

# **Newbury Financial Forecast: Users' Guide and Assumptions**

February 2018

**Edward J. Collins, Jr. Center for Public Management**

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**MCCORMACK GRADUATE SCHOOL OF POLICY AND GLOBAL STUDIES**

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# INTRODUCTION

The object of the Town of Newbury's financial forecast is to conservatively project revenues and expenditures five years into the future (FY2019-FY2023). The forecast is intended to provide policymakers with the information they need to make informed decisions around the Town's financial strategies and policies, long-term financial planning, capital planning, and long-term contracts or obligations. This Financial Forecast Model, used in conjunction with the town's Financial Management Policies and Five Year Capital Improvement Program, create a strong foundation upon which decisions can be made regarding how to best use local resources.

Revenue and expenditure forecasting is a powerful financial planning tool that can be used to isolate the impact of particular future events and determine their effects on the Town's financial picture. The forecasting model is designed using reasonable assumptions about a wide variety of future events. By using these assumptions along with known facts, a comprehensive view of the Town's fiscal outlook emerges. Though potential exists for any one item in the forecast to be less than accurate, when taken as a whole, a well-built model presents a fair representation of the Town's future finances.

The approach used in the forecast model for the Town of Newbury assumes that current staffing service levels will be maintained in the future years of the forecast. The model also assumes that existing Massachusetts General Laws and regulations will remain unchanged over the forecast period. However, as new information becomes available here forward, the assumptions and estimates used in the current projections will need to be regularly reevaluated by Town officials to determine if they are still appropriate and reasonable.

The forecast is structured as a series of Excel worksheets. Revenues are projected in detail in the "Revenue Projections" worksheet and expenditures are projected in detail in an "Expenditure Projections" worksheet. The totals from the detailed revenue and expenditure projections flow into a "Summary" worksheet which reveals projected future operating surpluses or deficits. More detailed sheets are available for more in-depth analysis of issues like new growth (Growth), debt excluded from Proposition 2 ½ limits and all other non-excluded town debt (Existing Debt Schedule) and local receipts (Local Receipts History). An additional worksheet estimates the impact of estimated wage and cost-of-living increases ("COLA") based upon collective bargaining agreements.

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# REVENUE PROJECTIONS

## PROPERTY TAX LEVY

Annual tax levy growth is constrained by Proposition 2 1/2, the Massachusetts General Law that limits the annual growth in a municipality's total tax levy to 2.5 percent, plus an allowance for certain new construction and other additions to the tax rolls. The law also allows a city or town to increase taxes beyond this levy limit with voter approval. An **Override** of this limit by voters becomes a permanent part of the tax levy calculation in future years and is best used for recurring expenses in the regular operating budget. A **Debt Exclusion** may also be approved by voters to increase the levy limit temporarily to fund capital projects. These projects are financed by borrowing, and the annual debt service is added to the levy limit each year until the project is paid off.

The FY2019-FY2023 forecast for Newbury projects new growth to remain stable. "New growth" is "additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year".<sup>1</sup> Over the last 5 years, the Town has averaged approximately \$150,000 in new growth tax revenues and this projection assumes the same rate of growth. Certified new growth for FY2018 is \$201,542. New growth is reported to the State each year on Form LA-13 which is typically submitted in early fall prior to setting a tax rate.

Newbury has approved a number of debt exclusions in the past. As debt is issued, the Town Accountant completes the State DE-1 schedule to calculate the annual debt service that can be raised outside the Proposition 2 /12 limits. Recently, the Town approved a debt exclusion for the new Police Station and Town Hall renovation at a total appropriation of \$6.5 million. Debt costs for these projects will be funded by property tax dollars outside the limits of Proposition 2 ½ and are therefore reflected in both the revenue projections and the expenditure projections.

The forecast anticipates that the Town will maintain its practice of preparing a balanced budget by utilizing its allowable tax levy limit.

Levy limit information is published each year by the Division of Local Services (<https://dls.gateway.dor.state.ma.us/gateway/Login>) and should be reviewed by Town officials periodically in late summer and early fall as growth is certified.

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<sup>1</sup> Massachusetts Department of Revenue, Division of Local Services, Municipal Finance Glossary. (May 2008; Appendix 6)

## **STATE AID CHERRY SHEET**

**Chapter 70** – Chapter 70 education aid is determined each year by the State Department of Elementary and Secondary Education (DESE) using a complex formula. The formula entails calculating a foundation budget for each municipality or school district based on the number and characteristics of the pupils (e.g., low income, bilingual or vocational) in the district. The foundation budget represents the minimum level of spending necessary to provide an adequate education in each district. Generally, in communities with sufficient resources, required school spending (aka, “net school spending”) is well above the calculated foundation budget, reflective of historically high education spending. In communities with fewer resources and lower historical spending on education, the formula seeks to maintain required net school spending at a level at least as high as the foundation budget.

To determine the relative contributions from municipal revenues versus state Chapter 70 aid necessary to meet required education spending levels, DESE calculates target levels of local (municipal) contribution and target levels of (state) Chapter 70 aid. These calculations are based on the total income of a municipality’s residents and the total property wealth of the municipality. For example, if a community has sufficient income and property wealth to cover 60 percent of the foundation budget, then the State aid target is 40 percent of foundation. Income is measured using State Department of Revenue total income by community from state tax returns and property wealth is measured using equalized property values for each community. Equalized property values are determined by the state every two years and control for differences in local assessing practices. In cases where a municipality has a low ability to pay, less is required from the municipality and state Chapter 70 aid fills the gap between the foundation budget and the required local contribution.

