<u>Community Preservation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES				
Nonspendable:				
Permanent Fund Principal..... \$	-	-	806,288	806,288
Assets Held for Resale.....	-	-	189,900	189,900
Restricted for:				
Community Preservation.....	-	2,425,518	-	2,425,518
Affordable Housing.....	-	-	654,326	654,326
Town Hall and Police Station Project.....	-	-	1,252	1,252
Federal and State Grants.....	-	-	177,208	177,208
Receipts Reserved for Appropriation.....	-	-	70,562	70,562
Gifts and Revolving Funds.....	-	-	541,512	541,512
Highway Capital Projects.....	-	-	95,035	95,035
Expendable Trust Funds.....	-	-	93,746	93,746
Assigned to:				
General Government.....	26,288	-	-	26,288
Public Safety.....	3,623	-	-	3,623
Public Works.....	13,066	-	-	13,066
Human Services.....	1,000	-	-	1,000
Reserved for Subsequent Year Expenditures...	966,000	-	-	966,000
Unassigned.....	1,850,707	-	-	1,850,707
TOTAL FUND BALANCES..... \$	<u>2,860,684</u>	<u>2,425,518</u>	<u>2,629,829</u>	<u>7,916,031</u>

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

In accordance with Statement No. 54, the Town's \$520,387 stabilization fund has been reported in the general fund as unassigned.

NOTE 10 – PENSION PLAN

Plan Description

The Town is a member of the Essex Regional Retirement System (ERRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 47 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System issues a publically available, audited financial report that may be obtained by contacting the System located at 491 Maple Street, Suite 202, Danvers, MA 01923 or by visiting www.essexregional.com.

Benefits Provided

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes in benefit terms that effect the measurement of the total pension liability this year.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the ERRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution

for the year ended December 31, 2016 was \$589,102 and 21.49% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2017, the Town reported a liability of \$7,833,563 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2016, the Town’s proportion was 2.03%, which changed from 2.05% proportion measured at December 31, 2015.

Pension Expense

For the year ended June 30, 2017, the Town recognized pension expense of \$921,309. At June 30, 2017, the Town reported deferred outflows and inflows of resources related to pensions of \$769,746 and \$195,061, respectively, from the net difference between expected and actual experience, between projected and actual investment earnings on pension plan investments along with changes in proportion.

The balances of deferred outflows and inflows at June 30, 2017 consist of the following:

Deferred category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....\$	-	\$ (141,070)	\$ (141,070)
Changes in assumptions.....	331,994	-	331,994
Differences between projected and actual investment earnings.....	343,149	-	343,149
Changes in proportionate share of contributions.....	94,603	(53,991)	40,612
Total Deferred Outflows/(Inflows) of Resources.....\$	769,746	\$ (195,061)	\$ 574,685

The Town’s deferred inflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2018.....\$	170,213
2019.....	170,213
2020.....	177,658
2021.....	50,081
2022.....	6,520
Total.....\$	574,685

Actuarial Assumptions - The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2016:

Valuation date.....	January 1, 2016
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	The total appropriation is set to increase annually by 7.41% for five years, then by 6.36% for one year and 4.0% increases annually thereafter until the final year which will be 3.89%,
Remaining amortization period.....	18 years for the fresh start base.
Asset valuation method.....	Market value adjusted by accounts payable and receivables adjusted to phase in over 5 years investment gains or losses above or below the expected rate of investment return. The actuarial value of assets must be no less than 90% of the adjusted market value nor more than 110% of the adjusted market value.
Projected salary increases.....	3.75% ultimate rate, with steps. 7.50% year one, 6.5% year two, 6.00% year three, 5.5% year four, 5.00% year five.
Cost of living adjustments.....	3.0% of the first \$13,000 of a members retirement allowance is assumed to be granted every year.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	Disability is assumed to be 45% ordinary and 55% accidental for Group 1 and Group 2 and 10% ordinary and 90% accidental for Group 4.
Mortality Rates:	
Pre-Retirement.....	The RP-2000 mortality table (sex-distinct) projected with scale BB and Generational Mortality. During employment the healthy employee mortality table was used. Post-employment the healthy annuitant table is used.
Disabled Retiree.....	The RP-2000 mortality table for healthy annuitants (sex-distinct) projected with scale BB and Generational Mortality set-forward by two years. Death is assumed to be due to the same cause as the disability 40% of the time.
Investment rate of return/Discount rate.....	7.75% per year.

Investment policy - The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan

investment expense and inflation of 3.0%) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.0%. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of January 1, 2016 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Global Equity		
Large Cap Equities.....	4.50%	14.50%
Mid/Small Cap Equities.....	4.75%	3.50%
International Equities.....	4.83%	16.00%
Emerging International Equities.....	6.61%	6.00%
Core Fixed Income		
Core Bonds.....	1.00%	5.00%
20+ Year Treasuries.....	0.75%	5.00%
TIPS.....	0.75%	3.00%
Value Added Fixed Income		
High-Yield Bonds.....	2.75%	1.50%
Bank Loans.....	3.00%	1.50%
EMD (External).....	2.75%	1.00%
EMD (Local Currency).....	3.50%	2.00%
Private Debt.....	3.06%	4.00%
Private Equity.....	3.50%	10.00%
Real Estate.....	3.50%	10.00%
Timber/Natural Resources.....	3.00%	4.00%
Hedge Funds and Portfolio Completion.....	3.48%	13.00%
		100.00%

Discount rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net position liability to changes in the discount rate. The following presents the net position liability, calculated using the discount rate of 7.75%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
The Town's proportionate share of the net pension liability..... \$	9,601,367	\$ 7,833,563	\$ 6,525,695

Pension plan fiduciary net position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued Essex Regional Retirement System financial report.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Wenham administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides healthcare, dental, and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 75 percent of the cost of current-year premiums for health and life insurance for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25 percent of their premium costs for health and life insurance and all of the premiums related to dental insurance.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund for the purpose of accumulating assets to pre-fund its OPEB liabilities. The Town Treasurer is the custodian and Trustee of the OPEB Fund. The Trustee has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets.

During 2017, the Town pre-funded future OPEB liabilities totaling approximately \$20,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2017, the balance of this fund totaled \$66,067. The Town has adopted a long-term policy of pre-funding future OPEB liabilities. The policy may be amended at any time by the Town’s Board of Selectmen.

The annual money-weighted rate of return on OPEB plan investments was 0.89%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Plan Membership – The following table represents the Plan’s membership at June 30, 2017:

Active members.....	40
Inactive employees or beneficiaries currently receiving benefits.....	<u>31</u>
Total.....	<u><u>71</u></u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2017:

Total OPEB liability.....	\$ 4,912,630
Less: OPEB plan's fiduciary net position.....	<u>(66,067)</u>
Net OPEB liability.....	<u><u>\$ 4,846,563</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	1.34%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2015 actuarial valuation was determined by using the following actuarial assumptions actuarial, applied to all periods including the measurement date that was updated to June 30, 2017 to be in accordance with GASB #74:

Actuarial Assumptions:

Valuation date.....	Actuarially determined contribution was calculated as of June 30, 2017.
Actuarial cost method.....	Individual Entry Age Normal
Asset valuation method.....	Market Value of Assets as of the Reporting Date, June 30, 2017.
Investment rate of return.....	6.33%, including inflation of 2.75% and net of investment expense of 0.25%
Long-term Expected Real Rate of Investment Return.....	3.83%, based on Investment Policy Statement and target allocation
Municipal Bond Rate.....	3.13% as of June 30, 2017 per S&P Municipal Bond High Grade Index - SAPIHG
Single equivalent discount rate.....	5.00%, net of OPEB plan investment expense, including inflation. Using a blend of the Municipal Bond Rate for unfunded periods and the Investment Rate of Return for funded periods.
Inflation.....	2.75% as of June 30, 2017 and for future periods.
Salary increases.....	3.00% annually
Healthcare cost trend rate.....	5.0%
Pre-Retirement mortality.....	RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females.
Post-Retirement mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females.
Disabled mortality.....	RP-2000 Healthy Annuitant Table projected generationally with scale BB and a base year 2012 for males and females.
Change in assumptions.....	Discount rate is 5.00% previously 4.00%.

Investment policy

The OPEB plan’s assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town’s investment policy.

The long-term expected rate of return on OPEB plan investments was determined using the building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. Those ranges are combined to produce the long-term expected rate of return by weighting the future real rates of return by the target asset allocation percentage and by adding expected inflation. The plan’s expected future real rate of return of 3.83% is added to the expected inflation of 3.00% less expected investment expense of 0.25% to produce the expected returns of 6.33%. The Single Equivalent Discount Rate is calculated by blending this rate for funded periods with the risk free rate of 3.13% for unfunded periods. The risk free rate was obtained by referring to the S&P municipal bond 20 year high grade rate index as of June 30, 2017.

Sensitivity of the net position liability to changes in the discount rate – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 5.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate.

	1% Decrease 4.00%	Current Discount Rate 5.00%	1% Increase 6.00%
Net OPEB liability.....	\$ 5,580,530	\$ 4,846,563	\$ 4,251,145

Sensitivity of the net position liability to changes in the healthcare trend – The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate of 5.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%).

	1% Decrease (4.00%)	Current Trend (5.00%)	1% Increase (6.00%)
Net OPEB liability.....	\$ 3,977,075	\$ 4,846,563	\$ 5,939,777

Annual OPEB Cost and Net OPEB Obligation – The Town’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$ 496,750
Amortization of Actuarial (Gains) / Losses.....	69,224
Adjustments to annual required contribution.....	(96,232)
Interest on net OPEB obligation.....	<u>101,351</u>
Annual OPEB cost (expense).....	<u>571,093</u>
Benefit payments.....	(171,732)
Employer contribution to the trust.....	<u>(20,000)</u>
Contributions made.....	<u>(191,732)</u>
Increase/(Decrease) in OPEB Obligation.....	379,361
Net OPEB Obligation - beginning of year.....	<u>1,750,599</u>
Net OPEB Obligation - end of year.....	<u>\$ 2,129,960</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the previous years was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2017	\$ 571,093	34%	\$ 2,129,960
6/30/2016	542,142	29%	\$ 1,750,599
6/30/2015	419,397	40%	\$ 1,368,206
6/30/2014	402,612	41%	1,118,393

Funded Status and Funding Progress – The funded status of the plan as of the most recent actuarial valuation dates are as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Liability (AAL) Projected Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
7/1/2015	\$ 25,371	\$ 5,059,967	\$ 5,034,596	1%	\$ N/A	N/A
7/1/2012	-	4,006,943	4,006,943	0%	3,385,097	118.4%
7/1/2009	-	4,053,759	4,053,759	0%	3,153,907	128.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015, actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.0% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 5% initially, graded to 6% over 3 years and included a 2.5% inflation assumption. The UAAL is being amortized over a 30 year period, with a flat dollar amortization. The remaining amortization period at June 30, 2017 is 23 years.

NOTE 12 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in premium-based health care plans for its employees and retirees. The Town participates in a premium-based workers' compensation insurance plan for its employees.

The amount of settlements has not exceeded the coverage in any of the last three years.

NOTE 13 – CONTINGENCIES

The Town participates in a number of federal award programs. These programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2017, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2017.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 2017 which is the date the financial statements were available to be issued.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2017, the following GASB pronouncements were implemented:

- GASB Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #77, *Tax Abatement Disclosures*. This pronouncement did not impact the basic financial statements.
- GASB Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This pronouncement did not impact the basic financial statements.
- GASB Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*. This pronouncement did not impact the basic financial statements.
- GASB Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #81, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2020.
- The GASB issued Statement #85, *Omnibus 2017*, which is required to be implemented in 2018.
- The GASB issued Statement #86, *Certain Debt Extinguishment Issues*, which is required to be implemented in 2018.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

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Required Supplementary Information

Budgetary Comparison Schedules

The General Fund is the general operating fund of the Town. It is used to account for all of the Town's financial resources, except those required to be accounted for in another fund.

The Community Preservation Fund is used to account for the proceeds of a surcharge to real estate taxes along with a matching state grant.

GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			
	Amounts Carried Forward From Prior Year	Initial Budget	Original Budget	Final Budget
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 14,207,552	\$ 14,207,552	\$ 14,207,552
Motor vehicle and other excise taxes.....	-	639,186	639,186	639,186
Intergovernmental.....	-	1,147,282	1,147,282	1,142,350
Departmental and other.....	-	381,928	381,928	386,860
Investment income.....	-	1,900	1,900	1,900
Miscellaneous.....	-	-	-	-
TOTAL REVENUES.....	-	16,377,848	16,377,848	16,377,848
EXPENDITURES:				
Current:				
General government.....	2,528	1,212,884	1,215,412	1,124,515
Public safety.....	1,975	2,227,517	2,229,492	2,244,284
Education.....	-	8,963,193	8,963,193	8,918,741
Public works.....	5,101	1,237,575	1,242,676	1,387,328
Human services.....	1,114	157,673	158,787	159,787
Culture and recreation.....	53,868	953,575	1,007,443	999,027
Pension benefits.....	-	604,239	604,239	623,413
Property and liability insurance.....	-	123,600	123,600	123,600
Employee benefits.....	19,250	758,380	777,630	746,777
State and county charges.....	-	223,661	223,661	223,661
Debt service:				
Principal.....	-	555,000	555,000	555,000
Interest.....	-	100,092	100,092	100,092
TOTAL EXPENDITURES.....	83,836	17,117,389	17,201,225	17,206,225
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES...	(83,836)	(739,541)	(823,377)	(828,377)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	5,000	5,000	5,000
Prior year carryforward appropriations.....	83,836	-	83,836	83,836
Prior year fund balance (Free cash).....	-	745,000	745,000	745,000
Other amounts raised and used.....	-	(10,459)	(10,459)	(5,459)
TOTAL OTHER FINANCING SOURCES (USES).....	83,836	739,541	823,377	828,377
NET CHANGE IN FUND BALANCE.....	-	-	-	-
BUDGETARY FUND BALANCE, Beginning of year.....	-	-	2,361,662	2,361,662
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ -	\$ 2,361,662	\$ 2,361,662

See notes to required supplementary information.

	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
\$	14,265,339	\$ -	\$ 57,787
	734,968	-	95,782
	1,144,427	-	2,077
	483,947	-	97,087
	3,816	-	1,916
	13,256	-	13,256
	<u>16,645,753</u>	<u>-</u>	<u>267,905</u>
	1,014,779	26,288	83,448
	2,124,732	3,623	115,929
	8,896,867	-	21,874
	1,276,836	13,066	97,426
	151,084	1,000	7,703
	988,994	-	10,033
	608,276	-	15,137
	116,924	-	6,676
	639,324	-	107,453
	223,661	-	-
	555,000	-	-
	100,092	-	-
	<u>16,696,569</u>	<u>43,977</u>	<u>465,679</u>
	<u>(50,816)</u>	<u>(43,977)</u>	<u>733,584</u>
	5,000	-	-
	-	-	(83,836)
	-	-	(745,000)
	-	-	5,459
	<u>5,000</u>	<u>-</u>	<u>(823,377)</u>
	(45,816)	(43,977)	(89,793)
	<u>2,361,662</u>	<u>-</u>	<u>-</u>
\$	<u><u>2,315,846</u></u>	<u><u>(43,977)</u></u>	<u><u>(89,793)</u></u>

COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2017

	Original and Final Budget	Actual Budgetary Amounts	Variance To Final Budget
REVENUES:			
Community preservation surcharge.....	\$ 300,000	\$ 341,945	\$ 41,945
Community preservation state match.....	131,609	131,609	-
Investment income.....	-	5,162	5,162
TOTAL REVENUES.....	431,609	478,716	47,107
EXPENDITURES:			
Current:			
Community preservation expenditures.....	751,933	546,729	205,204
Debt service:			
Principal.....	115,000	115,000	-
Interest.....	28,938	28,938	-
TOTAL EXPENDITURES.....	895,871	690,667	205,204
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(464,262)	(211,951)	252,311
NET CHANGE IN FUND BALANCE.....	(464,262)	(211,951)	252,311
BUDGETARY FUND BALANCE, Beginning of year.....	2,637,469	2,637,469	-
BUDGETARY FUND BALANCE, End of year.....	\$ 2,173,207	\$ 2,425,518	\$ 252,311

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
ESSEX REGIONAL RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016
Town's proportion of the net pension liability (asset).....	1.99%	2.05%	2.03%
Town's proportionate share of the net pension liability (asset)..... \$	6,750,090	\$ 7,499,402	\$ 7,833,563
Town's covered employee payroll..... \$	2,472,907	\$ 2,579,576	\$ 2,740,673
Town's net pension liability as a percentage of covered-employee payroll.....	272.96%	290.72%	285.83%
Plan fiduciary net position as a percentage of the total pension liability.....	52.27%	51.01%	51.12%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
ESSEX REGIONAL RETIREMENT SYSTEM

	2014	2015	2016
Actuarially determined contribution.....	\$ 510,403	\$ 563,272	589,102
Contributions in relation to the actuarially determined contribution.....	510,403	563,272	589,102
Contribution deficiency (excess).....	\$ -	\$ -	-
Covered-employee payroll.....	\$ 2,472,907	\$ 2,579,576	2,740,673
Contributions as a percentage of covered- employee payroll.....	20.64%	21.84%	21.49%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

GASB 74 OPEB Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability presents multi-year trend information on the Town's net other postemployment benefit liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on other postemployment assets, net of investment expense.

GASB 45 OPEB Employer Schedules

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017
Total OPEB Liability	
Service Cost.....	\$ 207,549
Interest.....	249,767
Changes of benefit terms.....	-
Differences between expected and actual experience.....	-
Changes of assumptions.....	-
Benefit payments.....	(171,732)
Net change in total OPEB liability.....	285,584
Total OPEB liability- beginning.....	4,627,046
Total OPEB liability- ending (a).....	\$ 4,912,630
Plan fiduciary net position	
Employer contribution to the trust.....	\$ 171,732
Employer contribution to pay for OPEB benefits.....	20,000
Net investment income.....	405
Benefit payments.....	(171,732)
Net change in plan fiduciary net position.....	20,405
Plan fiduciary net position- beginning.....	45,662
Plan fiduciary net position- ending (b).....	\$ 66,067
Town's net OPEB liability- ending (a)-(b).....	\$ 4,846,563
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.34%
Covered-employee payroll.....	\$ 3,817,816
Town's net OPEB liability as a percentage of covered-employee payroll.....	126.95%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years
for which information is available.

See notes to required supplementary information.