Newbury is a member of the Triton Regional School District, which also includes Rowley and Salisbury. Newbury students attend Newbury Elementary School, Triton Regional Middle School and Triton Regional High School. Some students also attend Whittier Regional School and Essex Technical High School.

The majority of Chapter 70 aid on behalf of Newbury is sent directly to the regional school districts. As such, this revenue has little impact upon the Town budget and no growth is projected in Chapter 70 funding during the forecast period.

**Unrestricted General Government Aid (UGGA)** –Newbury received \$517,371 in this category for FY2018 compared to \$497,951 in FY2017 for an increase of \$19,420. UGGA is projected to grow at a moderate rate of 3% for this projection.

To keep UGGA and the other cherry sheet accounts up to date, Town officials will need to monitor the local aid estimates published by the Division of Local Services at each juncture of the state budget process: <http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/cherry-sheets/>. The first of these estimates will come after the release of the Governor’s FY2019 budget in late January of 2018 followed by the House Ways and Means Committee budget in mid-April, the final House budget in late April, the Senate Ways and Means budget in mid-May, and final Senate budget in late May. The Conference Committee’s budget, which resolves differences in the two legislative versions of the budget, is typically issued in late June. Final cherry sheets reflect any vetoes by the Governor and/or any legislative overrides of these vetoes.



**Veterans Benefits and Exemptions for Veterans and Elderly** – These accounts consist of reimbursements for veterans' benefits and certain local property exemptions for qualified individuals. In FY2018, the Town will receive \$70,955 in reimbursements compared to \$62,837 in FY2017. This forecast assumes a moderate 5% increase in benefits disbursements and therefore a matching increase in reimbursements.

**State Owned Land** – This item is for a State contribution for land owned by the Commonwealth within the town. In FY2018, the Town will receive \$268,077 compared to \$268,332 in FY2017. The forecast assumes level funding.

**Aid to Public Libraries** -- This item is a cherry sheet offset and may be spent without an appropriation by the Town's library. This account has no impact on the forecast since it is also raised on the expenditure side, essentially pulling these revenues out of the general revenue mix for direct use by the library.

## **LOCAL ESTIMATED RECEIPTS**

Local estimated receipts are locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, investment income, payments in lieu of taxes, penalties and interest on taxes, departmental revenue, fines, and permit fees. Newbury reports on 11 categories of local receipts. The history of budgeted local receipts versus actual receipts is shown on the local receipts worksheet in the Local Receipts History tab. The Town has a practice of conservatively budgeting these items and routinely collects \$200,000-\$400,000 more than was budgeted.

In FY2017, the Town collected \$2,060,088 in local receipts versus a FY2017 budget of \$1,858,000. Motor vehicle excise revenue (\$1,224,921 in FY2017) is the Town's largest local receipt constituting about 59 percent of the total estimated receipts. Other significant local receipts include license and permits, fees, and fines. The Town has not adopted the State authorized room excise or meals tax, and is among a declining number of communities that have not done so. For forecast purposes, motor vehicle excise is projected to increase 3% per year, fees at 5%, licenses/permits and investment income at 2% and other items to remain stable. This results in a net projection increase of 2.6% per year.

Going forward, Town officials should review charges for fees and permits and the pros and cons of adopting the local option taxes.

## **ENTERPRISE FUNDS**

**Ambulance** - The Town utilizes an enterprise fund for its ambulance services. Revenues generated are used to cover direct and indirect costs. As part of the tax rate setting process, the Town Accountant completes a form submitted to the State that details all ambulance revenues and expenditures.

## **AVAILABLE FUNDS**

***Available Funds for Town Meeting Articles*** - This line item represents funds that are dedicated for specific purposes. For FY2018, the \$700,106 amount includes \$607,106 in special assessment revenues for the Plum Island sewer debt service costs and \$93,000 for annual cable operations collected from the PEG cable access fee.

## **FREE CASH**

***Free Cash for Reserves, Capital and Other Purposes*** - The Town utilizes free cash to fund a number of town meeting articles. See the description in the Expenditure section and **Expenditure Projection worksheet**.

# EXPENDITURE PROJECTIONS

## MUNICIPAL DEPARTMENTS

In the forecast, Town departments have been grouped by major categories consistent with Town budget and state expenditure reporting. The department budgets are reported as follows: General Government, Natural Resources, Planning and Zoning, Facilities, Public Safety, Public Works, Community Services, and Schools.

Salaries and Wages are impacted by wage settlements for all union and non-union. For projection purposes, the impacts of wage settlements beyond FY2018 have been projected using the COLA worksheet. The forecast utilizes a 3% COLA but this is intended as an example of cost impact moving forward and not a recommendation for any wage settlements. Cost impacts have been included in the Expenditure Projection worksheet within each Salary and Wages line item. The COLA worksheet can be used to quantify the impacts of other wage agreements and step amounts, if desired.

Projections for non-labor expenses are generated in the Operating Expense Budget Detail worksheet. This offers a high level of detail so that individual operating expenses can be projected independently from others. Overall, increases range from 0% to 5% depending upon department. However, these can be adjusted as needed.

## EDUCATION

***Triton Regional School District*** – Newbury is a member of the Triton Regional School District, which also includes Rowley and Salisbury. Newbury students attend Newbury Elementary School, Triton Regional Middle School, and Triton Regional High School. Budget costs are assessed to each member community based upon the number of students. In FY2018, Newbury's operating budget assessment was \$8,616,585 compared to \$8,675,353 in FY2017. The forecast projects a 4% increase per year. In addition, the District previously approved a project excluded from the limits of Proposition 2 ½ and Newbury is assessed its share of the debt. In FY2018, Newbury's share of this debt is \$173,083 compared to \$117,400 in FY2017. The last year for this debt assessment will be FY2021.

***Whittier Regional Vocational Technical High School***- Some students also attend Whittier Regional. Budget costs are assessed to each community based upon the number of students. In FY2018, Newbury's operating budget assessment was \$434,750 compared to \$434,916 in FY2017. The forecast projects a 4% increase per year. In addition, communities are assessed a proportionate share of net debt service for a non-excluded proposition 2 ½ capital project. In FY2018, Newbury's share of debt is 18,434 compared to \$15,092 in FY2017.

***Essex Technical*** – Newbury sends some students to the Essex Technical Vocational School. This item reflects its share of the annual budget. In FY2018, Newbury's operating budget assessment was \$131,740 compared to \$98,980 in FY2017. The forecast projects a 4% increase per year

## **DEBT SERVICE**

**Debt Service Non-Exempt** - Debt Service costs in this category are funded within the limits of Proposition 2 ½. The Town currently does not have any debt service costs that are non-exempt. Any future approved non-exempt debt service costs would be projected in this row based upon timing, amount, interest rate, and debt structure as determined by the Town Treasurer with the assistance of the Town's financial advisor. .

**Debt Service Exempt** - Debt Service costs in this category are funded outside the limits of Proposition 2 ½. FY2022 is the last year for debt payments for existing bonded projects. The forecast includes the projected debt service for the Police Station/Town Hall project that was recently approved at Town Meeting and a general election. This is an estimate that could vary based upon timing, amount borrowed, interest rate, and debt structure as determined by the Town Treasurer with the assistance of the Town's financial advisor. .

## **EMPLOYEE BENEFITS**

**Retirement** - Town pension costs are projected based on the estimated appropriations issued by the Public Employee Retirement Administration Commission (PERAC) for the Essex County Retirement System. The appropriation letter from PERAC breaks down the assessments to the member towns, school districts, and housing authorities and shows the percentage of the total borne by each entity. The allocation for Newbury is detailed in the Retirement worksheet. The current share of retirement costs for Newbury is 3.54%. The forecast applies this percentage to the future appropriation amounts identified by PERAC as necessary to maintain the pension funding schedule going forward. Though this is the best information available at this time, Town officials should be aware that the Essex County appropriation needs are due to be updated in FY2018. This will likely result in changes to these projected pension costs for Newbury and should be monitored in future years to reflect any revisions in the necessary funding.

**Unemployment** – Unemployment is level funded at \$60,000 each year of the forecast, reflecting the fact that the Town has not incurred significant unemployment costs as a result of layoffs in recent years.

**Health Insurance** – The Town receives its health insurance through the Massachusetts Interlocal Insurance Association (MIIA) a health insurance program representing many Massachusetts communities. The forecast is utilizing current estimates from MIIA of an annual 10% increase in rates. This early estimate will be updated over the next few months as MIIA reviews costs and the Town reviews its health insurance program.

**Dental and Life Insurance** – The Town offers a dental program and a small cost shared life insurance plan for employees. A 3% cost increase is projected for dental, and life insurance cost has been level funded.

**Medicare** – The Town must contribute 1.45% of wages to Medicare for employees hired after 1986. In

the forecast, Medicare has been projected at \$175,266 with an increase of 3% per year thereafter. This reflects the impact of negotiated salary and step increases for employees.

## **PROPERTY/LIABILITY INSURANCES**

**Workers Compensation/Property/Liability-** Newbury participates in the MIIA program. Early cost estimates are projected at 3% per year. These projections will be refined as the budget process progresses and the forecast can be updated based upon new information, particularly the completion of new construction projects

## **ENTERPRISE FUNDS**

Ambulance services are a self-sufficient operation. All of the direct costs for salaries, wages, and expenses are listed in this category. The share for the indirect costs are budgeted within the various operating budgets and are allocated in the enterprise report submitted to the State on Schedule A-2 Enterprise Funds when the tax rate is set. These costs are offset by ambulance revenues as indirect costs in the revenue detail worksheet.

## **OTHER AMOUNTS TO BE RAISED**

The **Cherry Sheet Offset** in Newbury is for Public Library aid. Library aid is forecast to remain stable. As an offset, however, any change has no impact on the budget as these receipts are earmarked for library spending without appropriation. As such, any growth in this revenue is offset on the expenditure side of the forecast to essentially remove this aid from the city's general revenues.

The annual allowance for abatements and exemptions (**Overlay**) has been projected to increase by 2.5% per year. In a revaluation year, a community typically has more abatement requests, so a good practice is to increase the overlay to reflect the risk of additional abatements. This model should be updated to reflect the update year.

## **STATE AND COUNTY ASSESSMENTS**

All State assessments included in the forecast are based on the Cherry Sheet estimates published by the Division of Local Services for the FY2018 budget. The most significant of the State assessments in Newbury are the mosquito control assessment and the Massachusetts Bay Transit Authority (MBTA). The mosquito control assessment has been projected to increase by 2.5% per year and the MBTA assessment is also forecast to grow 2.5% per year, consistent with the limitations on the overall annual growth of these assessments. All other assessments are projected to remain constant.

Similar to the cherry sheet state aid accounts on the revenue side, Town officials should continue to monitor the state budget process for FY2019 and follow the release of local aid estimates until the State budget process concludes with the issuance of final FY2019 Cherry Sheets.