**SCHEDULE OF TOWN CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017
Actuarially determined contribution.....	\$ 492,623
Contributions in relation to the actuarially determined contribution.....	(191,732)
Contribution deficiency (excess).....	\$ 300,891
Covered-employee payroll.....	\$ 3,817,816
Contributions as a percentage of covered- employee payroll.....	12.90%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Fiscal Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2017.....	0.89%

Note: This schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2015	\$ 25,371	\$ 5,059,967	\$ 5,034,596	1%	\$ N/A	N/A
7/1/2012	-	4,006,943	4,006,943	0%	3,385,097	118.4%
7/1/2009	-	4,053,759	4,053,759	0%	3,153,907	128.5%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/2017	\$ 496,750	\$ 191,732	39%
6/30/2016	496,750	191,732	39%
6/30/2015	400,880	169,584	42%
6/30/2014	393,555	166,119	42%
6/30/2013	393,382	161,613	41%
6/30/2012	376,232	164,212	44%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	July 1, 2015
Actuarial cost method.....	Entry age normal
Amortization method.....	Amortized as a level dollar amount
Remaining amortization period.....	24 years as of July 1, 2015
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	4.0%, per year
Medical/drug cost trend rate.....	5.0% graded to 6.0% over 3 years

Plan Membership:

Current retirees, beneficiaries, and dependents...	31
Current active members.....	<u>40</u>
Total.....	<u><u>71</u></u>

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the Town to adopt a balanced budget that is approved by the Finance Committee (Committee). The Committee presents an annual budget to the Open Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any individual line item, adopts the expenditure budget by majority vote. Increases or decreases subsequent to the approval of the annual budget require a vote at a Special Town Meeting.

The majority of the Town's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote at Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2017 budget for the General Fund includes current year appropriations and other amounts to be raised of \$17,117,389 and continuing appropriations from prior year of \$828,836.

The Town adopts an annual budget for the Community Preservation Fund in conformity with the guidelines described above. The original and final 2017 budget includes current and prior year appropriations of \$895,871 and budgeted revenues of \$431,609.

The Town Accountant has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth)) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary basis to GAAP basis results for the General Fund for the year ended June 30, 2017, is presented below:

	General Fund	Community Preservation Fund
	<u> </u>	<u> </u>
Net change in fund balance - budgetary basis.....	\$ (45,816)	\$ (211,951)
<u>Perspective difference:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....	3,531	-
<u>Basis of accounting differences:</u>		
Net change in recording 60-day receipts accrual.....	<u>479</u>	<u>-</u>
Net change in fund balances - GAAP basis.....	<u>\$ (41,806)</u>	<u>\$ (211,951)</u>

NOTE B – PENSION PLAN

Changes in Assumptions:

The principal actuarial assumptions used in this valuation are the same as the prior valuation except for the following change.

Amounts reported in the January 1, 2016 actuarial valuation reflect an adjustment of the mortality assumptions which are based upon the RP-2000 (sex distinct) Employee Mortality Table increased with generational mortality and Scale BB. The previous actuarial valuation, January 1, 2014 used a 20 year projection with Scale AA.

Change in Plan Terms:

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“The Retiree Health Plan”). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members.

The Other Postemployment Benefit Plan

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

The Town

The Town currently finances its other postemployment benefits (OPEB) on a combined pre-funded and pay-as-you-go basis. As a result, the funded ratio is the actuarial value of assets expressed as a percentage of the actuarial accrued liability. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Schedule of Funding Progress

The Schedule of Funding Progress presents multiyear trend information which compares, over time, the Town's actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

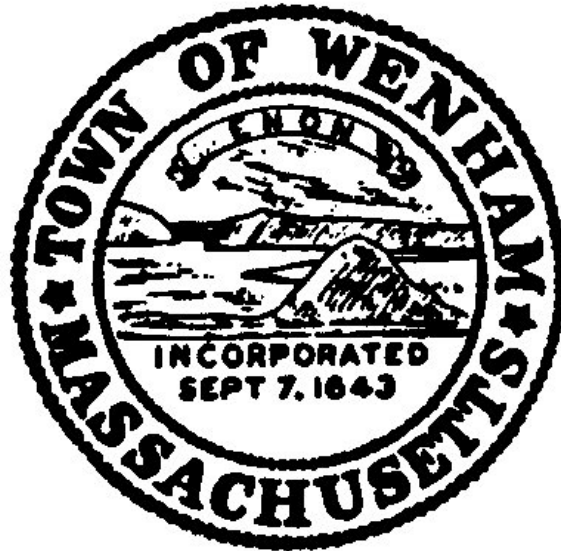
Schedule of Employer Contributions

The Schedule of Employer Contributions presents multiyear trend information for the Town's required and actual contributions relating to the plan.

Schedule of Actuarial Methods and Assumptions

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Town of Wenham Massachusetts



OPEB Actuarial Analysis (GASB 74 & 75)

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

April 25, 2018

Personal and Confidential

Mr. Christopher Holak
Town Accountant
Town of Wenham
138 Main Street
Wenham, MA 01984

Re: GASB 74 and 75 – Summary of Results

Dear Mr. Holak:

The purpose of this letter is to summarize our actuarial valuation of the Town of Wenham Other Postemployment Benefits Plan (the “Plan”) for the Reporting Date and fiscal year ending June 30, 2018 with a Valuation Date of June 30, 2017 and a Measurement Date of June 30, 2017 in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board (“GASB 74/75”).

What caused plan liabilities to change from FY 16 to FY 18?

Plan experience was in line with expectation - for the year ending on the Measurement Date of June 30, 2017, the Plan saw an experience loss of \$118,520 or 2.68%. This was mainly due to the addition of actives with service who were not reflected on the prior valuation. This was mostly offset by premiums increasing by less than the expected to increase 10% increase over the two-year period. The actuarial experience loss is amortized into the net OPEB expense over time until fully recognized.

Over the two year period, the Total OPEB Liability (“TOL”) went from \$5,059,967 as of June 30, 2015 to \$4,845,052 as of June 30, 2017 for a decrease of \$214,915. The Net OPEB Expense was \$234,960 for the fiscal year June 30, 2018. As this is the first year using GASB 75 methodology, there is no baseline for comparison. For a 30-year projection of future costs and liabilities refer to Exhibit C of our GASB 75 report.

If you or your auditors have questions on this report, feel free to give us a call.

Sincerely,



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

**Town of Wenham Other
Postemployment Benefits Plan**

GASB 74/75 Actuarial Valuation

With a Valuation Date of June 30, 2017

& a Measurement Date of June 30, 2017

For the Reporting Dates of

June 30, 2018

June 30, 2019

Delivered April 2018

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April 25, 2018

Personal and Confidential

Mr. Christopher Holak
Town Accountant
Town of Wenham
138 Main Street
Wenham, MA 01984

Dear Mr. Holak:

We have performed an actuarial valuation of the Town of Wenham Other Postemployment Benefits Plan for the Reporting Date & fiscal year ending June 30, 2018 with a Measurement Date of June 30, 2017 and a Valuation Date of June 30, 2017. The figures presented in this report reflect the adoption, by the Town of Wenham, of Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75") effective for the fiscal year ending June 30, 2017 and June 30, 2018 respectively.

The financial results of the actuarial valuation are summarized in the report. The Executive Summaries highlight the results of the valuation. Additional information summarizing census data, actuarial assumptions, claim rates and the methodology for developing them, as well as a glossary of selected terms used in this study, is also included in the report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are reasonable, reflecting the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We refer you to Section I of this report for a detailed summary and commentary on the results of the valuation and a comparison with the prior valuation. Section II is a summary of the plan provisions, and Section III describes the actuarial cost method and assumptions. Details for cost calculations, supporting data, and disclosures are provided in Exhibits A through C.

We will be pleased to answer any questions that you may have regarding this actuarial valuation report.

Very truly yours,



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary

April 25, 2018

ACTUARIAL CERTIFICATION

This is to certify that Odyssey Advisors has conducted an actuarial valuation of certain benefit obligations of the Town of Wenham other postemployment benefit programs with a Valuation Date of June 30, 2017 with a Measurement Date of June 30, 2017 for the Reporting Date & fiscal year ending June 30, 2018 in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Numbers 74 & 75 for the determination of the liability for postemployment benefits other than pensions.

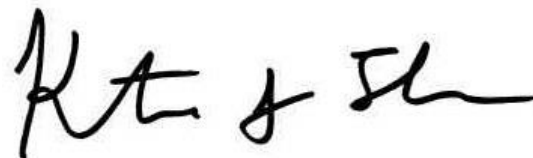
The actuarial data is based on the plan of benefits verified by the Town and on participant claims or premium data provided by the Town and/or vendors employed by the Town.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may yield results significantly different than those reported here. As such, additional determinations may be needed for other purposes including determining the benefit security at termination and/or adequacy of the funding of an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion represents the information necessary to comply with GASB Statements Number 74 and 75 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries and other professional actuarial organizations and meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the Town are reasonably related to the experience and expectations of the postemployment benefits programs.



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary



Kurtis J. Thompson, ASA, MAAA
Consulting Actuary

Executive Summary

GASB 74 and 75 Impact

The Town adopted GASB 74 for the fiscal year ending June 30, 2017 and GASB 75 for the fiscal year ending June 30, 2018. The adoption of GASB 74/75 introduces a new actuarial cost method and discount rate as well as new disclosures and methodologies for reporting plan liabilities and OPEB expenses. Significant changes have been made to the recognition of OPEB expenses, which makes the comparison of Net OPEB Expense in the current valuation to the expenses reported under GASB 45 misleading. The liability reported on the Town's balance sheet is likely to increase dramatically as GASB 74/75 require the recognition of liabilities immediately rather than over a 30 year period as GASB 45 allowed.

What caused plan liabilities to change from FY 16 to FY 18?

Plan experience was in line with expectation - for the year ending on the Measurement Date of June 30, 2017, the Plan saw an experience loss of \$118,520 or 2.68%. This was mainly due to the addition of actives with service who were not reflected on the prior valuation. This was mostly offset by premiums increasing by less than the expected to increase 10% increase over the two-year period. The actuarial experience loss is amortized into the net OPEB expense over time until fully recognized. Changes in assumptions decreased disclosed liabilities by \$1 million.

Over the two year period, the Total OPEB Liability ("TOL") went from \$5,059,967 as of June 30, 2015 to \$4,845,052 as of June 30, 2017 for a decrease of \$214,915. The Net OPEB Expense was \$234,960 for the fiscal year June 30, 2018. As this is the first year using GASB 75 methodology, there is no baseline for comparison. For a projection of future costs and liabilities refer to Exhibit D.

Executive Summary

(continued)

Assumption changes

A key assumption has changed since the prior valuation - the impact is detailed below.

- ✓ Due to the GASB 75 standards the discount rate was changed from 4.00% to 5.25% decreasing the disclosed liability by \$1 million.
- ✓ Assumption changes caused Normal Cost to decrease by \$80 thousand.

It is important to remember that actuarial assumptions or changes in such do not impact the actual cost of the Plan. Rather, they impact the timing of the recognition of such costs.

Key Drivers of Plan Liabilities

Several key drivers of plan costs and liabilities are:

- ✓ Premiums for Post 65 (Medicare Integrated) plans - represent 76% of the total plan liabilities
- ✓ Age at which plan participants retire
- ✓ Percentage of plan participants who elect coverage for themselves and/or a spouse
- ✓ Medical care cost inflation rate – We currently assume medical costs increase at 5.0% per year
- ✓ Discount Rate (5.25%) – Higher discount rates yield lower liabilities and vice versa
- ✓ Cost Sharing - Under Massachusetts law you may charge retirees up to 50% of premiums for health insurance.

Executive Summary
(continued)

What is Implicit Subsidy? How does it impact us?

The implicit subsidy arises because retirees who are not eligible for Medicare are charged the same premium as active employees, even though their actual medical costs are higher on average. Consequently, a portion of the premiums being paid for active employees are being used to “subsidize” the premiums of retirees. Actuarial Standards of Practice and GASB standards require the liability associated with this implicit subsidy to be valued. The chart below shows a breakdown of how implicit cost impacts reported cash flows and liabilities.

Impact of Implicit Subsidy		
Impact on Liability	As Of The Measurement Date	
	<u>June 30, 2017</u>	<u>June 30, 2015</u>
I. Actuarial Accrued Liability	4,845,052	5,059,967
II. Actuarial Accrued Liability (Excluding Implicit Subsidy)	<u>4,575,710</u>	<u>N/A</u>
III. Liability from Implicit Subsidy [I. - II.]	269,342	N/A

Impact on Payments	For The Fiscal Year Ending	
	<u>June 30, 2018</u>	<u>June 30, 2016</u>
IV. Employer Payments (Including Implicit Subsidy)	171,732	159,749
V. Actual Employer Payments	<u>N/A</u>	<u>N/A</u>
VI. Implicit Subsidy [IV. - V.]	N/A	N/A

Executive Summary
(continued)

What are some key plan metrics?

While an actuarial valuation under GASB 74/75 can be very complex with many variables, we find it helpful to look at several key metrics shown below to better allow you to manage your plan.

Representative Plan Statistics

	<u>June 30, 2017</u>	<u>June 30, 2015</u>
Total OPEB Liability	4,845,052	5,059,967
Per Eligible Active Plan Participant	64,449	67,256
Per Retiree/Spouse Plan Participant	62,618	76,443
Total Annual Service Cost (annual benefit accrual)	190,103	256,883
Per Eligible Active Plan Participant	4,045	6,422
Expected Employer Share of Retiree Costs	171,732	159,749
Per Retiree/Spouse Plan Participant	5,922	5,153
Net OPEB Liability as a % of Payroll	165.00%	136.10%
Average Annual Medical Plan Premium (Single Coverage)	7,930	6,861
Average Annual Medical Plan Premium (Family Coverage)	19,565	18,853
<u>Projected 2020 Excise Tax Thresholds</u>		
Annual Medical Plan Premium (Single Coverage)	12,511	
Annual Medical Plan Premium (Family Coverage)	32,676	

Executive Summary
(continued)

Liabilities & Benefit Payments in today’s dollars

With the growth of medical care costs over time, the nominal accrued liabilities (“TOL”) and benefit payments can appear daunting. However, it is important to remember that a dollar paid in the future is worth less than a dollar paid today.

Measurement Date	Number of Retirees, Spouses & Surviving Spouses	Present Value at 3.00% of Total OPEB Liability	Present Value at 3.00% of Employer Share of Premiums / Claims including "implicit cost"
June 30, 2017	29	4,845,052	171,732
June 30, 2022	35	5,580,427	167,713
June 30, 2027	42	6,177,547	223,592
June 30, 2032	46	6,708,747	271,460
June 30, 2037	47	7,234,290	270,085
June 30, 2042	47	7,862,221	303,400
June 30, 2047	48	8,481,119	351,381

A full projection of plan costs and liabilities in today’s dollars is shown in Exhibit E of this report.

We have an “unfunded liability”. How do we fund it? Can we fund it?

If you’re looking to fund your OPEB liability, there are a variety of manner to do so. The amount of funding in combination with your Investment Policy will impact the discount rate and disclosed liabilities. Below are a few sample funding options, but it’s important to develop a funding policy that fits your organization as each situation is different.

	Partial Funding	Full Funding Level Dollar	Full Funding increasing at 3.00% per year
Net OPEB Liability	\$4,778,985	\$4,006,202	\$4,006,202
Required Trust Contribution	\$20,000	\$204,700	\$152,000
Discount Rate	5.25%	6.50%	6.50%

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

**Town of Wenham
Assuming Partial Funding - 5.25% discount rate
Comparison of Plan Liabilities to Prior Valuation**

	As of the Measurement Date	
	<u>June 30, 2017</u>	<u>June 30, 2015</u>
I. Present Value of Future Benefits		
A. Actives	4,686,689	5,691,927
B. Retirees/Disabled	<u>1,815,935</u>	<u>2,369,731</u>
C. Total	6,502,624	8,061,658
II. Present Value of Future Normal Cost	1,657,572	3,001,691
III. Total OPEB Liability (Individual Entry Age Normal)		
A. Actives	3,029,117	2,690,236
B. Retirees/Disabled	<u>1,815,935</u>	<u>2,369,731</u>
C. Total	4,845,052	5,059,967
IV. Fiduciary Net Position [Plan Assets]	66,067	25,371
V. Net OPEB Liability (Asset) [III. - IV.]	4,778,985	5,034,596
VI. Funded Ratio [IV. / III.]	1.36%	0.50%
VII. Annual Covered Payroll	2,896,297	3,698,986
VIII. Net OPEB Liability (Asset) as % of Covered Payroll	165.0%	136.1%
IX. Number of Eligible Participants		
A. Actives	47	40
B. Retirees/Disabled	<u>29</u>	<u>31</u>
C. Total	76	71
	<u>June 30, 2018</u>	<u>June 30, 2016</u>
X. Service Cost	190,103	256,883
XI. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	240,103	N/A
XII. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	N/A
XIII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	N/A
XIV. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	N/A
XV. Projected Earnings on OPEB Plan Investments	(3,514)	N/A
XVI. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>N/A</u>
XVII. Financial Statement Expense [X.+XI.+XII.+XIII.+XIV.+XV.+XVI.]	426,692	N/A
XVII. Employer Share of Costs	(171,732)	(159,749)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(20,000)	(20,000)
XIX. Total Employer Contribution [XVII. + XVIII.]	(191,732)	(179,749)
XX. Other Changes	<u>0</u>	<u>N/A</u>
XXI. Net OPEB Expense [XVII.+XIX.+XX.]	234,960	N/A
XXII. Discount Rate	5.25%	4.00%

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Wenham
Comparison of Plan Funding vs. Partial Funding

As of the June 30, 2017 Measurement Date

	<u>Partial Funding - 5.25%</u> <u>discount rate</u>	<u>Funding - 6.50%</u> <u>discount rate</u>
I. Present Value of Future Benefits		
A. Actives	4,686,689	3,499,738
B. Retirees/Disabled	<u>1,815,935</u>	<u>1,662,652</u>
C. Total	6,502,624	5,162,390
II. Present Value of Future Normal Cost	1,657,572	1,090,121
III. Total OPEB Liability (Individual Entry Age Normal)		
A. Actives	3,029,117	2,409,617
B. Retirees/Disabled	<u>1,815,935</u>	<u>1,662,652</u>
C. Total	4,845,052	4,072,269
IV. Fiduciary Net Position [Plan Assets]	66,067	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	4,778,985	4,006,202
VI. Funded Ratio [IV. / III.]	1.36%	1.62%
VII. Annual Covered Payroll	2,896,297	2,896,297
VIII. Net OPEB Liability (Asset) as % of Covered Payroll	165.0%	138.3%
IX. Number of Eligible Participants		
A. Actives	47	47
B. Retirees/Disabled	<u>29</u>	<u>29</u>
C. Total	76	76
 For the Reporting Date and Fiscal Year Ending June 30, 2018		
X. Service Cost	190,103	140,996
XI. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	240,103	247,773
XII. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0
XIV. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0
XV. Projected Earnings on OPEB Plan Investments	(3,514)	(10,562)
XVI. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>0</u>
XVII. Financial Statement Expense [X.+XI.+XII.+XIII.+XIV.+XV.+XVI.]	426,692	378,207
XVIII. Employer Share of Costs	(171,732)	(171,732)
XIX. Employer (Payments)/Withdrawals to/from OPEB Trust	(20,000)	(204,700)
XX. Total Employer Contribution [XVIII. + XIX.]	(191,732)	(376,432)
XXI. Other Changes	0	0
XXII. Net OPEB Expense [XVII.+XX.+XXI.]	234,960	1,775

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Wenham
Assuming Partial Funding - 5.25% discount rate
Plan Liabilities as of the June 30, 2017 Measurement Date

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	4,649,754	0	20,377	16,558	4,686,689
B. Retirees/Disabled	<u>1,794,025</u>	<u>0</u>	<u>21,880</u>	<u>30</u>	<u>1,815,935</u>
C. Total	6,443,779	0	42,257	16,588	6,502,624
II. Present Value of Future Normal Cost	1,641,479	0	5,961	10,132	1,657,572
III. Total OPEB Liability					
A. Actives	3,008,275	0	14,416	6,426	3,029,117
B. Retirees/Disabled	<u>1,794,025</u>	<u>0</u>	<u>21,880</u>	<u>30</u>	<u>1,815,935</u>
C. Total	4,802,300	0	36,296	6,456	4,845,052
IV. Fiduciary Net Position [Plan Assets]	65,484	0	495	88	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	4,736,816	0	35,801	6,368	4,778,985
VI. Annual Covered Payroll	2,896,297	2,896,297	2,896,297	2,896,297	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	163.5%	0.0%	1.2%	0.2%	165.0%
VIII. Number of Eligible Participants					
IX. A. Actives	47	47	47	47	
B. Retirees/Disabled	<u>29</u>	<u>0</u>	<u>12</u>	<u>29</u>	
C. Total	76	47	59	76	
For the Reporting Date and Fiscal Year Ending June 30, 2018					
X. Service Cost	188,409	0	839	855	190,103
XI. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	237,987	0	1,763	353	240,103
XII. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0
XIV. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0
XV. Projected Earnings on OPEB Plan Investments	(3,514)	0	0	0	(3,514)
XVI. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XVII. Financial Statement Expense [X.+XI.+XII.+XIII.+XIV.+XV.+XVI.]	422,882	0	2,602	1,208	426,692
XVIII. Employer Share of Costs	(170,019)	0	(1,713)	0	(171,732)
XIX. Employer (Payments)/Withdrawals to/from OPEB Trust	(19,868)	0	(111)	(21)	(20,000)
XX. Total Employer Contribution [XVIII. + XIX.]	(189,887)	0	(1,824)	(21)	(191,732)
XXI. Other Changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XXII. Net OPEB Expense [XVII.+XX.+XXI.]	232,995	0	778	1,187	234,960

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)
Town of Wenham
Plan Liabilities as of the June 30, 2017 Measurement Date
Assuming Partial Funding

	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits							
A. Actives	665,420	1,626,173	540,342	761,151	697,981	395,622	4,686,689
B. Retirees/Disabled	<u>478,793</u>	<u>808,732</u>	<u>76,032</u>	<u>120,745</u>	<u>206,860</u>	<u>124,773</u>	<u>1,815,935</u>
C. Total	1,144,213	2,434,905	616,374	881,896	904,841	520,395	6,502,624
II. Present Value of Future Normal Cost	451,223	569,442	109,944	255,718	209,971	61,274	1,657,572
III. Total OPEB Liability							
A. Actives	214,197	1,056,731	430,398	505,433	488,010	334,348	3,029,117
B. Retirees/Disabled	<u>478,793</u>	<u>808,732</u>	<u>76,032</u>	<u>120,745</u>	<u>206,860</u>	<u>124,773</u>	<u>1,815,935</u>
C. Total	692,990	1,865,463	506,430	626,178	694,870	459,121	4,845,052
IV. Fiduciary Net Position [Plan Assets]	9,445	25,446	6,949	8,526	9,437	6,264	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	683,545	1,840,017	499,481	617,652	685,433	452,857	4,778,985
VI. Annual Covered Payroll	673,961	829,973	240,074	497,725	452,616	201,948	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	101.4%	221.7%	208.1%	124.1%	151.4%	224.2%	165.0%
VIII. Number of Eligible Participants							
A. Actives	14	11	3	8	8	3	47
B. Retirees/Disabled	<u>11</u>	<u>8</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>29</u>
C. Total	25	19	5	11	11	5	76
For the Reporting Date and Fiscal Year Ending June 30, 2018							
IX. Service Cost	59,814	52,579	12,725	34,555	23,769	6,661	190,103
X. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	27,428	95,144	25,875	32,781	35,713	23,162	240,103
XI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0	0	0
XII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0	0	0
XIV. Projected Earnings on OPEB Plan Investments	(505)	(1,351)	(369)	(455)	(502)	(332)	(3,514)
XV. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	0	0	0	0	0	0	0
XVI. Financial Statement Expense [IX.+X.+XI.+XII.+XIII.+XIV.+XV.]	86,737	146,372	38,231	66,881	58,980	29,491	426,692
XVII. Employer Share of Costs	(41,564)	(63,865)	(11,648)	(20,742)	(20,654)	(13,259)	(171,732)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(2,935)	(7,626)	(2,083)	(2,629)	(2,867)	(1,860)	(20,000)
XIX. Total Employer Contribution [XVII. + XVIII.]	(44,499)	(71,491)	(13,731)	(23,371)	(23,521)	(15,119)	(191,732)
XX. Other Changes	0	0	0	0	0	0	0
XXI. Net OPEB Expense [XVI.+XIX.+XX.]	42,238	74,881	24,500	43,510	35,459	14,372	234,960

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

(continued)

Town of Wenham

Detail of Plan Liabilities by Group and Dependency Status

Assuming Partial Funding - 5.25% discount rate

Plan Liabilities as of the June 30, 2017 Measurement Date

	<u>Present Value of Future Benefits</u>	<u>Total OPEB Liability (Individual Entry Age Normal)</u>	<u>Service Cost</u>
Actives			
Under Age 65			
A. Participants	784,306	494,190	25,994
B. Spouses	<u>764,431</u>	<u>487,591</u>	<u>25,218</u>
C. Total	1,548,737	981,781	51,212
Age 65 and Over			
A. Participants	1,679,986	1,152,692	79,811
B. Spouses	<u>1,457,966</u>	<u>894,644</u>	<u>59,080</u>
C. Total	3,137,952	2,047,336	138,891
Actives Total			
A. Participants	2,464,292	1,646,882	105,805
B. Spouses	<u>2,222,397</u>	<u>1,382,235</u>	<u>84,298</u>
C. Total	4,686,689	3,029,117	190,103
Retirees/Disabled			
Under Age 65			
A. Participants	119,484	119,484	0
B. Spouses	<u>66,435</u>	<u>66,435</u>	<u>0</u>
C. Total	185,919	185,919	0
Age 65 and Over			
A. Participants	1,173,704	1,173,704	0
B. Spouses	<u>456,312</u>	<u>456,312</u>	<u>0</u>
C. Total	1,630,016	1,630,016	0
Retirees/Disabled Total			
A. Participants	1,293,188	1,293,188	0
B. Spouses	<u>522,747</u>	<u>522,747</u>	<u>0</u>
C. Total	1,815,935	1,815,935	0
Total Population			
A. Participants	3,757,480	2,940,070	105,805
B. Spouses	<u>2,745,144</u>	<u>1,904,982</u>	<u>84,298</u>
C. Total	6,502,624	4,845,052	190,103

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Wenham
Assuming Funding over 30 years at 6.50% discount rate
Plan Liabilities as of the June 30, 2017 Measurement Date

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Excise Tax</u>	<u>Total</u>
I. Present Value of Future Benefits					
A. Actives	3,476,189	0	14,748	8,801	3,499,738
B. Retirees/Disabled	<u>1,642,403</u>	<u>0</u>	<u>20,233</u>	<u>16</u>	<u>1,662,652</u>
C. Total	5,118,592	0	34,981	8,817	5,162,390
II. Present Value of Future Normal Cost	1,080,908	0	4,313	4,900	1,090,121
III. Total OPEB Liability (Individual Entry Age Normal)					
A. Actives	2,395,281	0	10,435	3,901	2,409,617
B. Retirees/Disabled	<u>1,642,403</u>	<u>0</u>	<u>20,233</u>	<u>16</u>	<u>1,662,652</u>
C. Total	4,037,684	0	30,668	3,917	4,072,269
IV. Fiduciary Net Position [Plan Assets]	65,505	0	498	64	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	3,972,179	0	30,170	3,853	4,006,202
VI. Annual Covered Payroll	2,896,297	2,896,297	2,896,297	2,896,297	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	137.1%	0.0%	1.0%	0.1%	138.3%
VIII. Number of Eligible Participants					
A. Actives	47	47	47	47	
B. Retirees/Disabled	<u>29</u>	<u>0</u>	<u>12</u>	<u>29</u>	
C. Total	76	47	59	76	
For the Reporting Date and Fiscal Year Ending June 30, 2018					
IX. Service Cost	139,740	0	622	634	140,996
X. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	245,669	0	1,866	238	247,773
XI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0
XII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0
XIV. Projected Earnings on OPEB Plan Investments	(10,472)	0	(80)	(10)	(10,562)
XV. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XVI. Financial Statement Expense [IX.+X.+XI.+XII.+XIII.+XIV.+XV.]	374,937	0	2,408	862	378,207
XVII. Employer Share of Costs	(170,019)	0	(1,713)	0	(171,732)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(202,961)	0	(1,542)	(197)	(204,700)
XIX. Total Employer Contribution [XVII. + XVIII.]	(372,980)	0	(3,255)	(197)	(376,432)
XX. Other Changes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
XXI. Net OPEB Expense [XVI.+XIX.+XX.]	1,957	0	(847)	665	1,775

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Wenham
Plan Liabilities as of the June 30, 2017 Measurement Date
Assuming Funding over 30 years at 6.50% discount rate

	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees	Total
I. Present Value of Future Benefits							
A. Actives	496,896	1,214,328	403,495	568,382	521,210	295,427	3,499,738
B. Retirees/Disabled	<u>438,378</u>	<u>740,467</u>	<u>69,614</u>	<u>110,553</u>	<u>189,399</u>	<u>114,241</u>	<u>1,662,652</u>
C. Total	935,274	1,954,795	473,109	678,935	710,609	409,668	5,162,390
II. Present Value of Future Normal Cost	296,751	374,500	72,306	168,176	138,090	40,298	1,090,121
III. Total OPEB Liability							
A. Actives	170,390	840,614	342,375	402,064	388,205	265,969	2,409,617
B. Retirees/Disabled	<u>438,378</u>	<u>740,467</u>	<u>69,614</u>	<u>110,553</u>	<u>189,399</u>	<u>114,241</u>	<u>1,662,652</u>
C. Total	608,768	1,581,081	411,989	512,617	577,604	380,210	4,072,269
IV. Fiduciary Net Position [Plan Assets]	9,445	25,446	6,949	8,526	9,437	6,264	66,067
V. Net OPEB Liability (Asset) [III. - IV.]	599,323	1,555,635	405,040	504,091	568,167	373,946	4,006,202
VI. Annual Covered Payroll	673,961	829,973	240,074	497,725	452,616	201,948	2,896,297
VII. Net OPEB Liability (Asset) as % of Covered Payroll	88.9%	187.4%	168.7%	101.3%	125.5%	185.2%	138.3%
VIII. Number of Eligible Participants							
A. Actives	14	11	3	8	8	3	47
B. Retirees/Disabled	<u>11</u>	<u>8</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>29</u>
C. Total	25	19	5	11	11	5	76
For the Reporting Date and Fiscal Year Ending June 30, 2018							
IX. Service Cost	44,363	38,997	9,438	25,629	17,629	4,940	140,996
X. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	37,040	96,199	25,067	31,190	35,144	23,133	247,773
XI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	0	0	0	0	0	0	0
XII. Recognition of Deferred (Inflows)/Outflows from Expected & Actual Experience	0	0	0	0	0	0	0
XIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	0	0	0	0	0	0	0
XIV. Projected Earnings on OPEB Plan Investments	(1,510)	(4,068)	(1,111)	(1,363)	(1,509)	(1,001)	(10,562)
XV. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	0	0	0	0	0	0	0
XVI. Financial Statement Expense [IX.+X.+XI.+XII.+XIII.+XIV.+XV.]	79,893	131,128	33,394	55,456	51,264	27,072	378,207
XVII. Employer Share of Costs	(41,564)	(63,865)	(11,648)	(20,742)	(20,654)	(13,259)	(171,732)
XVIII. Employer (Payments)/Withdrawals to/from OPEB Trust	(30,601)	(79,476)	(20,709)	(25,768)	(29,034)	(19,112)	(204,700)
XIX. Total Employer Contribution [XVII. + XVIII.]	(72,165)	(143,341)	(32,357)	(46,510)	(49,688)	(32,371)	(376,432)
XX. Other Changes	0	0	0	0	0	0	0
XXI. Net OPEB Expense [XVI.+XIX.+XX.]	7,728	(12,213)	1,037	8,946	1,576	(5,299)	1,775

Overview of GASB 74 and 75

Before Statements 74 and 75, GASB statement 45 established the reporting standards for Other Postemployment Benefit (“OPEB”) plans. It was designed to recognize the Other Postemployment Benefits earned by employees throughout their working career vs. when they are paid in retirement – accrual accounting vs. “pay-as-you-go” accounting. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Service Cost”. These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment.

In 2012 GASB issued GASB Statements 67 and 68 to update and standardize the financial reporting of pension liabilities. This increased the transparency of pension liabilities by moving them to the balance sheet and made financial statement disclosures of pension liabilities more comparable between municipal entities. GASB Statements 74 and 75 are designed to have the same effect on OPEB plans.

GASB 74 and 75 require retiree medical plans to disclose information about asset and liability levels and show historical contribution information. GASB 74 only applies in situations where a separate trust is established to prefund these benefits. GASB 75 requires employers to perform periodic actuarial valuations to determine annual accounting costs and to keep a running tally of the extent to which these amounts are over or under funded.

GASB 74 and 75 apply to those benefits provided after retirement, except for pension benefits, such as medical, dental and life insurance. The philosophy behind the accounting standard is that these post-employment benefits are part of the compensation earned by employees in return for their services, and the cost of these benefits should be recognized while employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 74 and 75 extend this practice to all other post-employment benefits.

Overview of GASB 74 and 75

(continued)

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims cost assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Town, the present value is divided into three pieces: the part that is attributed to past years (the "Total OPEB Liability" or "Past Service Liability"), the part that is being earned this year (the "Service Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Service Cost have been calculated, the next step is to determine an actuarially determined contribution. This is an amount that if paid annually would fully prefund the benefits for current active and retired employees. This consists of two pieces:

- ✓ Service Cost – because the benefits earned by active employees each year should be paid for each year
- ✓ Past Service Cost – a catch-up payment to fund the Accrued Liability over a period of time determined by an actuary

The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Town's financial statements as the Net OPEB Liability (NOL). If you decide to fully fund the NOL this will appear in the financial statement as a Net OPEB Asset. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.

Commentary on Plan Experience and Contribution Amounts

1. GASB 74/75 – How we got here:

GASB 74 and 75 were designed to recognize the Other Postemployment Benefits (“OPEB”) earned by employees throughout their working career vs. when they are paid in retirement – accrual accounting vs. “pay-as-you-go” accounting while increasing disclosures to better reflect the plan’s liabilities and future funding requirements. Additionally, each eligible active employee earns benefits each year representing benefits to be paid in retirement or a “Service Cost”. These amounts are reflected in your financial statement each year so that OPEB benefits for an eligible employee shall be fully charged to the financial statement when that eligible employee terminates employment. Additionally, GASB 74 and 75 require increased disclosures comparable to those required under GASB 67 and 68 and interest rates used in the valuation are more closely tied to the plan’s underlying investment and funding policy.

2. GASB 74 and 75 Impact

The Town has adopted GASB 74 for the fiscal year ending June 30, 2017 and GASB 75 for the fiscal year ending June 30, 2018. The adoption of GASB 74/75 introduces a new actuarial cost method and discount rate as well as new disclosures and methodologies for reporting plan liabilities and OPEB expenses. Significant changes have been made to the recognition of OPEB expenses, making the comparison of Net OPEB Expense in the current valuation to the expenses reported under GASB 45 misleading. The liability reported on the Town’s balance sheet will increase dramatically as GASB 74/75 require the recognition of liabilities immediately rather than recognizing liabilities (Net OPEB Obligation) over a 30 year period as GASB 45 allowed. Please keep these changes in mind when considering any comparison to previously reported liabilities and expenses.

Commentary on Plan Experience and Contribution Amounts
(continued)

3. **Balance Sheet Items as of the Measurement Date**

	June 30, 2017	June 30, 2015
Total OPEB Liability	\$4,845,052	\$5,059,967
Fiduciary Net Position	\$66,067	\$25,371
Net OPEB Liability	\$4,778,985	\$5,034,596
Funded Ratio	1.36%	0.50%

4. **Income Statement Items as of the Fiscal Year Ending**

	June 30, 2018	June 30, 2016
Service Cost	\$190,103	\$256,883
Interest Expense	\$240,103	N/A
Recognition of (Inflow)/Outflow from Plan Design Changes	\$0	N/A
Recognition of (Inflow)/Outflow from Plan Experience	\$0	N/A
Recognition of (Inflow)/Outflow from Changes in Assumptions	\$0	N/A
Projected Investment Earnings	\$(3,514)	N/A
Recognition of (Inflow)/Outflow from Earnings on Investments	\$0	N/A
Financial Statement Expense	426,692	N/A
Employer Share of Costs	\$(171,732)	\$(159,749)
Employer Payments (Withdrawals) to/from Trust	\$(20,000)	\$(20,000)
Total Employer Payments	\$(191,732)	\$(179,749)
Other Changes	\$0	N/A
Net OPEB Expense	\$234,960	N/A
Interest Rate	5.25%	4.00%

SECTION II

SUMMARY OF PLAN PROVISIONS

<u>Effective Date</u>	GASB 45 is adopted July 1, 2009 GASB 74 is adopted for the fiscal year ending June 30, 2017 GASB 75 is adopted for the fiscal year ending June 30, 2018
<u>Plan Year</u>	July 1 through June 30.
<u>Eligibility</u>	An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
<u>Creditable Service</u>	Elapsed time from date of hire to termination of service date.
<u>Participant Contributions</u>	Retirees shall pay 25% of stated premiums for Medical and Life Insurance.
<u>Benefits Offered</u>	Comprehensive Medical Insurance offered through the Group Insurance Commission ('GIC'), Dental Insurance and Group Term Life Insurance.
<u>Normal Retirement Date</u>	The normal retirement date is the first day of the month following a participant's 65th birthday.
<u>Early Retirement</u>	Early retirement is available for any participant who has attained benefit eligibility.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

A. ACTUARIAL COST METHOD

The actuarial cost method used to calculate the costs and liabilities of the plan is the Individual Entry Age Normal Actuarial Cost Method. Under this method, the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement. The annual normal cost for each active member is a level percent of payroll. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service at retirement/termination.

Actuarial gains and losses are calculated each year and amortized into the OPEB expense. Gains and losses arising from plan design changes are recognized immediately. Gains and losses arising from differences between expected and actual investment returns are amortized over a five (5) year period. Gain and losses arising from differences between expected and actual plan experience and changes in actuarial assumptions are amortized over the remaining lifetime of all active and retired plan participants (5.54 years for the Town for the 2018 fiscal year).

All employees who are plan participants on the valuation date are included in the actuarial valuation.