## **RESERVES ARTICLES**

**General Stabilization Fund-** Newbury has established a General Stabilization Fund and annually appropriates funds to it from the tax levy. The Town's financial management policy is to maintain a balance of 3%-5% of its annual budget for the purpose of extraordinary or unforeseen expenditures. This 5 year forecast maintain the same \$250,000 funding level as FY2018.

**OPEB Fund-** Other Post-Employment Benefits (mainly retiree health insurance) is a significant future cost for municipalities in Massachusetts and across the U.S. Unlike Massachusetts retirement law, there is no requirement to put money aside for these future costs that are being incurred as employee work. State law does provide a mechanism for municipalities to set aside funds voluntarily in a special fund to accumulate money to pay for these future costs. Newbury has established such a fund and in FY2018, appropriated \$50,000 from the tax levy. This forecast projects an increase in that funding level to \$100,000 per year, which is consistent with its recent financial management policy.

## **FREE CASH ARTICLES**

**Town Hall Lease** – This line is for the temporary lease of town hall space. The projected amount will be adjusted once a new lease is entered into.

**Storm Water Management** - This line is for costs associated with implementing the town's expanding program for storm water management.

**Other Town Meeting Articles** – Typically, town meeting will appropriate funds to cover items such as unpaid bills, over-expenditures, etc. from free cash. The town's policy is to not use free cash to fund the current operating budget.

**Free Cash – Capital Outlay-** This item represents the amount of money appropriated from free cash to fund capital outlay. The town's financial management policy establishes a base of \$300,000, increasing by the rate of budget growth. The forecast assumes a projected 5% increase per year.

## **ARTICLES FROM OTHER AVAILABLE FUNDS**

**Plum Island Debt Service** -- Newbury has a special fund to collect betterment assessments from certain taxpayers for the debt service for the sanitary sewer project.

**PEG Access** – Newbury's public access television services are funded by fees collected from cable subscribers by cable companies.

***Miscellaneous Non-Capital Articles*** - Periodically, there are other Town Meeting articles that are funded from funds that may be available for appropriation or transfer.

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# PROCESS TO UPDATE FORECAST

## *Description of Worksheets*

The Newbury Revenue/Expenditure Forecast file has a number of worksheets. The following describes the worksheets.

- Summary
- Revenue Projections
- Growth
- Local Receipts History
- Cherry Sheet History
- Expenditure Projections
- Operating Expense Budget Detail
- COLA
- Capital Investment
- Existing Debt Schedule
- Retirement

**Summary** – This worksheet links to the Revenue Projections and Expenditure Projections worksheets to provide a quick overview of the five year plan.

**Revenue Projections** – This worksheet is used to list the details of the various revenue categories and the assumptions that are used in the projections. The Final Recap column will require manual data entry each year to input the final Tax Recap data. Future year projections are calculated utilizing the straight-line percentage change column on the far right. If a revenue is not projected to grow linearly, the revenue expectations should be input manually into the forecast.

**Growth** – This worksheet is a summary of the new growth taxes that the Town can raise within the limits of Proposition 2 ½ for the fiscal year. Once the final growth amount is calculated by the Assessors, the Selectmen set the tax rate, and the tax recap is approved by the State, the final amounts will need to be added to the worksheet. When updating the forecast each year, the Finance Team should discuss any changes in the growth projections.

**Local Receipts History** – This worksheet is used to detail the history of the Town’s local receipts budget to actual comparison. It is useful in budget planning purposes to analyze and maintain the policy of conservation revenue forecasting in order to close the fiscal year with stable or increasing fund balance. This tab should be kept updated when each fiscal year’s actual revenues are finalized.

**Cherry Sheet History** – This worksheet is used to detail the history of State Aid and Assessments to the Town. It is useful in budget planning purposes to monitor trends in these revenue and expense categories.

**Expenditure Projections** – This worksheet lists the details of the various departments and other expenses categories that are in the Town budget warrant article. It also lists all the financial

appropriation warrant articles for Town Meeting. Finally, it lists other expenditure categories that do not require Town Meeting approval but must be included in the tax rate setting process. The Salaries and Wages line for each function is automatically updated when the user enters information into the COLA worksheet. The Other Expenses line for each function is automatically updated when the user enters information into the Operating Expense Budget detail worksheet.

**Operating Expense Budget Detail** – This worksheet lists the budget expense line items that are utilized in the preparation of the town’s Annual Budget Appropriations for Town Meeting. It links to the Expenditure Projections worksheet by function summary. The user can also enter manually or use the cost increase straight-line factor for the other cost items listed.

**COLA and Wages** – This worksheet provides the user with multiple “what if” scenarios on COLA and step increases. Factors entered into the COLA and/or step cells automatically update the function/department Salaries and Wages line in the Expenditure Projections detail.

**Capital Investment**– The capital worksheet brings together the revenues and expenditures included in the Town’s 5 year financial forecast and recommended CIP. The worksheet details the current debt service, a projection of debt service for projects that town meeting has authorized, a column for any projected debt service as proposed in the 5 year CIP, capital outlay that is included in departmental budgets and capital outlay that is voted from free cash as individual warrant articles. The worksheet compares the projected revenue budget for the 5 year forecast to the projected capital investment and calculates the Town’s annual capital investment as a percent of net revenues. The Town’s FY2018 capital investment as a percent of net revenue is 4%. With the projected debt for the police station/town hall project beginning in FY2019, the investment increases to 5.7%. This projection is subject to change based upon the final debt issue timing and structure. Going forward, the Town’s non-debt capital investment is based upon the Town’s financial management policy of increasing pay as you go capital outlay at the same rate as growth in the operating budget. Larger projects are typically funded by debt exclusion votes. This tab can be used on an iterative basis to identify the amount of capital investment needed to reach the Town’s target for capital as a percent of prior year revenues.