B. ASSET VALUATION METHOD

The actuarial value of assets is equal to the Market Value of the Plan's assets as of the measurement date.

SECTION IIIACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS

We used the following assumptions in this year's actuarial valuation:

Pre-Retirement Mortality

It is assumed that pre-retirement mortality is represented by the RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Post-Retirement Mortality

It is assumed that post-retirement mortality is represented by the RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females

Disabled Mortality

It is assumed that disabled mortality is represented by the RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year 2012 for males and females

Mortality Experience Study

The mortality assumptions reflect PERAC's recent experience analysis published in 2014 (based on the years 2006-2011), updated to reflect data through January 1, 2015 for post-retirement mortality, and professional judgement. As such, mortality assumptions reflect observed current mortality as well as expected mortality improvements.

Discount Rate

5.25% per annum (previously 4.00%)

Long Term Rate of Return

6.33% (based on investment policy)

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Municipal Bond Rate

3.13% as of June 30, 2017 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)

Employee Termination

It was assumed that employees would terminate employment in accordance with the sample rates shown in the following table:

Non-Public Safety Employees						
<u>Age</u>	<u>0-4 Years of Service (Males)</u>	<u>0-4 Years of Service (Females)</u>	<u>5-9 Years of Service (Males)</u>	<u>5-9 Years of Service (Females)</u>	<u>10+ Years of Service (Males)</u>	<u>10+ Years of Service (Females)</u>
	20	27.00%	27.00%	12.00%	12.00%	6.00%
30	23.00%	23.00%	10.00%	10.00%	5.50%	5.50%
40	16.00%	16.00%	8.00%	8.00%	3.50%	3.50%
50	18.00%	18.00%	6.00%	6.00%	3.00%	3.00%
60	18.00%	18.00%	5.00%	5.00%	3.50%	3.50%

Public Safety Employees		
<u>Service</u>	<u>Public Safety Male</u>	<u>Public Safety Female</u>
0	9.00%	9.00%
5	6.00%	6.00%
10	3.50%	3.50%
15	2.00%	2.00%
20	1.50%	1.50%
25	1.50%	1.50%
30	1.50%	1.50%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Retirement Rates

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Non Public Safety Male</u>	<u>Non Public Safety Female</u>	<u>Public Safety</u>
45	0.00%	0.00%	1.00%
46	0.00%	0.00%	1.00%
47	0.00%	0.00%	1.00%
48	0.00%	0.00%	1.00%
49	0.00%	0.00%	1.00%
50	1.00%	1.50%	2.00%
51	1.00%	1.50%	2.00%
52	1.00%	2.50%	2.00%
53	1.00%	2.50%	5.00%
54	2.00%	2.50%	7.50%
55	2.00%	5.50%	15.00%
56	2.50%	6.50%	10.00%
57	2.50%	6.50%	10.00%
58	5.00%	6.50%	10.00%
59	6.50%	6.50%	15.00%
60	12.00%	5.00%	20.00%
61	20.00%	13.00%	20.00%
62	30.00%	15.00%	25.00%
63	25.00%	12.50%	25.00%
64	22.00%	18.00%	30.00%
65	40.00%	15.00%	100.00%
66	25.00%	20.00%	100.00%
67	25.00%	20.00%	100.00%
68	30.00%	25.00%	100.00%
69	30.00%	20.00%	100.00%
70	100.00%	100.00%	100.00%
71	100.00%	100.00%	100.00%
72	100.00%	100.00%	100.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

Disability rates

It was assumed that the following percentage of eligible employees would become permanently disabled each year:

<u>Age</u>	<u>Standard</u>	<u>Teachers</u>	<u>Public Safety</u>
20	0.01%	0.05%	0.20%
25	0.01%	0.06%	0.20%
30	0.01%	0.07%	0.21%
35	0.03%	0.10%	0.40%
40	0.07%	0.21%	0.71%
45	0.10%	0.30%	1.00%
50	0.13%	0.42%	1.10%
55	0.14%	0.50%	0.80%
60	0.12%	0.50%	0.80%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Healthcare Trend

It was assumed that healthcare costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

Participation Rate

It was assumed that 80% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement. For life insurance plans, it was assumed that 80% of eligible employees would elect coverage upon retirement.

Percent Married

It was assumed that 80% of male participants and 70% of female participants who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement. It was further assumed that a male spouse is three years older than a female spouse and same sex spouses are assumed to be the same age. For current retirees, the actual census information was used.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Compensation Increases

3.00% per year.

Open Group Forecast

It was assumed for projecting plan liabilities in future years that the active population would remain unchanged and that those who terminate employment or retire will be replaced with new employees with the demographics below:

Open Group Forecast Population Demographics

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	8.0%	5.0%
30	7.0%	14.0%
40	20.0%	19.0%
50	10.0%	10.0%
60	<u>3.0%</u>	<u>4.0%</u>
Total	48.0%	52.0%

Additional Comments

The values in this report reflect a closed group and do not reflect any new entrants after the valuation date.

For purposes of this valuation, retiree contributions were assumed to increase with the same trend rate as health care claims.

Medicare Part B Penalties are not reflected

Medicare Part B Reimbursement is not reflected

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely on the retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- ✓ The cost sharing program is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:
- ✓ The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit subsidy". GASB 74 and 75 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. Actuarial Standard of Practice No. 6 ("ASOP 6") requires us to recognize this implicit subsidy while the plan sponsor may only pay the premiums billed by an insurance provider. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page.

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - Based on Active & Retiree Incurred Claims & Premiums

	Number of Participants			
	Single	Two-Person	Family	Total
Fallon Direct			7	7
Fallon Select			2	2
Harvard Pilgrim	5		5	10
Harvard Primary Choice	1		3	4
Tufts Navigator	3		3	6
Tufts Spirit			1	1
Unicare Basic w/ CIC	1		1	2
Unicare Basic w/o CIC				0
Unicare Comm Choice			2	2
Unicare Plus			3	3
Unicare OME w/ CIC	4	3		7
Unicare OME w/o CIC				0
Tufts Medicare Preferred		2		2
Harvard Senior	1	4		5
Fallon Senior				0
Total	15	10	27	52

	Per Contract Costs (monthly) - FY 2018		
	Single	Two-Person	Family
Fallon Direct	554.64		1,331.20
Fallon Select	737.08		1,768.88
Harvard Pilgrim	824.24		2,011.12
Harvard Primary Choice	620.72		1,514.52
Tufts Navigator	728.84		1,778.40
Tufts Spirit	553.28		1,331.92
Unicare Basic w/ CIC	1,038.80		2,430.56
Unicare Basic w/o CIC	991.80		2,321.52
Unicare Comm Choice	520.60		1,249.48
Unicare Plus	693.20		1,656.12
Unicare OME w/ CIC	380.64	761.28	
Unicare OME w/o CIC	369.92	739.84	
Tufts Medicare Preferred	301.04	602.08	
Harvard Senior	423.04	846.08	
Fallon Senior	336.16	672.32	

Gross Expected FY 2018 Incurred Premiums	737,734
Adjustment to reflect children's claims	(90,498)
Total Expected FY 2018 Incurred Premiums (adults only)	647,235

II. PRE-65 AND POST-65 PER CAPITA RETIREE ANNUAL CLAIM COSTS

	<u>Employer</u> <u>Primary</u>	<u>Medicare</u> <u>Primary</u>
Age 65	12,297	4,124
Average Age	8,751	4,555

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

III. BREAKDOWN OF CLAIM COSTS

ALL ACTIVE EMPLOYEES AND SPOUSES

Age Bracket	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
24 & Under	1.312	0.549	7,196	3,011	873,520
25 to 29	1.312	0.591	7,196	3,242	4,691,750
30 to 34	1.312	0.712	7,196	3,905	5,749,409
35 to 39	1.312	0.850	7,196	4,662	5,606,510
40 to 44	1.312	1.000	7,196	5,485	6,966,249
45 to 49	1.456	1.193	7,986	6,544	8,379,594
50 to 54	1.599	1.441	8,771	7,904	9,337,032
55 to 59	1.740	1.753	9,544	9,615	10,008,909
60 to 64	1.968	2.102	10,794	11,529	8,725,815
65 to 69	2.168	2.316	11,891	12,703	3,149,133
70 & Over	2.396	2.557	13,142	14,025	<u>1,254,980</u>
Total					64,742,901

ALL RETIREES AND SPOUSES - NOT MEDICARE ELIGIBLE

Age Bracket	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
44 & Under	1.312	1.000	7,196	5,485	280,693
45 to 49	1.456	1.193	7,986	6,544	363,916
50 to 54	1.599	1.441	8,771	7,904	964,448
55 to 59	1.740	1.753	9,544	9,615	2,536,828
60 to 64	1.968	2.102	10,794	11,529	7,812,861
65 to 69	2.168	2.316	11,891	12,703	1,699,422
70 to 74	2.396	2.557	13,142	14,025	1,375,024
75 to 79	2.593	2.769	14,223	15,188	483,834
80 to 84	2.724	2.910	14,941	15,961	394,586
85 to 89	2.864	3.059	15,709	16,779	240,985
90 & Over	3.010	3.215	16,510	17,634	<u>118,942</u>
Total					16,271,539

ALL RETIREES AND SPOUSES - MEDICARE ELIGIBLE

Age Bracket	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
65 to 69	2.168	2.316	3,988	4,260	4,044,840
70 to 74	2.396	2.557	4,407	4,703	3,748,765
75 to 79	2.593	2.769	4,770	5,093	2,423,260
80 to 84	2.724	2.910	5,011	5,353	2,058,860
85 to 89	2.864	3.059	5,268	5,627	1,576,030
90 & Over	3.010	3.215	5,537	5,914	<u>1,193,410</u>
Total					15,045,165

Grand Totals 96,059,605

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

E. DEVELOPMENT OF REPRESENTATIVE DENTAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - with Active & Retiree Incurred Premiums

	Per Contract Costs (monthly) - FY 2018		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Dental Plan	47.86	108.85	168.19

FY 2018 Expected Per Person Rate 574

EXHIBIT A

Financial Statement Disclosure (As of the June 30, 2017 Measurement Date)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions require the following disclosures in the financial statements related to the retiree medical, dental and life insurance benefits;

1. A DESCRIPTION OF THE RETIREE MEDICAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Medical Insurance offered through the Group Insurance Commission ('GIC')
- b. Administrator: Town of Wenham
- c. Eligibility: An employee hired before April 2, 2012 shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service or an employee shall be able to retire with 20 years of service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.
- d. Cost Sharing: Retirees shall pay 25% of premiums.

2. A DESCRIPTION OF THE RETIREE DENTAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Dental Insurance
- b. Administrator: Town of Wenham
- c. Eligibility: Same as above
- d. Cost sharing: Retirees shall pay 100% of premiums.

3. A DESCRIPTION OF THE RETIREE LIFE INSURANCE PROGRAM:

- a. Plan Type: Group Term Life Insurance - \$5,000
- b. Administrator: Town of Wenham
- c. Eligibility: Same as above
- d. Cost sharing: Retirees shall pay 25% of premiums.

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

4. RETIREE MEDICAL AND LIFE INSURANCE CONTRIBUTIONS:

Group	Individual	Family
Medical	25%	25%
Dental	100%	100%
Life	25%	N/A

5. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the year ending on the June 30, 2017 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$171,732. The Town is also made a contribution to an OPEB Trust of \$20,000 for a total contribution during the period of \$191,732.

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

6. INVESTMENT POLICY

The chart below shows how the long-term rate of return on assets is developed based on the Town's Investment Policy.

Investment Target Allocation & Expected Long-Term Real Rate of Return			
Asset Class	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity - Large Cap	26.75%	Domestic Equity - Large Cap	4.00%
Domestic Equity - Small/Mid Cap	13.25%	Domestic Equity - Small/Mid Cap	6.00%
International Equity - Developed Market	13.25%	International Equity - Developed Market	4.50%
International Equity-Emerging Market	6.75%	International Equity-Emerging Market	7.00%
Domestic Fixed Income	30.00%	Domestic Fixed Income	2.00%
International Fixed Income	10.00%	International Fixed Income	3.00%
Alternatives	0.00%	Alternatives	6.50%
Real Estate	0.00%	Real Estate	6.25%
Cash	0.00%	Cash	0.00%
Total	100.00%		
		I. Real Rate of Return	3.83%
		II. Inflation Assumption	2.75%
		III. Total Nominal Return [I. + II.]	6.58%
		IV. Investment Expense	0.25%
		V. Net Investment Return [III.-IV.]	6.33%

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

7. ACTUARIALLY DETERMINED CONTRIBUTION (ADC)

The Town's Actuarially Determined Contribution (ADC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 74/75 which represents a level of funding that, if paid on an ongoing basis, is projected to cover the service cost each year and amortize any unfunded actuarial liabilities (or funding excess). The following table shows the components of the Town's annual ADC for the fiscal year and the amount actually contributed to the plan:

Actuarially Determined Contribution - Deficiency / (Excess)	
<u>For the Fiscal Year Ending June 30, 2018</u>	
I. Service Cost	190,103
II. 30 year level flat dollar amortization of NOL at 5.25%	<u>303,843</u>
III. Actuarial Determined Contribution [I. + II.]	493,946
IV. Contributions in relation to the actuarially determined contribution	<u>(191,732)</u>
V. Contribution deficiency / (excess) [III. + IV.]	<u>302,214</u>
Covered employee payroll	2,896,297
Contributions as a % of covered employee payroll	6.62%

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

8. FUNDED STATUS AND FUNDING PROGRESS

As of the June 30, 2017 Measurement Date, the plan was 1.36% funded. The Total OPEB Liability (TOL) for benefits was \$4,845,052, and the Fiduciary Net Position was \$66,067, resulting in a Net OPEB Liability (NOL) of \$4,778,985. The covered payroll (annual payroll of active employees covered by the plan) was \$ 2,896,297 and the ratio of the NOL to the covered payroll was 165.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Total OPEB Liabilities for benefits.

Measurement Date	Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
06/30/2019 (est.)	\$148,836	\$5,457,205	\$5,308,369	2.7%	\$3,072,682	172.8%
06/30/2018 (est.)	\$101,184	\$5,147,673	\$5,046,489	2.0%	\$2,983,186	169.2%
06/30/2017	\$66,067	\$4,845,052	\$4,778,985	1.4%	\$2,896,297	165.0%
06/30/2016	\$45,662	\$5,363,389	\$5,317,727	0.9%	\$3,809,956	139.6%
06/30/2015	\$25,371	\$5,059,967	\$5,034,596	0.5%	\$3,698,986	136.1%
06/30/2014	\$0	\$4,348,299	\$4,348,299	0.0%	\$3,591,249	121.1%

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

9. **FIDUCIARY NET POSITION**

Statement of Fiduciary Net Position		
June 30, 2017 and June 30, 2018		
	<u>June 30, 2018 (Projected)</u>	<u>June 30, 2017</u>
Assets		
I. Cash and cash equivalents	0	0
<u>Receivables & Prepaid expenses:</u>		
II. Contributions	0	0
III. Investment Income	0	0
IV. Receivables from brokers for unsettled trades	0	0
V. Prepaid expenses	<u>0</u>	<u>0</u>
VI. Total Receivables [II.+III.+IV.+V.]	<u>0</u>	<u>0</u>
<u>OPEB Trust Investments:</u>		
VII. Fixed Income	40,474	26,427
VIII. Stocks	60,710	39,640
IX. Cash and cash equivalents	0	0
X. Real estate	0	0
XI. Alternative investments	<u>0</u>	<u>0</u>
XII. Total Investments [VII.+VIII.+IX.+X.+XI.]	<u>101,184</u>	<u>66,067</u>
Invested securities lending cash collateral	0	0
Capital assets, net of accumulated depreciation	0	0
Total Assets	101,184	66,067
Liabilities		
XIII. Accrued expenses and benefits payable	0	0
XIV. Securities lending cash collateral	0	0
XV. Payable to brokers for unsettled trades	<u>0</u>	<u>0</u>
XVI. Total liabilities [XIII.+XIV.+XV.]	<u>0</u>	<u>0</u>
XVII. Net Position restricted for OPEB [XII.-XVI.]	101,184	66,067

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

9. **FIDUCIARY NET POSITION (CONTINUED)**

Statement of Changes in Fiduciary Net Position for the Year ended June 30, 2018 (Projected)	
	<u>June 30, 2017</u>
Additions	
<u>Contributions</u>	
Employer Contributions to OPEB Trust	20,000
Total Contributions	20,000
<u>Investment Income / (loss)</u>	
Interest	1,321
Dividends	793
Equity fund income, net	0
Net increase in fair value of investments	13,003
Securities lending income	0
Less investment expenses:	
Direct investment expense	0
Securities lending management fees	0
Securities lending borrower rebates	0
Net investment income	15,117
Other income	0
Total Additions	<u>35,117</u>
Deductions	
Service benefits	0
Disability benefits	0
Death benefits	0
Refunds	0
Administrative expenses	0
Total deductions	<u>0</u>
Net increase (decrease)	35,117
Net Position restricted for OPEB	
Beginning of year	<u>66,067</u>
End of year	101,184

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

10. OPEB LIABILITY, OPEB EXPENSE AND ADC

	Fiscal Year Ending June 30, 2018							Total
	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees		
I. Total OPEB Liability	692,990	1,865,463	506,430	626,178	694,870	459,121	4,845,052	
II. Fiduciary Net Position as of June 30, 2017	9,445	25,446	6,949	8,526	9,437	6,264	66,067	
III. Net OPEB Liability (Asset) [I.-II.]	683,545	1,840,017	499,481	617,652	685,433	452,857	4,778,985	
IV. Service Cost	59,814	52,579	12,725	34,555	23,769	6,661	190,103	
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	27,428	95,144	25,875	32,781	35,713	23,162	240,103	
VI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	-	-	-	-	-	-	-	
VII. Recognition of Deferred (Inflows)/Outflows from Plan Experience	-	-	-	-	-	-	-	
VIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	-	-	-	-	-	-	-	
IX. Projected Earnings on OPEB Plan Investments	(505.00)	(1,251)	(369)	(455)	(502)	(332)	(3,514)	
X. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	-	-	-	-	-	-	-	
XI. Financial Statement Expense [IV.+V.+VI.+VII.+VIII.+IX.+X.]	86,737	146,372	38,231	66,881	58,980	29,491	426,692	
XII. Employer Share of Costs	(41,564)	(63,865)	(11,648)	(20,742)	(20,654)	(13,259)	(171,732)	
XIII. Employer Payments (Withdrawals) to/from OPEB Trust	(2,935)	(7,626)	(2,083)	(2,629)	(2,867)	(1,860)	(20,000)	
XIV. Total Employer Contribution [X.+XII.]	(44,499)	(71,491)	(13,731)	(23,371)	(23,521)	(15,119)	(191,732)	
XV. Net OPEB Expense [XI.+XIV.]	42,238	74,881	24,500	43,510	35,459	14,372	234,960	
XVI. Actuarial Determined Contribution (ADC)	106,620	168,215	44,155	72,937	66,737	35,282	493,946	
XVII. Total Expected Contribution	44,499	71,491	13,731	23,371	23,521	15,119	191,732	
XVIII. Percentage of ADC Contributed [XVII./XVI.]	42%	42%	31%	32%	35%	43%	39%	

	Fiscal Year Ending June 30, 2019							Total
	Town Employees and Retirees	Police Employees and Retirees	Fire Employees and Retirees	Highway Employees and Retirees	Library Employees and Retirees	Water Enterprise Employees and Retirees		
I. Total OPEB Liability	755,208	1,962,765	536,117	676,769	738,083	478,731	5,147,673	
II. Fiduciary Net Position as of June 30, 2018	23,381	34,920	9,537	11,777	12,991	8,578	101,184	
III. Net OPEB Liability (Asset) [I.-II.]	731,827	1,927,845	526,580	664,992	725,092	470,153	5,046,489	
IV. Service Cost	58,279	51,228	12,398	33,667	23,158	6,490	185,220	
V. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	29,746	103,180	28,060	35,550	38,729	25,118	260,383	
VI. Recognition of Deferred (Inflows)/Outflows from Plan Design Changes	-	-	-	-	-	-	-	
VII. Recognition of Deferred (Inflows)/Outflows from Plan Experience	3,139	8,157	2,228	2,813	3,068	1,990	21,394	
VIII. Recognition of Deferred (Inflows)/Outflows from Changes in Assumptions	-	-	-	-	-	-	-	
IX. Projected Earnings on OPEB plan investments	(735)	(1,967)	(537)	(663)	(731)	(483)	(5,116)	
X. Recognition of Deferred (Inflows)/Outflows from Earnings on Investments	91	257	65	82	89	58	622	
XI. Financial Statement Expense [IV.+V.+VI.+VII.+VIII.+IX.+X.]	90,520	160,835	42,214	71,448	64,313	33,172	462,503	
XII. Employer Share of Costs	(34,606)	(53,174)	(9,698)	(17,270)	(17,196)	(11,039)	(142,983)	
XIII. Employer Payments (Withdrawals) to/from OPEB Trust	(4,402)	(11,439)	(3,124)	(3,944)	(4,301)	(2,790)	(30,000)	
XIV. Total Employer Contribution [X.+XII.]	(39,008)	(64,613)	(12,822)	(21,214)	(21,497)	(13,829)	(172,983)	
XV. Net OPEB Expense [XI.+XIV.]	51,512	96,222	29,392	50,234	42,816	19,343	289,520	
XVI. Actuarial Determined Contribution (ADC)	104,808	173,799	45,877	75,947	69,259	36,382	506,072	
XVII. Total Expected Contribution	39,008	64,613	12,822	21,214	21,497	13,829	172,983	
XVIII. Percentage of ADC Contributed [XVII./XVI.]	37%	37%	28%	28%	31%	38%	34%	

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

11. OPEB LIABILITY, OPEB EXPENSE AND DEFERRED INFLOW/OUTFLOW

	For the Reporting Date	
	June 30, 2018	June 30, 2019
I. Deferred (Inflow)/Outflow from Actual vs. Expected Experience	118,520	97,126
II. Deferred (Inflow)/Outflow from Investment Experience	3,109	2,487
III. Deferred (Inflow)/Outflow from Changes in Benefit Terms	0	0
IV. Deferred (Inflow)/Outflow from Changes in Assumptions	0	0

	For the period ending on the Measurement Date	
	June 30, 2017	June 30, 2018
I. Deferred Outflow at the beginning of the period	0	121,629
II. Deferred Outflow created during the period	121,629	0
III. Deferred Outflow recognized during the period	0	22,016
IV. Change in Deferred Outflow (II. + III.)	121,629	22,016
V. Deferred Outflow at end of the period (I. - IV.)	121,629	99,613
VI. Deferred Inflow at the beginning of the period	0	0
VII. Deferred Inflow created during the period	0	0
VIII. Deferred Inflow recognized during the period	0	0
IX. Change in Deferred Inflow (VII. + VIII.)	0	0
X. Deferred Inflow at end of the period (VI. - IX.)	0	0

	For the Reporting Date	
	June 30, 2018	June 30, 2019
I. Net OPEB Liability at beginning of period	4,422,396	4,778,985
II. Net OPEB Expense - Excluding Payments	426,692	462,503
III. Total Employer Contributions	(191,732)	(172,983)
IV. Net OPEB Expense - Before Recognition of Deferred (Inflow)/Outflow (II. + III.)	234,960	289,520
V. Deferred Outflow created during the period	121,629	0
VI. Deferred Inflow created during the period	0	0
VII. Net OPEB Liability at end of period (I. + IV. + V + VI)	4,778,985	5,068,505

	For the period ending on the Measurement Date	
	June 30, 2017	June 30, 2018
I. Service Cost	190,103	185,220
II. Interest on Total OPEB Liability, Service Cost, and Payments	240,103	260,383
III. Projected Investment Income	(3,514)	(5,116)
IV. Recognition of Deferred (Inflow)/Outflow	0	22,016
V. Financial Statement Expense [I. + II. + III. + IV.]	426,692	462,503
VI. Benefit Payments	(171,732)	(142,983)
VII. Contributions to Trust	(20,000)	(30,000)
VIII. Total Employer Payments [VI. + VII.]	(191,732)	(172,983)
IX. Total Net OPEB Expense under GASB 75 (V. + VIII.)	234,960	289,520

Measurement Date June 30, 2017 June 30, 2018

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

12. EFFECT OF 1% CHANGE IN HEALTHCARE TREND

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Total OPEB Liability would increase to \$6,045,630 or by 24.8% and the Net OPEB Liability would increase to \$5,979,563 or by 25.1%. The corresponding Service Cost would increase to \$262,338 or by 38.0%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Total OPEB Liability would decrease to \$3,902,039 or by 19.5% and the Net OPEB Liability would decrease to \$3,835,972 or by 19.7%. The corresponding Service Cost would decrease to \$136,614 or by 28.1%.

Impact of a 1% Change in the Healthcare Trend Rate as of the June 30, 2017 Measurement Date

	<u>1% Decrease (4.00%)</u>	<u>Current Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
I. Total OPEB Liability	3,902,039	4,845,052	6,045,630
II. Fiduciary Net Position	<u>66,067</u>	<u>66,067</u>	<u>66,067</u>
III. Net OPEB Liability (Asset) [I-II.]	3,835,972	4,778,985	5,979,563
IV. Service Cost	136,614	190,103	262,338

13. EFFECT OF 1% CHANGE IN DISCOUNT RATES

As of the June 30, 2017 Measurement Date, if the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$4,207,846 or by 13.2% and the Net OPEB Liability would decrease to \$4,141,779 or by 13.3%. The corresponding Service Cost would decrease to \$149,278 or by 21.5%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$5,638,456 or by 16.4% and the Net OPEB Liability would increase to \$5,572,389 or by 16.6%. The corresponding Service Cost would increase to \$244,784 or by 28.8%.

Impact of a 1% Change in the Discount Rate as of the June 30, 2017 Measurement Date

	<u>1% Decrease (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
I. Total OPEB Liability	5,638,456	4,845,052	4,207,846
II. Fiduciary Net Position	<u>66,067</u>	<u>66,067</u>	<u>66,067</u>
III. Net OPEB Liability (Asset) [I-II.]	5,572,389	4,778,985	4,141,779
IV. Service Cost	244,784	190,103	149,278

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

14. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method: Individual Entry Age Normal
Discount Rate: 5.25% per annum (previously 4.00%)
Healthcare Trend Rates

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2013	6.0%	5.5%
FY 2014	5.0%	5.0%
FY 2015	5.0%	5.0%
FY 2016	5.0%	5.0%
FY 2017	5.0%	5.0%
FY 2018	5.0%	5.0%
FY 2019	5.0%	5.0%
FY 2020+	5.0%	5.0%

General Inflation Assumption: 2.75% per annum
Annual Compensation Increases: 3.00% per annum
Actuarial Value of Assets: Market Value

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

15. RECOGNITION OF OPEB TRUST ASSETS

The State of Massachusetts has passed legislation allowing municipal entities to establish a Trust for Other Postemployment Benefits (“OPEB”) under M.G.L. Chapter 32B, Section 20 for purposes of accumulating assets to pre-fund the liabilities under GASB 75. This legislation was amended effective November 9, 2016 to clarify who may adopt such a Trust and provide guidance on the ongoing operation of such a Trust. To the best of our knowledge, the Town of Wenham has established an irrevocable trust for the purposes of prefunding liabilities under GASB 74/75.

16. OPEB EXPENSE DEVELOPMENT

Components of the Town's OPEB Expenses for the Fiscal Year Ending June 30, 2018	
Description	Amount
I. Service Cost	190,103
II. Interest on Total OPEB Liability (Asset), Service Cost, and Benefit Payments	240,103
III. Deferred (Inflows)/Outflows from Plan Design Changes*	0
IV. Deferred (Inflows)/Outflows from Plan Experience**	0
V. Deferred (Inflows)/Outflows from Changes of Assumptions**	0
VI. Projected earnings on OPEB plan investments	(3,514)
VII. Deferred (Inflows)/Outflows from Earnings on Plan Investments***	0
VIII. Total Employer Contributions	(191,732)
IX. OPEB Plan administrative expense	0
X. Other changes in fiduciary net position	0
XI. Net OPEB expense [I.+II.+III.+IV.+V.+VI.+VII.+VIII.+IX.+ X.]	234,960

* Recognized Immediately

** Amortized over 5.54 years

*** Amortized over 5 years

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

17. CHANGES IN NET OPEB LIABILITY

Changes in Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
I. Balances at June 30, 2016 GASB 45	5,363,389	45,662	5,317,727
II. Change in Assumptions for GASB 75	<u>(895,331)</u>	<u>0</u>	<u>(895,331)</u>
III. Balances at June 30, 2016 GASB 75 [I. + II.]	4,468,058	45,662	4,422,396
Changes for the year:			
IV. Service Cost	190,103	0	190,103
V. Interest on Total OPEB Liability, Service Cost, and Benefit Payments	240,103	0	240,103
VI. Changes in Benefit terms *	0	0	0
VII. Change in assumptions **	0	0	0
VIII. Differences between actual and expected experience **	118,520	0	118,520
IX. Net Investment Income	0	405	(405)
X. Employer Contributions to Trust	0	191,732	(191,732)
XI. Benefit Payments Withdrawn from Trust	0	(171,732)	171,732
XII. Benefit payments excluding Implicit Cost	N/A	0	N/A
XIII. Implicit Cost amount	N/A	0	N/A
XIV. Total Benefit payments including Implicit Cost [XII. + XIII.]	<u>(171,732)</u>	0	<u>(171,732)</u>
XV. Administrative expense	0	0	0
XVI. Other Charges	0	0	0
XVII. Net Changes [IV.+V.+VI.+VII.+VIII.+IX.+X.+XI.+XIV.+XV.+XVI.]	<u>376,994</u>	<u>20,405</u>	<u>356,589</u>
XVII. Balances at June 30, 2017 [III.+XVII.]	4,845,052	66,067	4,778,985

* Recognized Immediately

** Amortized over 5.54 years

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

18. MONEY WEIGHTED RATE OF RETURN

Determination of Beginning & Ending Balances of OPEB Plan Investments for Purposes of Calculating the Annual Money-Weighted Rate of Return		
	Ending OPEB Plan Investments *	Beginning OPEB Plan Investments **
Assets		
Cash and cash equivalents	0	0
Receivables:		
Investment income	0	0
Receivables from brokers for unsettled trades	0	0
Investments		
Fixed income	40,474	26,427
Stocks	60,710	39,640
Cash and cash equivalents	0	0
Real estate	0	0
Alternative investments	0	0
Invested securities lending cash collateral	0	0
Liabilities		
Securities lending cash collateral	0	0
Payable to brokers for unsettled trades	0	0
Total OPEB plan investments	101,184	66,067
* From balances at June 30, 2018 (Projected)		
** From balances at June 30, 2017		

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

18. MONEY WEIGHTED RATE OF RETURN (CONTINUED)

	Plan Investments / Net External	Periods Invested	Period Weight
I. Beginning value - July 1, 2016	45,662	12	1.0000
Monthly net external cash flows:			
July	0	11	0.9167
August	0	10	0.8333
September	0	9	0.7500
October	0	8	0.6667
November	0	7	0.5833
December	20,000	6	0.5000
January	0	5	0.4167
February	0	4	0.3333
March	0	3	0.2500
April	0	2	0.1667
May	0	1	0.0833
<u>June</u>	<u>0</u>	0	0.0000
II. Total net external cash flow	20,000		
III. Earnings and increase in fair value	(701)		
IV. Ending value - June 30, 2017 [I.+II.+III.]	64,961		
Money Weighted Rate of Return	-1.26%		
Asset Value - June 30, 2017	66,067		

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

19. PLAN CASH FLOWS

Aggregate External (Noninvestment Cash Flows)	
<u>June 30, 2018</u>	
Additions	
<u>Contributions</u>	
Member contributions	0
Employer contributions	20,000
Other income	0
Deductions	
Service benefits	0
Disability benefits	0
Death benefits	0
Refunds	0
Administrative expenses	0
Beginning balances of noninvestment-related assets and liabilities *	
Contribution receivable	0
Prepaid expenses	0
Accrued expenses & benefits payable	0
Ending balances of noninvestment-related assets and liabilities **	
Contribution receivable	0
Prepaid expenses	0
Accrued expenses & benefits payable	0
Change in capital assets - depreciation	0
Aggregate external cash flows	20,000
* From balances at June 30, 2018 (Projected)	
** From balances at June 30, 2017	

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

19. PLAN CASH FLOWS (CONTINUED)

Reconciliation of Beginning & Ending Balances of OPEB Plan Investments, Aggregate External Cash Flows, and Net Investment Income	
	<u>June 30, 2018 (Projected)</u>
I. Total OPEB plan investments, beginning of year	66,067
II. Aggregate external cash flows	20,000
III. Net investment income	<u>15,117</u>
IV. Total OPEB plan investments, end of year [I.+II.+III.]	<u><u>101,184</u></u>

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

20. PLAN PROJECTION DISCLOSURES

Projection of Contributions using a June 30, 2017 Valuation Date

Fiscal Year	I. Payroll for current employees	II. Payroll for future employees	III. Total employee payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
2018	2,896,297	0	2,896,297	0	171,732	0	171,732
2019	2,691,948	291,238	2,983,186	0	142,985	0	142,985
2020	2,502,475	570,207	3,072,682	0	147,649	0	147,649
2021	2,392,403	772,459	3,164,862	0	164,826	0	164,826
2022	2,287,261	972,547	3,259,808	0	178,536	0	178,536
2023	2,075,875	1,281,727	3,357,602	0	194,425	0	194,425
2024	1,994,581	1,463,749	3,458,330	0	220,934	0	220,934
2025	1,867,009	1,695,071	3,562,080	0	241,631	0	241,631
2026	1,795,131	1,873,811	3,668,942	0	266,568	0	266,568
2027	1,688,819	2,090,191	3,779,010	0	288,404	0	288,404
2028	1,579,647	2,312,733	3,892,380	0	300,489	0	300,489
2029	1,494,120	2,515,031	4,009,151	0	325,533	0	325,533
2030	1,328,273	2,801,153	4,129,426	0	346,306	2,173	348,479
2031	1,220,937	3,032,372	4,253,309	0	351,683	5,607	357,290
2032	1,110,884	3,270,024	4,380,908	0	380,918	10,657	391,575
2033	1,031,982	3,480,353	4,512,335	0	405,792	17,134	422,926
2034	946,202	3,701,503	4,647,705	0	405,940	24,984	430,924
2035	861,063	3,926,073	4,787,136	0	417,631	32,654	450,285
2036	818,574	4,112,176	4,930,750	0	432,609	40,992	473,601
2037	761,443	4,317,230	5,078,673	0	427,465	50,492	477,957
2038	691,365	4,539,668	5,231,033	0	428,156	59,647	487,803
2039	641,930	4,746,034	5,387,964	0	444,855	69,781	514,636
2040	598,856	4,950,747	5,549,603	0	452,329	81,867	534,196
2041	554,579	5,161,512	5,716,091	0	463,514	98,464	561,978
2042	506,162	5,381,412	5,887,574	0	476,996	119,130	596,126
2043	468,017	5,596,184	6,064,201	0	492,327	142,926	635,253
2044	415,914	5,830,213	6,246,127	0	513,866	170,901	684,767
2045	352,744	6,080,767	6,433,511	0	524,540	197,710	722,250
2046	293,758	6,332,758	6,626,516	0	539,640	227,438	767,078
2047	244,971	6,580,340	6,825,311	0	548,338	258,797	807,135
2048	204,719	6,825,351	7,030,070	0	562,435	290,460	852,895
2049	164,245	7,076,727	7,240,972	0	538,490	324,278	862,768
2050	128,398	7,329,803	7,458,201	0	526,713	359,595	886,308
2051	102,202	7,579,745	7,681,947	0	531,814	400,621	932,435
2052	76,179	7,836,226	7,912,405	0	509,546	445,147	954,693
2053	47,888	8,101,889	8,149,777	0	490,368	492,906	983,274
2054	39,168	8,355,102	8,394,270	0	486,532	545,938	1,032,470
2055	31,711	8,614,387	8,646,098	0	484,629	600,394	1,085,023
2056	26,196	8,879,285	8,905,481	0	471,105	658,620	1,129,725
2057	15,492	9,157,153	9,172,645	0	466,170	719,239	1,185,409

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

Projection of Contributions using a June 30, 2017 Valuation Date (Continued)