**Debt Schedule** – This worksheet details the Town’s existing and anticipated future debt service by fiscal year. This worksheet must be updated whenever the Town issues permanent debt. The Town Treasurer and the Financial Advisor play an invaluable tool in maintaining this data. The data in this spreadsheet is used to enter for the excluded debt service in the Revenue Projections tab as each year exempt debt is funded by an increase to the tax levy. It is also used in the Expenditure Projections to report existing debt service by exempt and non-exempt.

**Retirement** – This worksheet lists the current PERAC retirement appropriation for Essex County and Newbury’s share. The funding schedule is updated by an actuary hired by the County every 3 years and approved by PERAC which will allow Newbury to update the forecast.

### ***Steps to Update Current and Future Forecasts***

The process for updating the forecasting spreadsheet to reflect the current year and the 5 projection years must be done systematically and with care. Generally, the updating of the Revenue and Expenditure spreadsheets should occur 1) after the end of the current fiscal year after the Town’s budget for next year has been adopted by Town Meeting and final cherry sheets are issued, 2) during

budget preparation for the upcoming fiscal year and 3) just prior to town meeting.

When the user is ready to prepare the next 5 Year Forecast, The current forecast file should be saved with a new name reflecting the forecast period. For example, the new file could be named Newbury Draft FY2020 to FY2024 Forecast. A blank template file is provided to the town for this next cycle, the FY2020 to FY2024. This blank template file should be saved for future use also.

*After the base year and column headings have been updated, the user is now ready to prepare the next five year forecasts working with the appropriate individual worksheets.*

**COLA worksheet-** Enter the detail current year wage budget in current year detail column. In the yellow cells, enter the percent increase for COLA and step if applicable.

**Operating Expense worksheet** – Enter the non-salaries and wages line items from the town meeting Article 4 approved budget. In the yellow cells, enter the percent change or, if necessary, refer to supplemental worksheets for debt, and retirement.

**Expenditure Projection worksheet** – Many of the rows and cells in this worksheet will be populated from the previous 2 worksheets. In some instances, the user will enter values for certain items. Those yellow cells in this worksheet allow the user to enter percent increases for these line items, or if preferred, over-write formula and enter value manually. This is fine as long as the user remembers to replace the formulas later if they want to determine the projections based on percent change in other years.

**Revenue Projection worksheet** – The first step to update the revenue projection is to establish the property tax levy and tax levy limit data from information for the current final fiscal year tax recap. The user should refer carefully to the levy limit form prepared by the Division of Local Services. For the projections years, debt exclusions amounts should be reconciled with its reciprocal amount in the expenditure detail and debt service schedules. New growth projections can be entered manually for each year of the forecast. State Aid and Estimated Local Receipts should be updated to reflect the final tax recap amounts for the current year. The yellow cells can be used to project percent increase for all of these rows. Finally, the last 3 categories of Enterprise Funds, Available Funds and Free Cash are populated from data in the expenditure detail worksheet.

**Summary worksheet** – This worksheet summarizes the data from the expenditure and revenue worksheets. The rows will be automatically populated and, as a proof, the user should compare the totals.

Finally, there are a number of worksheets in the projection model file that must be updated each year. Data in these worksheets is used for both source and planning purposes.

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## **APPENDIX: FY2019-FY2023 FORECAST SPREADSHEETS**

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# TOWN OF NEWBURY

## SUMMARY OF PROJECTED REVENUES AND EXPENDITURES

	FY2018 FINAL	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
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### Revenues

Property Tax Levy	16,036,106	17,034,317	17,568,191	17,745,556	18,146,304	18,659,340
State Aid	881,432	898,821	916,770	935,296	954,419	974,159
Local Receipts	1,850,000	1,898,460	1,948,444	2,000,004	2,053,194	2,108,068
Ambulance Enterprise Funds	240,000	247,911	256,096	264,563	273,323	282,388
Other Available Funds	700,106	693,176	690,627	667,466	664,168	535,704
Free Cash	911,495	502,000	532,000	569,250	594,288	626,652
<b>Total Revenues</b>	<b>20,619,139</b>	<b>21,274,686</b>	<b>21,912,127</b>	<b>22,182,135</b>	<b>22,685,695</b>	<b>23,186,311</b>

### Expenditures

General Government	1,255,405	1,286,670	1,318,872	1,352,041	1,386,205	1,421,393
Natural Resources	124,028	127,224	130,516	133,906	137,398	140,995
Planning and Zoning	100,765	103,788	106,902	110,109	113,412	116,814
Facilities	224,250	235,450	247,210	259,558	272,523	286,137
Public Safety	2,971,534	3,057,037	3,145,105	3,235,816	3,329,247	3,425,482
Public Works	1,257,128	1,288,842	1,321,507	1,355,152	1,389,807	1,425,501
Community Services	563,461	578,040	593,056	608,523	624,453	640,862
Schools	9,374,592	9,741,915	10,123,931	10,521,227	10,761,333	11,191,049
Debt Service- Non Exempt	0	0	0	0	0	0
Debt Service- Exempt	584,105	955,507	939,988	554,225	550,850	472,250
Employee Benefits	1,557,263	1,690,060	1,834,842	1,992,672	2,164,758	2,344,015
Prop/Liability Insurances	150,170	154,675	159,315	164,095	169,018	174,088
Ambulance Enterprise	204,432	210,565	216,882	223,388	230,090	236,993
Other Amounts to be Raised	213,718	218,857	224,124	229,523	235,057	240,729
State and County Assessments	126,687	129,769	132,934	136,186	139,528	142,963
Free Cash - Reserves	300,000	350,000	350,000	350,000	350,000	350,000
Free Cash - Other Purposes	911,495	502,000	532,000	569,250	594,288	626,652
Available Funds - Other Articles	700,106	693,176	690,627	667,466	664,168	535,704
<b>Total Expenditures</b>	<b>20,619,139</b>	<b>21,323,574</b>	<b>22,067,811</b>	<b>22,463,138</b>	<b>23,112,135</b>	<b>23,771,627</b>

<b>Surplus/Deficit</b>	<b>0</b>	<b>-48,888</b>	<b>-155,684</b>	<b>-281,003</b>	<b>-426,439</b>	<b>-585,317</b>
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# TOWN OF NEWBURY FIVE YEAR REVENUE PROJECTION

Revenue Projections	FY2018 Final Recap	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	Projection Percent	Notes
<b>PROPERTY TAX LEVY</b>								
Prior Year Tax Levy Limit	14,866,529	15,439,734	15,975,727	16,525,120	17,088,248	17,665,454		
2.5% Increase	371,663	385,993	399,393	413,128	427,206	441,636		
Prop 2 1/2 Override	0	0	0	0	0	0		
Certified New Growth	201,542	150,000	150,000	150,000	150,000	150,000		See Growth
Tax Levy Limit Total	15,439,734	15,975,727	16,525,120	17,088,248	17,665,454	18,257,090		
Debt Exclusions-Town	514,105	488,007	472,213	86,400	83,200	0		from DE1 form
Debt Exclusions-Triton	95,217	173,083	173,083	173,083	0	0		from DE1 form
Debt Exclusions-Projected Public Safety	0	397,500	397,775	397,825	397,650	402,250		from Proj Debt
Maximum Allowable Levy	16,049,056	17,034,317	17,568,191	17,745,556	18,146,304	18,659,340		
Excess Tax Levy Capacity	(12,950)	0	0	0	0	0		
<b>TOTAL Actual Tax Levy</b>	<b>16,036,106</b>	<b>17,034,317</b>	<b>17,568,191</b>	<b>17,745,556</b>	<b>18,146,304</b>	<b>18,659,340</b>		
<b>STATE AID CHERRY SHEET</b>								
Chapter 70 Education Aid	16,844	16,844	16,844	16,844	16,844	16,844	0.00%	
Unrestricted General Government Aid	517,371	532,892	548,879	565,345	582,306	599,775	3.00%	
Veterans Benefits	37,365	39,233	41,195	43,255	45,417	47,688	5.00%	
Exemptions VBS and Elderly	33,590	33,590	33,590	33,590	33,590	33,590	0.00%	
State Owned Land	268,077	268,077	268,077	268,077	268,077	268,077	0.00%	
Public Libraries Offset	8,185	8,185	8,185	8,185	8,185	8,185	0.00%	
<b>TOTAL Cherry Sheet</b>	<b>881,432</b>	<b>898,821</b>	<b>916,770</b>	<b>935,296</b>	<b>954,419</b>	<b>974,159</b>		
<b>ESTIMATED LOCAL RECEIPTS</b>								
Motor Vehicle Excise	1,100,000	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	3.00%	
Boat Excise	13,000	13,000	13,000	13,000	13,000	13,000	0.00%	
Penalties/Interest on Taxes and Excises	25,000	25,000	25,000	25,000	25,000	25,000	0.00%	
Payments in Lieu of Taxes	54,000	54,000	54,000	54,000	54,000	54,000	0.00%	
Fees	150,000	157,500	165,375	173,644	182,326	191,442	5.00%	
Licenses/Permits	380,000	387,600	395,352	403,259	411,324	419,551	2.00%	
Fines and Forfeits	105,000	105,000	105,000	105,000	105,000	105,000	0.00%	
Investment Income	18,000	18,360	18,727	19,102	19,484	19,873	2.00%	
Misc Recurring	5,000	5,000	5,000	5,000	5,000	5,000	0.00%	
<b>TOTAL Local Receipts</b>	<b>1,850,000</b>	<b>1,898,460</b>	<b>1,948,444</b>	<b>2,000,004</b>	<b>2,053,194</b>	<b>2,108,068</b>		
<b>ENTERPRISE FUNDS</b>								
Ambulance Direct Costs	204,432	210,565	216,882	223,388	230,090	236,993		see expenditure projections
Ambulance Indirect Costs	35,568	37,346	39,214	41,174	43,233	45,395	5.00%	
<b>TOTAL Enterprise Funds</b>	<b>240,000</b>	<b>247,911</b>	<b>256,096</b>	<b>264,563</b>	<b>273,323</b>	<b>282,388</b>		
<b>AVAILABLE FUNDS</b>								
Available Funds for Other Articles	700,106	693,176	690,627	667,466	664,168	535,704		
<b>TOTAL Other Available Funds</b>	<b>700,106</b>	<b>693,176</b>	<b>690,627</b>	<b>667,466</b>	<b>664,168</b>	<b>535,704</b>		
<b>FREE CASH</b>								
Reserves, Capital and Other Purposes	911,495	502,000	532,000	569,250	594,288	626,652		see expenditure projections
<b>TOTAL Free Cash</b>	<b>911,495</b>	<b>502,000</b>	<b>532,000</b>	<b>569,250</b>	<b>594,288</b>	<b>626,652</b>		
<b>TOTAL REVENUES</b>	<b>20,619,139</b>	<b>21,274,686</b>	<b>21,912,127</b>	<b>22,182,135</b>	<b>22,685,695</b>	<b>23,186,311</b>		