Fiscal Year	I. Payroll for current employees	II. Payroll for future employees	III. Total employee payroll [I.+II.]	IV. Contributions from current employees	V. Employer Payments for current plan members	VI. Employer Payments for future employees	VII. Total Payments [IV.+V.+VI.]
2058	13,021	9,434,803	9,447,824	0	461,253	783,552	1,244,805
2059	11,339	9,719,920	9,731,259	0	451,410	851,189	1,302,599
2060	9,287	10,013,910	10,023,197	0	443,182	921,705	1,364,887
2061	7,610	10,316,283	10,323,893	0	433,985	998,117	1,432,102
2062	5,836	10,627,774	10,633,610	0	424,140	1,078,820	1,502,960
2063	0	10,952,618	10,952,618	0	413,315	1,164,335	1,577,650
2064	0	11,281,197	11,281,197	0	402,470	1,255,634	1,658,104
2065	0	11,619,633	11,619,633	0	390,187	1,350,390	1,740,577
2066	0	11,968,222	11,968,222	0	377,283	1,450,628	1,827,911
2067	0	12,327,269	12,327,269	0	363,915	1,556,235	1,920,150
2068	0	12,697,087	12,697,087	0	350,253	1,666,664	2,016,917
2069	0	13,078,000	13,078,000	0	336,325	1,782,572	2,118,897
2070	0	13,470,340	13,470,340	0	322,097	1,903,450	2,225,547
2071	0	13,874,450	13,874,450	0	308,520	2,030,488	2,339,008
2072	0	14,290,684	14,290,684	0	296,437	2,162,863	2,459,300
2073	0	14,719,405	14,719,405	0	283,756	2,301,349	2,585,105
2074	0	15,160,987	15,160,987	0	270,452	2,446,954	2,717,406
2075	0	15,615,817	15,615,817	0	256,400	2,598,868	2,855,268
2076	0	16,084,292	16,084,292	0	241,567	2,758,010	2,999,577
2077	0	16,566,821	16,566,821	0	225,940	2,924,559	3,150,499
2078	0	17,063,826	17,063,826	0	209,536	3,098,710	3,308,246
2079	0	17,575,741	17,575,741	0	192,434	3,280,579	3,473,013
2080	0	18,103,013	18,103,013	0	174,899	3,470,565	3,645,464
2081	0	18,646,103	18,646,103	0	157,248	3,669,721	3,826,969
2082	0	19,205,486	19,205,486	0	139,635	3,877,999	4,017,634
2083	0	19,781,651	19,781,651	0	122,791	4,096,208	4,218,999
2084	0	20,375,101	20,375,101	0	106,651	4,325,094	4,431,745
2085	0	20,986,354	20,986,354	0	91,576	4,565,342	4,656,918
2086	0	21,615,945	21,615,945	0	77,694	4,817,323	4,895,017
2087	0	22,264,423	22,264,423	0	65,260	5,081,825	5,147,085
2088	0	22,932,356	22,932,356	0	54,156	5,359,349	5,413,505
2089	0	23,620,327	23,620,327	0	44,410	5,650,680	5,695,090
2090	0	24,328,937	24,328,937	0	36,003	5,956,391	5,992,394
2091	0	25,058,805	25,058,805	0	28,759	6,277,525	6,306,284
2092	0	25,810,569	25,810,569	0	22,714	6,614,903	6,637,617
2093	0	26,584,886	26,584,886	0	17,663	6,969,313	6,986,976
2094	0	27,382,433	27,382,433	0	13,530	7,341,882	7,355,412
2095	0	28,203,906	28,203,906	0	10,240	7,733,569	7,743,809
2096	0	29,050,023	29,050,023	0	7,659	8,145,277	8,152,936

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

20. PLAN PROJECTION DISCLOSURES (CONTINUED)

Projection of OPEB Plan's Fiduciary Net Position using a June 30, 2017 Valuation Date								
Fiscal Year	I. Projected Beginning Fiduciary Net Position	II. Portion of Employer Contributions for Current Plan Members	III. Total Projected Benefit Payments	IV. Projected Administrative Expense	V. Total Contributions to Trust	VI. Contributions to Trust for Current Plan Members	VII. Projected Investment Earnings	VIII. Projected Ending Fiduciary Net Position for Current Plan Members
2018	66,067	171,732	171,732	0	20,000	20,000	15,117	101,184
2019	101,184	142,985	142,985	0	30,000	27,071	7,340	135,595
2020	135,595	147,649	147,649	0	40,000	32,577	9,830	178,002
2021	178,002	164,826	164,826	0	50,000	37,796	12,826	228,624
2022	228,624	178,536	178,536	0	60,000	42,099	16,342	287,065
2023	287,065	194,425	194,425	0	70,000	43,278	20,353	350,696
2024	350,696	220,934	220,934	0	80,000	46,140	24,692	421,528
2025	421,528	241,631	241,631	0	90,000	47,172	29,488	498,188
2026	498,188	266,568	266,568	0	100,000	48,928	34,652	581,768
2027	581,768	288,404	288,404	0	110,000	49,158	40,254	671,180
2028	671,180	300,489	300,489	0	120,000	48,700	46,225	766,105
2029	766,105	325,533	325,533	0	130,000	48,448	52,546	867,099
2030	867,099	346,306	348,479	0	140,000	45,032	59,250	969,208
2031	969,208	351,683	357,290	0	150,000	43,058	66,026	1,072,685
2032	1,072,685	380,918	391,575	0	160,000	40,572	72,887	1,175,487
2033	1,175,487	405,792	422,926	0	170,000	38,879	79,706	1,276,938
2034	1,276,938	405,940	430,924	0	180,000	36,645	86,440	1,375,039
2035	1,375,039	417,631	450,285	0	190,000	34,175	92,961	1,469,521
2036	1,469,521	432,609	473,601	0	550,000	91,308	110,161	1,629,998
2037	1,629,998	427,465	477,957	0	550,000	82,461	120,319	1,782,286
2038	1,782,286	428,156	487,803	0	550,000	72,691	129,959	1,925,289
2039	1,925,289	444,855	514,636	0	550,000	65,528	139,011	2,060,047
2040	2,060,047	452,329	534,196	0	550,000	59,350	147,541	2,185,071
2041	2,185,071	463,514	561,978	0	550,000	53,361	155,455	2,295,423
2042	2,295,423	476,996	596,126	0	550,000	47,284	162,441	2,386,018
2043	2,386,018	492,327	635,253	0	550,000	42,447	168,175	2,453,714
2044	2,453,714	513,866	684,767	0	550,000	36,623	172,461	2,491,897
2045	2,491,897	524,540	722,250	0	550,000	30,156	174,877	2,499,220
2046	2,499,220	539,640	767,078	0	550,000	24,382	175,341	2,471,505
2047	2,471,505	548,338	807,135	0	550,000	19,740	173,587	2,406,035
2048	2,406,035	562,435	852,895	0	550,000	16,016	169,442	2,301,033
2049	2,301,033	538,490	862,768	0	550,000	12,475	162,796	2,152,026
2050	2,152,026	526,713	886,308	0	550,000	9,469	153,364	1,955,264
2051	1,955,264	531,814	932,435	0	550,000	7,317	140,909	1,702,869
2052	1,702,869	509,546	954,693	0	550,000	5,295	124,932	1,387,949
2053	1,387,949	490,368	983,274	0	0	0	87,857	982,900
2054	982,900	486,532	1,032,470	0	0	0	62,218	499,180
2055	499,180	484,629	1,085,023	0	0	0	31,598	31,598
2056	31,598	471,105	1,129,725	0	0	0	2,000	2,000
2057	2,000	466,170	1,185,409	0	0	0	127	127

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

Projection of OPEB Plan's Fiduciary Net Position using a June 30, 2017 Valuation Date (Continued)

Fiscal Year	I. Projected Beginning Fiduciary Net Position	II. Portion of Employer Contributions for		III. Total Projected Benefit Payments	IV. Projected Administrative Expense	V. Total Contributions to Trust	VI. Contributions to Trust for Current Plan Members	VII. Projected Investment Earnings	VIII. Projected Ending Fiduciary Net Position for Current Plan Members
		Current Plan	Members						
2058	127	461,253		1,244,805	0	0	0	8	8
2059	8	451,410		1,302,599	0	0	0	1	1
2060	1	443,182		1,364,887	0	0	0	0	0
2061	0	433,985		1,432,102	0	0	0	0	0
2062	0	424,140		1,502,960	0	0	0	0	0
2063	0	413,315		1,577,650	0	0	0	0	0
2064	0	402,470		1,658,104	0	0	0	0	0
2065	0	390,187		1,740,577	0	0	0	0	0
2066	0	377,283		1,827,911	0	0	0	0	0
2067	0	363,915		1,920,150	0	0	0	0	0
2068	0	350,253		2,016,917	0	0	0	0	0
2069	0	336,325		2,118,897	0	0	0	0	0
2070	0	322,097		2,225,547	0	0	0	0	0
2071	0	308,520		2,339,008	0	0	0	0	0
2072	0	296,437		2,459,300	0	0	0	0	0
2073	0	283,756		2,585,105	0	0	0	0	0
2074	0	270,452		2,717,406	0	0	0	0	0
2075	0	256,400		2,855,268	0	0	0	0	0
2076	0	241,567		2,999,577	0	0	0	0	0
2077	0	225,940		3,150,499	0	0	0	0	0
2078	0	209,536		3,308,246	0	0	0	0	0
2079	0	192,434		3,473,013	0	0	0	0	0
2080	0	174,899		3,645,464	0	0	0	0	0
2081	0	157,248		3,826,969	0	0	0	0	0
2082	0	139,635		4,017,634	0	0	0	0	0
2083	0	122,791		4,218,999	0	0	0	0	0
2084	0	106,651		4,431,745	0	0	0	0	0
2085	0	91,576		4,656,918	0	0	0	0	0
2086	0	77,694		4,895,017	0	0	0	0	0
2087	0	65,260		5,147,085	0	0	0	0	0
2088	0	54,156		5,413,505	0	0	0	0	0
2089	0	44,410		5,695,090	0	0	0	0	0
2090	0	36,003		5,992,394	0	0	0	0	0
2091	0	28,759		6,306,284	0	0	0	0	0
2092	0	22,714		6,637,617	0	0	0	0	0
2093	0	17,663		6,986,976	0	0	0	0	0
2094	0	13,530		7,355,412	0	0	0	0	0
2095	0	10,240		7,743,809	0	0	0	0	0
2096	0	7,659		8,152,936	0	0	0	0	0

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

20. PLAN PROJECTION DISCLOSURES (CONTINUED)

Actuarial Present Values of Projected Benefit Payments using a June 30, 2017 Valuation Date

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments	Present Value of Unfunded Benefit Payments	Present Value of Benefit Payments using Single Discount Rate
2018	66,067	171,732	66,067	105,665	66,067	105,665	171,732
2019	101,184	142,985	101,184	41,801	95,160	40,533	135,855
2020	135,595	147,649	135,595	12,054	119,931	11,334	133,292
2021	178,002	164,826	164,826	0	137,107	0	141,379
2022	228,624	178,536	178,536	0	139,670	0	145,503
2023	287,065	194,425	194,425	0	143,045	0	150,551
2024	350,696	220,934	220,934	0	152,872	0	162,548
2025	421,528	241,631	241,631	0	157,240	0	168,911
2026	498,188	266,568	266,568	0	163,140	0	177,051
2027	581,768	288,404	288,404	0	165,997	0	182,003
2028	671,180	300,489	300,489	0	162,656	0	180,174
2029	766,105	325,533	325,533	0	165,722	0	185,458
2030	867,099	346,306	346,306	0	165,802	0	187,455
2031	969,208	351,683	351,683	0	158,353	0	180,873
2032	1,072,685	380,918	380,918	0	161,306	0	186,140
2033	1,175,487	405,792	405,792	0	161,609	0	188,408
2034	1,276,938	405,940	405,940	0	152,044	0	179,079
2035	1,375,039	417,631	417,631	0	147,111	0	175,049
2036	1,469,521	432,609	432,609	0	143,315	0	172,286
2037	1,629,998	427,465	427,465	0	133,180	0	161,749
2038	1,782,286	428,156	428,156	0	125,454	0	153,932
2039	1,925,289	444,855	444,855	0	122,588	0	151,961
2040	2,060,047	452,329	452,329	0	117,227	0	146,809
2041	2,185,071	463,514	463,514	0	112,974	0	142,938
2042	2,295,423	476,996	476,996	0	109,339	0	139,761
2043	2,386,018	492,327	492,327	0	106,135	0	137,061
2044	2,453,714	513,866	513,866	0	104,183	0	135,924
2045	2,491,897	524,540	524,540	0	100,016	0	131,829
2046	2,499,220	539,640	539,640	0	96,770	0	128,861
2047	2,471,505	548,338	548,338	0	92,476	0	124,409
2048	2,406,035	562,435	562,435	0	89,207	0	121,245
2049	2,301,033	538,490	538,490	0	80,324	0	110,295
2050	2,152,026	526,713	526,713	0	73,890	0	102,503
2051	1,955,264	531,814	531,814	0	70,165	0	98,335
2052	1,702,869	509,546	509,546	0	63,225	0	89,520
2053	1,387,949	490,368	490,368	0	57,223	0	81,855
2054	982,900	486,532	486,532	0	53,395	0	77,165
2055	499,180	484,629	484,629	0	50,020	0	73,031
2056	31,598	471,105	182,079	289,026	17,674	89,668	67,453
2057	2,000	466,170	146,100	320,070	13,337	96,287	63,418

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

20. PLAN PROJECTION DISCLOSURES (CONTINUED)

Actuarial Present Values of Projected Benefit Payments using a June 30, 2017 Valuation Date (Continued)

Fiscal Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments	Present Value of Unfunded Benefit Payments	Present Value of Benefit Payments using Single Discount Rate
2058	127	461,253	101,565	359,688	8,720	104,923	59,620
2059	8	451,410	137,456	313,954	11,099	88,805	55,439
2060	1	443,182	133,808	309,374	10,161	84,855	51,714
2061	0	433,985	129,708	304,277	9,263	80,926	48,116
2062	0	424,140	125,800	298,340	8,449	76,940	44,680
2063	0	413,315	121,774	291,541	7,692	72,906	41,368
2064	0	402,470	117,593	284,877	6,986	69,079	38,274
2065	0	390,187	113,775	276,412	6,357	64,993	35,256
2066	0	377,283	109,121	268,162	5,734	61,141	32,390
2067	0	363,915	104,617	259,298	5,170	57,327	29,685
2068	0	350,253	100,228	250,025	4,658	53,600	27,146
2069	0	336,325	95,724	240,601	4,184	50,015	24,766
2070	0	322,097	91,252	230,845	3,751	46,532	22,536
2071	0	308,520	86,882	221,638	3,359	43,321	20,510
2072	0	296,437	83,095	213,342	3,021	40,435	18,724
2073	0	283,756	79,325	204,431	2,712	37,570	17,029
2074	0	270,452	75,325	195,127	2,422	34,773	15,421
2075	0	256,400	71,191	185,209	2,153	32,004	13,891
2076	0	241,567	66,787	174,780	1,900	29,286	12,435
2077	0	225,940	62,164	163,776	1,663	26,610	11,051
2078	0	209,536	57,353	152,183	1,443	23,976	9,737
2079	0	192,434	52,366	140,068	1,239	21,398	8,497
2080	0	174,899	47,289	127,610	1,052	18,904	7,337
2081	0	157,248	42,223	115,025	884	16,523	6,268
2082	0	139,635	37,254	102,381	733	14,260	5,288
2083	0	122,791	32,550	90,241	602	12,188	4,419
2084	0	106,651	28,115	78,536	489	10,286	3,646
2085	0	91,576	24,028	67,548	393	8,578	2,975
2086	0	77,694	20,314	57,380	313	7,066	2,398
2087	0	65,260	17,018	48,242	246	5,760	1,914
2088	0	54,156	14,101	40,055	192	4,638	1,509
2089	0	44,410	11,555	32,855	148	3,689	1,176
2090	0	36,003	9,369	26,634	113	2,900	906
2091	0	28,759	7,488	21,271	85	2,246	687
2092	0	22,714	5,921	16,793	63	1,719	516
2093	0	17,663	4,612	13,051	46	1,295	381
2094	0	13,530	3,539	9,991	33	962	277
2095	0	10,240	2,684	7,556	24	705	199
2096	0	7,659	2,013	5,646	17	511	142

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Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

21. CHANGES TO NET OPEB EXPENSE

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of differences between expected & actual experience								
Fiscal Year	Differences between actual & expected experience		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	Recognition Period (years)							
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018	118,520	5.54	<u>0</u>	<u>21,394</u>	<u>21,394</u>	<u>21,394</u>	<u>21,394</u>	<u>21,394</u>
Net increase (decrease) in OPEB expense			0	21,394	21,394	21,394	21,394	21,394

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Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

21. CHANGES TO NET OPEB EXPENSE (CONTINUED)

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of the effects of Changes in Assumptions								
Fiscal Year	Differences from changes in		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	Actuarial Assumptions	Recognition Period (years)						
2009								
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018	0	5.54	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in OPEB expense			0	0	0	0	0	0

EXHIBIT A

Financial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)

21. CHANGES TO NET OPEB EXPENSE (CONTINUED)

Deferred (Inflows)/Outflows in OPEB Expense arising from the recognition of differences between Projected & Actual Earnings on OPEB Plan Investments									
Fiscal Year	Differences between actual & expected		Recognition Period (years)	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	experience								
2009									
2010									
2011									
2012									
2013									
2014									
2015									
2016									
2017									
2018	3,109	5.00		<u>0</u>	<u>622</u>	<u>622</u>	<u>622</u>	<u>622</u>	<u>622</u>
Net increase (decrease) in OPEB expense				0	622	622	622	622	622

EXHIBIT AFinancial Statement Disclosure
(As of the June 30, 2017 Measurement Date)
(continued)**22. Impact of Patient Protection and Affordable Care Act ("PPACA") Excise Tax**

Under the Patient Protection and Affordable Care Act ("PPACA"), an excise tax will be imposed for tax years beginning after December 31, 2021 (formerly December 31, 2017, but amended by Congressional Legislation) for high cost employer sponsored health coverage. The law specifies a 40% excise tax, to be paid by the provider of such coverage, of the excess value beyond a basic dollar amount plus an additional "kicker" for qualified retirees or those engaged in a high risk profession. The projected 2022 threshold amounts are \$12,511 for single coverage and \$32,676 for family coverage and a "kicker" amount of \$1,650 for single coverage and \$3,450 for family coverage.

For the fiscal year ending June 30, 2018, the TOL for the excise tax is \$6,456 and the increase in OPEB Expense is \$1,187. Given your premiums through the 2018 fiscal year and the excise tax threshold, your average single premiums are \$4,581 below the excise tax threshold and your average family premiums are \$13,111 below the excise tax threshold. As more regulatory guidance becomes available, the calculation of the excise tax liability will evolve.

EXHIBIT B

Required Supplementary Information
(As of the June 30, 2017 Measurement Date)

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2017.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2017.
<u>Actuarial Assumptions:</u>	
Investment Rate of Return:	6.33%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate	3.13% as of June 30, 2017 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Single Equivalent Discount Rate:	5.25%, net of OPEB plan investment expense, including inflation.
Inflation:	2.75% as of June 30, 2017 and for future periods
Salary Increases:	3.00% annually as of June 30, 2017 and for future periods
Cost of Living Adjustment:	Not Applicable
Pre-Retirement Mortality:	RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Post-Retirement Mortality:	RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Disabled Mortality:	RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year 2012 for males and females

EXHIBIT BRequired Supplementary Information
(As of the June 30, 2017 Measurement Date)
(continued)Notes to Required Supplementary Information (Continued):Plan Membership

Plan Membership: At June 30, 2017, OPEB plan membership consisted of the following

Inactive employees or beneficiaries currently receiving benefits:	29
Active Employees:	<u>47</u>
Total:	76

Changes in Assumptions: Effective June 30, 2017

- Discount rate is 5.25% previously 4.00%

EXHIBIT B

Required Supplementary Information
(As of the June 30, 2017 Measurement Date)
(continued)

Notes to Required Supplementary Information (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources Arising between Expected & Actual Experience					
Fiscal Year	Experience Losses	Experience Gains	Amounts recognized in OPEB Expense through June 30, 2018	Balances at June 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
2014				0	0
2015				0	0
2016				0	0
2017				0	0
2018	118,520	0	0	118,520	0
Total				118,520	0

EXHIBIT B

Required Supplementary Information
(As of the June 30, 2017 Measurement Date)
(continued)

Notes to Required Supplementary Information (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions					
Fiscal Year	Increase in the Total OPEB Liability	Decrease in the Total OPEB Liability	Amounts recognized in OPEB Expense through June 30, 2018	Balances at June 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
2014				0	0
2015				0	0
2016				0	0
2017				0	0
2018	0	0	0	0	0
Total				0	0

EXHIBIT B

Required Supplementary Information
(As of the June 30, 2017 Measurement Date)
(continued)

Notes to Required Supplementary Information (Continued):

Deferred Outflows of Resources and Deferred Inflows of Resources between Projected & Actual Earnings on OPEB Plan Investments					
Fiscal Year	Increase in the Total OPEB Liability	Decrease in the Total OPEB Liability	Amounts recognized in OPEB Expense through June 30, 2018	Balances at June 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2009				0	0
2010				0	0
2011				0	0
2012				0	0
2013				0	0
2014				0	0
2015				0	0
2016				0	0
2017				0	0
2018	3,109	0	0	3,109	0
Total				3,109	0

EXHIBIT B

Required Supplementary Information
(As of the June 30, 2017 Measurement Date)
(continued)

Notes to Required Supplementary Information (Continued):

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2018		
	Deferred Outflows of Resources	Deferred Inflows of Resources
I. Differences between actual & expected experience	118,520	0
II. Changes of assumptions	0	0
III. Net difference between projected & actual earnings on OPEB plan investments	<u>3,109</u>	<u>0</u>
IV. Total [I.+II.+III.]	121,629	0
Year ended June 30:		
	2019	22,016
	2020	22,016
	2021	22,016
	2022	22,016
	2023	22,016
	Thereafter	11,549

EXHIBIT BRequired Supplementary Information
(As of the June 30, 2017 Measurement Date)
(continued)Notes to Required Supplementary Information (Continued):Contributions:

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town contributed \$20,000 beyond the pay-as-you-go cost for the period ending on the June 30, 2017 Measurement Date. For the year ending on the June 30, 2017 Measurement Date total Town premiums plus implicit costs for the retiree medical program were \$171,732 .