**TOWN OF NEWBURY**  
**NEW TAX LEVY GROWTH BY PROPERTY CLASS**

Year	Residential	Commercial	Industrial	Personal Property	Total New Growth
2009	94,535				116,998
2010	44,802				65,759
2011	47,492				55,078
2012	51,990				67,419
2013	103,188				122,749
2014	131,087				160,932
2015	93,519				104,392
2016	129,478				149,557
2017	153,066				194,795
2018	201,542				201,542
<b>10 year Average</b>	<b>105,070</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>123,922</b>

<b>5 year Average</b>	<b>141,738</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>162,244</b>
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**TOWN OF NEWBURY  
ESTIMATED LOCAL RECEIPTS**

LOCAL RECEIPTS	BUD FY2015	ACT FY2015	BUD FY2016	ACT FY2016	BUD FY2017	ACT FY2017	BUD FY2018	ACT FY2018
Motor Vehicle Excise	975,000	1,129,153	1,050,000	1,209,578	1,150,000	1,224,921	1,100,000	
Boat Excise	14,000	15,463	15,000	16,225	15,000	15,693	13,000	
Penalties/Interest on Taxes and Excises	60,000	46,164	45,000	36,410	36,000	32,865	25,000	
Payments in Lieu of Taxes	47,500	107,987	55,769	54,881	54,000		54,000	
Fees	83,000	118,498	100,000	124,085	120,000	153,804	150,000	
Other Departmental Revenue	0	0	0	1,500	0	0	0	
Licenses/Permits	250,000	352,760	300,000	421,864	350,000	386,323	380,000	
Fines and Forfeits	95,000	113,143	100,000	118,714	110,000	111,761	105,000	
Investment Income	3,500	14,501	10,000	18,688	18,000	21,247	18,000	
Medicaid Reimbursement	0	0	0	0	0	0	0	
Misc Recurring	5,000	13,353	5,000	34,024	5,000	19,957	5,000	
Misc Non-Recurring	0	35,166	0	25,082	0	93,517	0	
<b>TOTAL</b>	<b>1,533,000</b>	<b>1,946,188</b>	<b>1,680,769</b>	<b>2,061,051</b>	<b>1,858,000</b>	<b>2,060,088</b>	<b>1,850,000</b>	<b>0</b>
<b>Actual over Budget</b>		<b>413,188</b>		<b>380,282</b>		<b>202,088</b>		<b>-1,850,000</b>

# TOWN OF NEWBURY STATE CHERRY SHEET HISTORY

GOV BUDGET

FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
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## STATE AID

Chapter 70	0	16,844	16,844	16,844	16,844
Unrestricted General Government Aid	448,397	460,832	477,422	497,951	517,371
Veterans Benefits	15,026	14,331	22,455	28,320	37,365
Exemp: VBS and Elderly	30,714	28,396	26,851	34,517	33,590
State Owned Land	235,126	271,564	271,564	268,332	268,077
Public Libraries	6,324	8,306	8,213	8,048	8,185
<b>TOTAL</b>	<b>735,587</b>	<b>800,273</b>	<b>823,349</b>	<b>854,012</b>	<b>881,432</b>
<b>PER CENT INC/DEC FROM PRIOR YEAR</b>		<b>9.0%</b>	<b>3.0%</b>	<b>4.0%</b>	<b>3.0%</b>
					<b>2.0%</b>

## STATE ASSESSMENTS AND CHARGES

Retired Teachers Health Insurance	21,943	24,144	23,547	11,535	914	5,591
Mosquito Control Projects	71,088	71,315	71,646	79,044	74,028	79,213
Air Pollution	2,445	2,446	2,493	2,555	2,564	2,630
RMV Non-Renewal Surcharge	5,280	4,580	4,580	4,580	3,600	3,600
MBTA	43,372	43,215	44,245	36,854	36,714	35,381
Regional Transit	330	948	686	8,351	8,867	11,180
Essex County Tech Sending Tuition	25,106					
<b>TOTAL</b>	<b>169,564</b>	<b>146,648</b>	<b>147,197</b>	<b>142,919</b>	<b>126,687</b>	<b>137,595</b>
<b>PER CENT INC/DEC FROM PRIOR YEAR</b>		<b>-14.0%</b>	<b>0.0%</b>	<b>-3.0%</b>	<b>-11.0%</b>	<b>9.0%</b>