EXHIBIT C

Reconciliation of Plan Participation
(As of the June 30, 2017 Valuation Date)

ACTIVE EMPLOYEES

	<u>June 30, 2017</u>	<u>June 30, 2015</u>
A. Average Age at Hire	38.12	39.54
B. Average Service	<u>10.61</u>	<u>9.09</u>
C. Average Current Age	48.73	48.63

RETIRED EMPLOYEES & DEPENDENTS

	<u>June 30, 2017</u>	<u>June 30, 2015</u>
I. Retirees		
A. Under Age 65	3	3
B. Age 65 & Over	<u>15</u>	<u>16</u>
C. Total Retirees	18	19
II. Dependents of Retirees		
A. Under Age 65	2	3
B. Age 65 & Over	<u>9</u>	<u>9</u>
C. Total Retirees	11	12
III. Retirees & Dependents		
A. Under Age 65	5	6
B. Age 65 & Over	<u>24</u>	<u>25</u>
C. Total Retirees	29	31

EXHIBIT D

Projected Cash Flows (Open Group) – Partial Funding Approach

Total Medical, Dental & Life Insurance - Partial Funding - 5.25% discount rate

For the Fiscal Year	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with expected 6.33% return	III. Net OPEB Liability (Asset) [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Premiums / Claims	VII. Excess Employer Payments (beyond claims)	VIII. Total Employer Payments [VI. + VII.]
2018	4,845,052	66,067	4,778,985	1.36%	190,103	171,732	20,000	191,732
2019	5,147,673	101,184	5,046,489	1.97%	185,220	142,983	30,000	172,983
2020	5,457,205	148,836	5,308,369	2.73%	194,811	147,649	40,000	187,649
2021	5,781,126	209,816	5,571,310	3.63%	203,478	164,826	50,000	214,826
2022	6,119,544	284,967	5,834,577	4.66%	214,859	178,536	60,000	238,536
2023	6,469,244	375,187	6,094,057	5.80%	224,632	194,425	70,000	264,425
2024	6,813,942	481,429	6,332,513	7.07%	228,748	220,934	80,000	300,934
2025	7,175,099	604,708	6,570,391	8.43%	247,600	241,631	90,000	331,631
2026	7,535,400	746,102	6,789,298	9.90%	253,560	266,568	100,000	366,568
2027	7,908,651	906,758	7,001,893	11.47%	269,491	288,404	110,000	398,404
2028	8,302,106	1,087,896	7,214,210	13.10%	282,356	300,489	120,000	420,489
2029	8,703,476	1,290,811	7,412,665	14.83%	295,086	325,533	130,000	455,533
2030	9,117,440	1,516,882	7,600,558	16.64%	309,823	348,479	140,000	488,479
2031	9,553,449	1,767,575	7,785,874	18.50%	319,412	357,290	150,000	507,290
2032	9,999,510	2,044,449	7,955,061	20.45%	340,887	391,575	160,000	551,575
2033	10,452,010	2,349,161	8,102,849	22.48%	355,755	422,926	170,000	592,926
2034	10,939,177	2,683,472	8,255,705	24.53%	374,543	430,924	180,000	610,924
2035	11,428,340	3,049,257	8,379,083	26.68%	391,860	450,285	190,000	640,285
2036	11,957,946	3,809,415	8,148,531	31.86%	408,961	473,601	550,000	1,023,601
2037	12,531,490	4,617,691	7,913,799	36.85%	429,351	477,957	550,000	1,027,957
2038	13,065,932	5,477,131	7,588,801	41.92%	448,911	487,803	550,000	1,037,803
2039	13,654,872	6,390,974	7,263,898	46.80%	468,160	514,636	550,000	1,064,636
2040	14,296,943	7,362,663	6,934,280	51.50%	491,074	534,196	550,000	1,084,196
2041	14,993,197	8,395,860	6,597,337	56.00%	514,184	561,978	550,000	1,111,978
2042	15,715,063	9,494,458	6,220,605	60.42%	537,904	596,126	550,000	1,146,126
2043	16,461,745	10,662,598	5,799,147	64.77%	564,397	635,253	550,000	1,185,253
2044	17,216,497	11,904,681	5,311,816	69.15%	592,913	684,767	550,000	1,234,767
2045	18,012,236	13,225,388	4,786,848	73.42%	622,429	722,250	550,000	1,272,250
2046	18,824,376	14,629,695	4,194,681	77.72%	654,436	767,078	550,000	1,317,078
2047	19,686,983	16,122,895	3,564,088	81.90%	690,101	807,135	550,000	1,357,135
2048	20,585,903	17,710,615	2,875,288	86.03%	727,023	852,895	550,000	1,402,895
2049	21,560,456	19,398,837	2,161,619	89.97%	764,968	862,768	550,000	1,412,768

EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - 6.50% discount rate increasing at 0.00% per year

For the Fiscal Year	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with expected 6.33% return	III. Net OPEB Liability (Asset) ("NOL") [I. - II.]	IV Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Premiums / Claims	VII. Annual Funding / (Payments)	VIII. Total Employer Payments [VI. + VII.]
2018	4,072,269	66,067	4,006,202	1.62%	140,997	171,732	204,700	376,432
2019	4,332,772	281,328	4,051,444	6.49%	137,374	142,983	204,700	347,683
2020	4,613,509	510,215	4,103,294	11.06%	144,615	147,649	204,700	352,349
2021	4,900,729	753,591	4,147,138	15.38%	151,036	164,826	204,700	369,526
2022	5,201,003	1,012,373	4,188,630	19.46%	159,573	178,536	204,700	383,236
2023	5,511,575	1,287,536	4,224,039	23.36%	166,955	194,425	204,700	399,125
2024	5,815,898	1,580,116	4,235,782	27.17%	169,298	220,934	204,700	425,634
2025	6,132,163	1,891,217	4,240,946	30.84%	183,457	241,631	204,700	446,331
2026	6,445,977	2,222,010	4,223,967	34.47%	187,377	266,568	204,700	471,268
2027	6,768,998	2,573,743	4,195,255	38.02%	199,465	288,404	204,700	493,104
2028	7,110,603	2,947,740	4,162,863	41.46%	209,152	300,489	204,700	505,189
2029	7,456,999	3,345,411	4,111,588	44.86%	218,588	325,533	204,700	530,233
2030	7,812,384	3,768,255	4,044,129	48.23%	229,468	348,479	204,700	553,179
2031	8,189,241	4,217,865	3,971,376	51.50%	236,064	357,290	204,700	561,990
2032	8,569,605	4,695,935	3,873,670	54.80%	252,248	391,575	204,700	596,275
2033	8,951,815	5,204,267	3,747,548	58.14%	263,229	422,926	204,700	627,626
2034	9,365,818	5,744,776	3,621,042	61.34%	277,241	430,924	204,700	635,624
2035	9,782,914	6,319,500	3,463,414	64.60%	290,047	450,285	204,700	654,985
2036	10,231,883	6,930,604	3,301,279	67.74%	302,575	473,601	204,700	678,301
2037	10,722,422	7,580,391	3,142,031	70.70%	317,503	477,957	204,700	682,657
2038	11,191,039	8,271,309	2,919,730	73.91%	331,782	487,803	204,700	692,503
2039	11,701,838	9,005,962	2,695,876	76.96%	345,884	514,636	204,700	719,336
2040	12,255,801	9,787,119	2,468,682	79.86%	362,648	534,196	204,700	738,896
2041	12,854,579	10,617,723	2,236,856	82.60%	379,475	561,978	204,700	766,678
2042	13,473,615	11,500,904	1,972,711	85.36%	396,700	596,126	204,700	800,826
2043	14,110,793	12,439,991	1,670,802	88.16%	416,067	635,253	204,700	839,953
2044	14,751,543	13,438,522	1,313,021	91.10%	436,919	684,767	204,700	889,467
2045	15,421,558	14,500,260	921,298	94.03%	458,529	722,250	204,700	926,950
2046	16,104,240	15,629,206	475,034	97.05%	482,073	767,078	204,700	971,778
2047	16,822,184	16,829,614	(7,430)	100.04%	508,335	807,135	204,700	1,011,835
2048	17,565,447	18,106,008	(540,561)	103.08%	535,445	852,895	0	852,895
2049	18,377,595	19,252,118	(874,523)	104.76%	563,231	862,768	0	862,768

EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Total Medical, Dental & Life Insurance - 6.50% discount rate and increasing at 3.00% per year

For the Fiscal Year	I. Total OPEB Liability ("TOL") as of Measurement Date	II. Fiduciary Net Position as of Measurement Date with expected 6.33% return	III. Net OPEB Liability (Asset) ("NOL") [I. - II.]	IV. Funded Ratio [II. / I.]	V. Service Cost	VI. Employer Share of Premiums / Claims	VII. Annual Funding / (Payments)	VIII. Total Employer Payments [VI. + VII.]
2018	4,072,269	66,067	4,006,202	1.62%	148,428	171,732	152,000	323,732
2019	4,332,772	226,986	4,105,786	5.24%	144,615	142,983	156,560	299,543
2020	4,613,509	402,793	4,210,716	8.73%	151,036	147,649	161,257	308,906
2021	4,900,729	594,572	4,306,157	12.13%	190,103	164,826	166,095	330,921
2022	5,201,003	803,480	4,397,523	15.45%	137,374	178,536	171,078	349,614
2023	5,511,575	1,030,750	4,480,825	18.70%	144,615	194,425	176,210	370,635
2024	5,815,898	1,277,698	4,538,200	21.97%	151,036	220,934	181,496	402,430
2025	6,132,163	1,545,728	4,586,435	25.21%	159,573	241,631	186,941	428,572
2026	6,445,977	1,836,339	4,609,638	28.49%	166,955	266,568	192,549	459,117
2027	6,768,998	2,151,129	4,617,869	31.78%	169,298	288,404	198,325	486,729
2028	7,110,603	2,491,801	4,618,802	35.04%	183,457	300,489	204,275	504,764
2029	7,456,999	2,860,173	4,596,826	38.36%	187,377	325,533	210,403	535,936
2030	7,812,384	3,258,182	4,554,202	41.71%	199,465	348,479	216,715	565,194
2031	8,189,241	3,687,894	4,501,347	45.03%	209,152	357,290	223,216	580,506
2032	8,569,605	4,151,510	4,418,095	48.44%	218,588	391,575	229,912	621,487
2033	8,951,815	4,651,378	4,300,437	51.96%	229,468	422,926	236,809	659,735
2034	9,365,818	5,189,999	4,175,819	55.41%	236,064	430,924	243,913	674,837
2035	9,782,914	5,770,040	4,012,874	58.98%	252,248	450,285	251,230	701,515
2036	10,231,883	6,394,343	3,837,540	62.49%	263,229	473,601	258,767	732,368
2037	10,722,422	7,065,936	3,656,486	65.90%	277,241	477,957	266,530	744,487
2038	11,191,039	7,788,046	3,402,993	69.59%	290,047	487,803	274,526	762,329
2039	11,701,838	8,564,111	3,137,727	73.19%	302,575	514,636	282,762	797,398
2040	12,255,801	9,397,793	2,858,008	76.68%	317,503	534,196	291,245	825,441
2041	12,854,579	10,292,995	2,561,584	80.07%	331,782	561,978	299,982	861,960
2042	13,473,615	11,253,872	2,219,743	83.53%	345,884	596,126	308,981	905,107
2043	14,110,793	12,284,852	1,825,941	87.06%	362,648	635,253	318,250	953,503
2044	14,751,543	13,390,651	1,360,892	90.77%	379,475	684,767	327,798	1,012,565
2045	15,421,558	14,576,293	845,265	94.52%	396,700	722,250	337,632	1,059,882
2046	16,104,240	15,847,126	257,114	98.40%	416,067	767,078	347,761	1,114,839
2047	16,822,184	17,208,848	(386,664)	102.30%	436,919	807,135	257,114	1,064,249
2048	17,565,447	18,563,295	(997,848)	105.68%	458,529	852,895	0	852,895
2049	18,377,595	19,738,352	(1,360,757)	107.40%	482,073	862,768	0	862,768

EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Town of Wenham

OPEB Projection of Funding Annual Service Cost and Impact on Unfunded Obligation

Total Medical, Dental & Life Insurance - Funding Annual Service Cost - 5.25% discount rate

Measurement Date	I. Total OPEB Liability	II. Service Cost	III. Employer Share of Premiums / Claims including "implicit cost"	IV. Funding Service Cost beyond claims	V. Total Funding Costs [III. + IV.]	VI. Present Value at 3.00% of Employer Share of Premiums / Claims including "implicit cost"	VII. Present Value at 3.00% of Funding Service Cost beyond claims	VIII. Present Value at 3.00% of Total Funding Costs [VI. + VII.]	IX. Fiduciary Net Position at Beginning of year	X. Net OPEB Liability (Asset) [I. - IX.]	XI. Present Value at 3.00% of Net OPEB Liability (Asset)
June 30, 2017	4,845,052	190,103	171,732	18,371	190,103	171,732	18,371	190,103	66,067	4,778,985	4,778,985
June 30, 2018	5,147,673	185,220	142,983	42,237	185,220	138,818	41,007	179,825	87,907	5,059,766	4,912,394
June 30, 2019	5,457,205	194,811	147,649	47,162	194,811	139,173	44,455	183,628	134,759	5,322,446	5,016,916
June 30, 2020	5,781,126	203,478	164,826	38,652	203,478	150,839	35,372	186,211	188,996	5,592,130	5,117,591
June 30, 2021	6,119,544	214,859	178,536	36,323	214,859	158,627	32,273	190,900	237,570	5,881,974	5,226,058
June 30, 2022	6,469,244	224,632	194,425	30,207	224,632	167,713	26,057	193,770	286,365	6,182,879	5,333,406
June 30, 2023	6,813,942	228,748	220,934	7,814	228,748	185,029	6,544	191,573	331,606	6,482,336	5,428,854
June 30, 2024	7,175,099	247,600	241,631	5,969	247,600	196,468	4,853	201,321	356,829	6,818,270	5,543,877
June 30, 2025	7,535,400	253,560	266,568	(13,008)	253,560	210,431	(10,269)	200,162	381,532	7,153,868	5,647,329
June 30, 2026	7,908,651	269,491	288,404	(18,913)	269,491	221,038	(14,495)	206,543	388,554	7,520,097	5,763,528
June 30, 2027	8,302,106	282,356	300,489	(18,133)	282,356	223,592	(13,493)	210,099	390,040	7,912,066	5,887,320
June 30, 2028	8,703,476	295,086	325,533	(30,447)	295,086	235,172	(21,996)	213,176	392,384	8,311,092	6,004,110
June 30, 2029	9,117,440	309,823	348,479	(38,656)	309,823	244,416	(27,113)	217,303	382,537	8,734,903	6,126,485
June 30, 2030	9,553,449	319,412	357,290	(37,878)	319,412	243,297	(25,793)	217,504	363,964	9,189,485	6,257,592
June 30, 2031	9,999,510	340,887	391,575	(50,688)	340,887	258,877	(33,511)	225,366	345,194	9,654,316	6,382,640
June 30, 2032	10,452,010	355,755	422,926	(67,171)	355,755	271,460	(43,115)	228,345	312,629	10,139,381	6,508,083
June 30, 2033	10,939,177	374,543	430,924	(56,381)	374,543	268,538	(35,135)	233,403	261,871	10,677,306	6,653,744
June 30, 2034	11,428,340	391,860	450,285	(58,425)	391,860	272,430	(35,348)	237,082	219,238	11,209,102	6,781,691
June 30, 2035	11,957,946	408,961	473,601	(64,640)	408,961	278,191	(37,969)	240,222	172,323	11,785,623	6,922,811
June 30, 2036	12,531,490	429,351	477,957	(48,606)	429,351	272,572	(27,719)	244,853	116,730	12,414,760	7,079,964
June 30, 2037	13,065,932	448,911	487,803	(38,892)	448,911	270,085	(21,534)	248,551	74,252	12,991,680	7,193,178
June 30, 2038	13,654,872	468,160	514,636	(46,476)	468,160	276,642	(24,983)	251,659	39,258	13,615,614	7,319,063
June 30, 2039	14,296,943	491,074	534,196	(43,122)	491,074	278,793	(22,505)	256,288	0	14,296,943	7,461,467
June 30, 2040	14,993,197	514,184	561,978	(47,794)	514,184	284,750	(24,217)	260,533	0	14,993,197	7,596,929
June 30, 2041	15,715,063	537,904	596,126	(58,222)	537,904	293,254	(28,641)	264,613	0	15,715,063	7,730,770
June 30, 2042	16,461,745	564,397	635,253	(70,856)	564,397	303,400	(33,841)	269,559	0	16,461,745	7,862,221
June 30, 2043	17,216,497	592,913	684,767	(91,854)	592,913	317,523	(42,592)	274,931	0	17,216,497	7,983,199
June 30, 2044	18,012,236	622,429	722,250	(99,821)	622,429	325,149	(44,938)	280,211	0	18,012,236	8,108,912
June 30, 2045	18,824,376	654,436	767,078	(112,642)	654,436	335,272	(49,233)	286,039	0	18,824,376	8,227,697
June 30, 2046	19,686,983	690,101	807,135	(117,034)	690,101	342,505	(49,663)	292,842	0	19,686,983	8,354,100
June 30, 2047	20,585,903	727,023	852,895	(125,872)	727,023	351,381	(51,858)	299,523	0	20,585,903	8,481,119

EXHIBIT E

Projected Cash Flows (Open Group) – Funded Approach

Total Medical & Life Insurance - Partial Funding

Measurement Date	Number of Retirees, Spouses & Surviving Spouses	Total OPEB Liability	Present Value at 3.00% of Total OPEB Liability	Employer Share of Premiums / Claims including "implicit cost"	Present Value at 3.00% of Employer Share of Premiums / Claims including "implicit cost"
June 30, 2017	29	4,845,052	4,845,052	171,732	171,732
June 30, 2018	32	5,147,673	4,997,741	142,983	138,818
June 30, 2019	33	5,457,205	5,143,939	147,649	139,173
June 30, 2020	33	5,781,126	5,290,549	164,826	150,839
June 30, 2021	34	6,119,544	5,437,136	178,536	158,627
June 30, 2022	35	6,469,244	5,580,427	194,425	167,713
June 30, 2023	38	6,813,942	5,706,569	220,934	185,029
June 30, 2024	39	7,175,099	5,834,012	241,631	196,468
June 30, 2025	40	7,535,400	5,948,514	266,568	210,431
June 30, 2026	41	7,908,651	6,061,322	288,404	221,038
June 30, 2027	42	8,302,106	6,177,547	300,489	223,592
June 30, 2028	43	8,703,476	6,287,576	325,533	235,172
June 30, 2029	44	9,117,440	6,394,789	348,479	244,416
June 30, 2030	45	9,553,449	6,505,434	357,290	243,297
June 30, 2031	45	9,999,510	6,610,854	391,575	258,877
June 30, 2032	46	10,452,010	6,708,747	422,926	271,460
June 30, 2033	47	10,939,177	6,816,933	430,924	268,538
June 30, 2034	47	11,428,340	6,914,334	450,285	272,430
June 30, 2035	47	11,957,946	7,024,033	473,601	278,191
June 30, 2036	47	12,531,490	7,146,534	477,957	272,572
June 30, 2037	47	13,065,932	7,234,290	487,803	270,085
June 30, 2038	47	13,654,872	7,340,167	514,636	276,642
June 30, 2039	47	14,296,943	7,461,467	534,196	278,793
June 30, 2040	47	14,993,197	7,596,929	561,978	284,750
June 30, 2041	47	15,715,063	7,730,770	596,126	293,254
June 30, 2042	47	16,461,745	7,862,221	635,253	303,400
June 30, 2043	47	17,216,497	7,983,199	684,767	317,523
June 30, 2044	47	18,012,236	8,108,912	722,250	325,149
June 30, 2045	48	18,824,376	8,227,697	767,078	335,272
June 30, 2046	48	19,686,983	8,354,100	807,135	342,505
June 30, 2047	48	20,585,903	8,481,119	852,895	351,381
June 30, 2048	48	21,560,456	8,623,905	862,768	345,096
June 30, 2049	48	22,602,763	8,777,490	886,308	344,186
June 30, 2050	48	23,707,651	8,938,407	932,435	351,552
June 30, 2051	48	24,881,300	9,107,673	954,693	349,461
June 30, 2052	48	26,206,546	9,313,371	983,274	349,439
June 30, 2053	48	27,529,537	9,498,583	1,032,470	356,236
June 30, 2054	48	28,922,359	9,688,497	1,085,023	363,464
June 30, 2055	48	30,398,314	9,886,327	1,129,725	367,416
June 30, 2056	48	32,060,547	10,123,231	1,185,409	374,297

EXHIBIT F**GLOSSARY**

Accrual Accounting - A system of accounting in which revenues are recorded when earned and outlays are recorded when goods are received or services performed, even though the actual receipt of revenues and payment for goods or services may occur, in whole or in part, at a different time.

Actuarially Determined Contribution - Amount of funding required annually to fully fund plan benefits. Determined by the actuary using a consistent methodology.

Amortization - Allows the recognition of liability over a fixed period of time.

Cash Basis Accounting - A system of accounting in which revenues are recorded when received and outlays are recorded when payment is made.

Deferred Inflows/Outflows of Resources - Amounts arising from experience gains and losses that have not been recognized into the OPEB Expense, but will be recognized in the future.

Discount Rate - The interest rate used to calculate the present value of future cash flows. Under GASB 75, the rate should be the expected long term rate of return on investments for a plan that is being fully funded, the 20 year municipal bond index for a pay-as-you-go plan, and a blend of the two rates for a plan that is being partially funded.

Fiduciary Net Position - The value of cash, investments, other assets and property belonging to an OPEB trust.

GASB - Government Accounting Standards Board. "The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities."

Implicit Subsidy - The liability that arises because retirees who are not eligible for Medicare are charged the same premium as active employees even though their actual medical costs are higher on average.

Irrevocable Contribution - The transfer of assets to a qualified trust in which assets may only be withdrawn for the purpose of providing retiree other post employment benefits.

EXHIBIT F**GLOSSARY***(continued)*

Net OPEB Liability (NOL) - Total OPEB Liability less the Fiduciary Net Position.

Other Post Employment Benefits (OPEB) - Benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee.

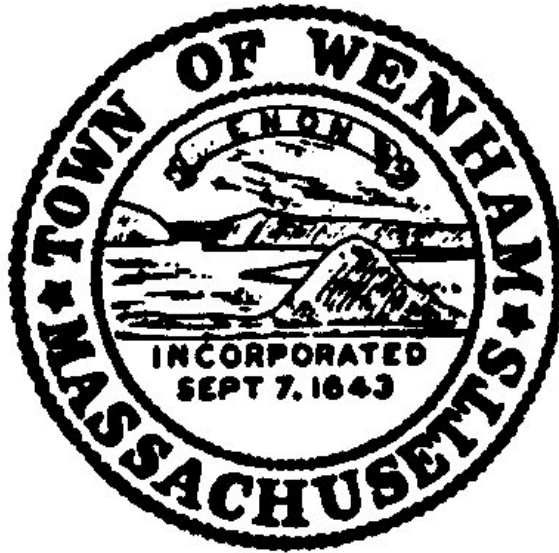
OPEB Trust - An entity which holds assets for the sole purpose of funding OPEB. All contributions and earnings within this entity must be irrevocable and protected from creditors.

Pay-as-you-go funding - Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

Service Cost - The actuarially determined present value contribution needed to fund benefits which are earned for employee service rendered during the current year. Service cost depends on many factors, including the interest rate used to discount future cashflows, and expected inflation.

Total OPEB Liability (TOL) - That portion, as determined by the Individual Entry Age Normal Actuarial Cost Method, of the Actuarial Present Value of benefits and expenses which are not provided for by future Service Costs.

Town of Wenham Massachusetts



Glossary & Municipal Finance Terminology

Board of Selectmen

Jack Wilhelm, Chair

Catherine Harrison, Vice-Chair

John Clemenzi, Clerk

Town Administrator

Peter Lombardi

Finance Committee

Alexander Begin, Chair

Mike Therrien, Vice-Chair

Carrie Jelsma

David Molitano

James Purdy

Finance Director

Leslie Davidson

GLOSSARY & 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:

APPROPRIATION:

An authorization granted by a town meeting, city council or other legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

AUDIT:

An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool for evaluating the fiscal performance of a community.

BALANCE SHEET:

A statement that discloses the assets, liabilities, reserves, and equities of a fund or governmental unit at a specified date.

BOND RATING (MUNICIPAL):

A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is very low.

BOS: This stands for Board of Selectmen.

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):

\$373,152

(\$200,500 in Article 6) (\$172,652 in Operating Budget)

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 3).

CHAPTER 70 SCHOOL AID:

Chapter 70 refers to the school funding formula created under the Education Reform Act of 1993 by which state aid is distributed through the Cherry Sheet to help establish educational equity among municipal and regional school districts.

CHAPTER 90 HIGHWAY FUNDS:

State funds derived from periodic transportation bond authorizations and apportioned to communities for highway projects based on a formula under the provisions of MGL Ch. 90 §34. The Chapter 90 formula comprises three variables: local road mileage (58.33 percent) as certified by the Massachusetts Highway Department (MHD), local employment level (20.83 percent) derived the Department of Employment and Training (DET), and population estimates (20.83 percent) from the US Census Bureau. Local highway projects are approved in advance. Later, on the submission of certified expenditure reports to MHD, communities receive cost reimbursements to the limit of the grant.

CHAPTER LAND:

Forest, agricultural/horticultural, and recreational lands classified, valued and taxed according to MGL Chapters 61, 61A, and 61B. Land is valued at its current use rather than the full and fair cash value. The commercial property tax rate is applicable for land defined under these chapters, unless the community adopts a local option provision within each chapter to apply the open space rate.

CHERRY SHEET:

\$235,501

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.

CLASSIFICATION OF THE TAX RATE:

Each year, the selectmen or city council vote whether to exercise certain tax rate options. Those options include choosing a residential factor (MGL Ch. 40 §56), and determining whether to offer an open space discount, a residential exemption (Ch. 59, §5C), and/or a small commercial exemption (Ch. 59, §5I) to property owners.

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)

COMMUNITY PRESERVATION FUND:

A special revenue fund established pursuant to MGL Ch. 44B to receive all monies collected to support a community preservation program, including but not limited to, tax surcharge receipts, proceeds from borrowings, funds received from the Commonwealth, and proceeds from the sale of certain real estate.

COST OF LIVING ADJUSTMENT (COLA):

It is often used in municipal contracts that provide for annual or periodic increases in salaries and wages for employees over the course of the contract. The amount of an increase is most often negotiated based on a community's ability to pay, but is sometimes tied to the annual change in a specified index, i.e., consumer price index (CPI).

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.

EXCESS AND DEFICIENCY (E&D):

Also called the "surplus revenue" account, this is the amount by which cash, accounts receivable, and other assets exceed a regional school district's liabilities and reserves as certified by the Director of Accounts. The calculation is based on a year-end balance sheet, which is submitted to DOR by the district's auditor, accountant, or comptroller as of June 30. The regional school committee must apply certified amounts exceeding five percent of the district's prior year operating and capital costs to reduce the assessment on member cities and towns. Important: E&D is not available for appropriation until certified by the Director of Accounts.

EXCESS LEVY CAPACITY:

The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the board of selectmen or city council must be informed of excess levy capacity and their acknowledgment must be submitted to DOR when setting the tax rate.

FINCOM: This stands for Finance and Advisory Committee.

FREE CASH (FY 2017):

\$1,232,635

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.

FULL AND FAIR CASH VALUE (FFCV):

Fair cash value has been defined by the Massachusetts Supreme Judicial Court as "fair market value, which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and cannot exceed the sum that the owner after reasonable effort could obtain for his property. A valuation limited to what the property is worth to the purchaser is not market value. The fair cash value is the value the property would have on January first of any taxable year in the hands of any owner, including the present owner." (Boston Gas Co. v. Assessors of Boston, 334 Mass. 549, 566 (1956))

FULL MEASURE AND LIST:

An inspection program completed by assessors to maintain up-to-date property records. Inspections are usually carried out by assessors, in-house staff or by contract data collectors. Properties are literally measured and relisted in the assessors' records with any changes in conditions since the last inspection as indicated on field cards. Also referred to as a cyclical inspection program, BLA recommends a full measure and list be completed at least every 7-to-10 years.

FUND:

An accounting entity with a self-balancing set of accounts that is segregated for the purpose of carrying

on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

FUND BALANCE:

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

FY: This stands for Fiscal Year.

GENERAL FUND:

The fund used to account for most financial resources and activities governed by the normal town meeting/city council appropriation process.

GENERAL LEDGER:

The accountant's record of original entry, which is instrumental in forming a paper trail of all government financial activity.

GOVERNING BODY:

A board, committee, commission, or other executive or policymaking body including the school committee of a municipality.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA):

A nationwide association of public finance professionals.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB):

The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

HWRSD

This stands for Hamilton-Wenham School District. The district includes Hamilton-Wenham Regional High School, Miles River Middle School, Cutler Elementary, Buker Elementary, and Winthrop Elementary.

LEVY:

The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2½ provisions.

LEVY CEILING (OR LEVY CAPACITY):

\$15,356,230

A levy ceiling is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 21/2). It states that, in any year, the real and personal property taxes imposed may not exceed 21/2 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:

\$14,615,246

A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 21/2). It states that the real and personal property taxes imposed by a city or town may only grow each year by 21/2 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)

LOCAL AID:

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.

LOCAL APPROPRIATING AUTHORITY:

In a town, the town meeting has the power to appropriate funds, including the authorization of debt. In a city, the city council has the power upon the recommendation of the mayor. (See Legal Level of Budgetary Control)

LOCAL RECEIPTS:

Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates of local receipts are shown on the tax rate recapitulation sheet. (See Estimated Receipts)

LONG-TERM DEBT:

Community borrowing, or outstanding balance at any given time, involving loans with a maturity date of 12 months or more.

MGL: Massachusetts General Laws

MODIFIED ACCRUAL BASIS OF ACCOUNTING:

A method of accounting that recognizes revenues in the accounting period in which they become available and measurable.

MOTOR VEHICLE EXCISE (MVE):

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. Owner registration and billing information is maintained by the State Registry of Motor Vehicles and is made available to a city or town, or to the Deputy Collector who represents it.

NESDC: This stands for New England School Development Council. NESDC is a private, not-for-profit educational organization with approximately 300 school districts as affiliates. NESDC helps schools and school districts become high-performance organizations through planning and management, executive searches, professional development, legal services, research and development, and publications.

NEW GROWTH:

\$100,000

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.

OPEB (OTHER POSTEMPLOYMENT BENEFITS):

Employees of state and local governments may be compensated in a variety of forms in exchange for

their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends. The most common type of these postemployment benefits is a pension. Postemployment benefits other than pensions generally take the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. They may also include some type of life insurance. As a group, these are referred to as OPEB. (See GASB 45)

OPERATING BUDGET:

A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

OVERLAY:

\$135,000

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:

\$331,294

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.

OPERATING BUDGET:

A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

PERSONAL PROPERTY:

Movable items not permanently affixed to, or part of the real estate. It is assessed separately from real estate to certain businesses, public utilities, and owners of homes that are not their primary residences.

PRELIMINARY TAX:

The tax bill for the first two quarters of the fiscal year sent, no later than July 1, by communities on a quarterly tax billing cycle. The tax due on a preliminary tax bill can be no greater than the amount due in the last two quarters of the previous fiscal year.

PRINCIPAL:

The face amount of a bond, exclusive of accrued interest.

PROPOSITION 2^{1/2}:

A state law enacted in 1980, Proposition 21/2 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.

RAISE AND APPROPRIATE:

A phrase used to identify a funding source for an expenditure, which refers to money generated by the tax levy or other local receipt. Real Property – Land, buildings and the rights and benefits inherent in owning them. Recap Sheet – (See Tax Rate Recapitulation Sheet) Receipts – Money collected by and within the control of a community from any source and for any purpose.

RECEIVABLES:

An expectation of payment of an amount certain accruing to the benefit of a city or town. Reconciliation

of Cash – Periodic process where the accountant and treasurer compare records to confirm available cash in community accounts. DOR requires an annual reconciliation of cash without variances to be submitted with a balance sheet as a prerequisite to certifying a community's free cash. Reconciliation of Receivables – Periodic process where the accountant and collector compare records to confirm amount of taxes outstanding. DOR requires an annual reconciliation of receivables without variances to be submitted with a balance sheet as a prerequisite to certifying a community's free cash. Records Disposition Schedule – Guidelines published by the Records Management Division of the Secretary of State's Office and pursuant to MGL Ch. 66, informing local officials as to how long, and in what form, municipal records must be maintained, and identifying what records may be lawfully disposed.

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.

REVENUES:

All monies received by a governmental unit from any source. Revolving Fund – Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service. For departmental revolving funds, MGL Ch. 44 §53E½ stipulates that each fund must be reauthorized each year at annual town meeting or by city council action, and that a limit on the total amount that may be spent from each fund must be established at that time. The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also charged for all associated fringe benefits.

SHORT-TERM DEBT:

Outstanding balance, at any given time, on amounts borrowed with a maturity date of 12 months or less.

STABILIZATION FUND: **\$520,169**

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.

SURCHARGE:

An additional sum added to a particular, already existing charge such as a tax, a fee, a fine or penalty.

SURETY BOND:

A performance bond that protects the municipality against any financial loss arising from a breach of public trust by an employee who collects money on behalf of the community.

SURPLUS REVENUE:

The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

TA: This stands for Town Administrator.

TAX RATE:

The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property. Tax Rate Recapitulation Sheet (Recap Sheet) – A document submitted by a city or town to the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate. The recap sheet should be submitted to the DOR by September 1 (in order to issue the first-half semiannual property tax bills before October 1) or by December 1 (in order to issue the third quarterly property tax bills before January 1).

TAX TITLE (OR TAX TAKING):

A collection procedure that secures a city or town's lien on real property and protects the municipality's right to payment of overdue property taxes. Otherwise, the lien expires if five years elapse from the January 1 assessment date and the property has been transferred to another owner. If amounts remain outstanding on the property after issuing a demand for overdue property taxes and after publishing a notice of tax taking, the collector may take the property for the city or town. After properly recording the instrument of taking, the collector transfers responsibility for collecting the overdue amounts to the treasurer. After six months, the treasurer may initiate foreclosure proceedings.

TRUST FUND:

In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by town meeting. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed. Turnover Sheet – A form, completed by municipal departments, that accompanies the physical transfer of departmental revenues, or bank deposit slips reflecting revenues, to the treasurer.

UNDERRIDE:

A vote by a community to permanently decrease the tax levy limit. As such, it is the exact opposite of an override. (See Override) Undesignated Fund Balance – Monies in the various government funds as of June 30 that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash. (See Designated Fund Balance)

UNFUNDED OFEB LIABILITY:

This is the difference between the value assigned to the benefits (other than retirement) already earned by a municipality's employees and the assets the local government will have on hand to meet these obligations. While there is no requirement in Massachusetts to fund this liability, GASB 45 requires that the dollar value of the unfunded OFEB liability is determined every two years. (See GASB 45; OPEB) Unfunded Pension Liability – Unfunded pension liability is the difference between the value assigned to the retirement benefits already earned by a municipality's employees and the assets the local retirement system will have on hand to meet these obligations. The dollar value of the unfunded pension liability is re-determined every three years and is driven by assumptions about interest rates at which a retirement system's assets will grow and the rate of future costs of living increases to pensioners.

UNRESERVED FUND BALANCE (SURPLUS REVENUE ACCOUNT):

The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash) User Charges/Fees – A municipal funding source where payment is collected from the user of a service to help defray the cost of providing the service. Note that any increases in the fees must satisfy the three tests set forth in the so called Emerson case. (See Emerson College v. Boston, 391 Mass. 415 (1984)) Valuation (100 percent) – The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

WARRANT:

An authorization for an action. For example, a town meeting warrant establishes the matters that may be acted on by that town meeting. A treasury warrant authorizes the treasurer to pay specific bills. The assessors' warrant authorizes the tax collector to collect taxes in the amount and from the persons listed, respectively.

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.