# TOWN OF NEWBURY FIVE YEAR EXPENDITURE PROJECTION

Expenditure Projections	FY2018 Final Recap	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	Projection Percent	Notes
<b>GENERAL GOVERNMENT</b>								
Salaries & Wages	671,055	691,187	711,922	733,280	755,278	777,937		see cola tab
Other Expenses	584,350	595,483	606,950	618,761	630,926	643,457	2.0%	see operating expense detail
<b>TOTAL</b>	<b>1,255,405</b>	<b>1,286,670</b>	<b>1,318,872</b>	<b>1,352,041</b>	<b>1,386,205</b>	<b>1,421,393</b>		
<b>NATURAL RESOURCES</b>								
Salaries & Wages	56,528	58,224	59,971	61,770	63,623	65,531		see cola tab
Other Expenses	67,500	69,000	70,545	72,136	73,775	75,464	2.0%	see operating expense detail
<b>TOTAL</b>	<b>124,028</b>	<b>127,224</b>	<b>130,516</b>	<b>133,906</b>	<b>137,398</b>	<b>140,995</b>		
<b>PLANNING and ZONING</b>								
Salaries & Wages	81,821	84,276	86,804	89,408	92,090	94,853		see cola tab
Other Expenses	18,944	19,512	20,098	20,701	21,322	21,961	3.0%	see operating expense detail
<b>TOTAL</b>	<b>100,765</b>	<b>103,788</b>	<b>106,902</b>	<b>110,109</b>	<b>113,412</b>	<b>116,814</b>		
<b>FACILITIES</b>								
Salaries & Wages	0	0	0	0	0	0		see cola tab
Other Expenses	224,250	235,450	247,210	259,558	272,523	286,137	5.0%	see operating expense detail
<b>TOTAL</b>	<b>224,250</b>	<b>235,450</b>	<b>247,210</b>	<b>259,558</b>	<b>272,523</b>	<b>286,137</b>		
<b>PUBLIC SAFETY</b>								
Salaries & Wages	2,187,857	2,253,493	2,321,097	2,390,730	2,462,452	2,536,326		see cola tab
Other Expenses	516,677	528,534	540,748	553,327	566,284	579,630	2.0%	see operating expense detail
Fire Capital Outlay	228,000	234,840	241,885	249,142	256,616	264,314	3.0%	see operating expense detail
Police Capital Outlay	39,000	40,170	41,375	42,616	43,895	45,212	3.0%	see operating expense detail
<b>TOTAL</b>	<b>2,971,534</b>	<b>3,057,037</b>	<b>3,145,105</b>	<b>3,235,816</b>	<b>3,329,247</b>	<b>3,425,482</b>		
<b>PUBLIC WORKS</b>								
Salaries & Wages	512,377	527,748	543,581	559,888	576,685	593,985		see cola tab
Other Expenses	700,000	715,000	730,450	746,364	762,754	779,637	2.0%	see operating expense detail
Public Works Capital Outlay	44,751	46,094	47,476	48,901	50,368	51,879	3.0%	see operating expense detail
<b>TOTAL</b>	<b>1,257,128</b>	<b>1,288,842</b>	<b>1,321,507</b>	<b>1,355,152</b>	<b>1,389,807</b>	<b>1,425,501</b>		
<b>COMMUNITY SERVICES</b>								
Salaries & Wages	342,024	352,285	362,853	373,739	384,951	396,500		see cola tab
Other Expenses	221,437	225,755	230,203	234,784	239,502	244,362	2.0%	see operating expense detail
<b>TOTAL</b>	<b>563,461</b>	<b>578,040</b>	<b>593,056</b>	<b>608,523</b>	<b>624,453</b>	<b>640,862</b>		
<b>SCHOOLS</b>								
Triton Regional Operating Assmt	8,616,585	8,961,248	9,319,698	9,692,486	10,080,186	10,483,393	4.0%	see operating expense detail
Triton Regional Debt Service Assmt/Exem	173,083	173,083	173,083	173,083	0	0	0.0%	
Whittier Regional Operating Assmt	434,750	452,140	470,226	489,035	508,596	528,940	4.0%	
Whittier Regional Debt Service Assmt/Non	18,434	18,434	18,434	18,434	18,434	18,434	0.0%	
Essex Tech Operating Assmt	131,740	137,010	142,490	148,190	154,117	160,282	4.0%	
<b>TOTAL</b>	<b>9,374,592</b>	<b>9,741,915</b>	<b>10,123,931</b>	<b>10,521,227</b>	<b>10,761,333</b>	<b>11,191,049</b>		
<b>DEBT SERVICE- Non-Exempt</b>								
Existing General Fund Debt- Non Exempt	0	0	0	0	0	0		See Exist Debt Schedule Tab
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>DEBT SERVICE- Exempt</b>								
Existing General Fund Debt- Exempt	514,105	488,007	472,213	86,400	83,200	0		See Exist Debt Schedule Tab
Bonding Costs	30,000	30,000	30,000	30,000	30,000	30,000		see operating expense detail
BAN	40,000	40,000	40,000	40,000	40,000	40,000		see operating expense detail
Est Police Station/Town Hall	0	397,500	397,775	397,825	397,650	402,250		see operating expense detail
<b>TOTAL</b>	<b>584,105</b>	<b>955,507</b>	<b>939,988</b>	<b>554,225</b>	<b>550,850</b>	<b>472,250</b>		

# TOWN OF NEWBURY FIVE YEAR EXPENDITURE PROJECTION

Expenditure Projections	FY2018 Final Recap	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	Projection Percent	Notes
<b>EMPLOYEE BENEFITS</b>								
Essex Regional Retirement Assmt	601,440	645,964	693,830	745,242	800,465	851,374	7.4%	Essex County system schedule
Unemployment	10,000	10,000	10,000	10,000	10,000	10,000	0.0%	see operating expense detail
Health Insurance	856,340	941,974	1,036,171	1,139,789	1,253,767	1,379,144	10.0%	see operating expense detail
Dental	37,983	39,122	40,296	41,505	42,750	44,033	3.0%	see operating expense detail
Life	1,500	1,500	1,500	1,500	1,500	1,500	0.0%	see operating expense detail
Medicare	50,000	51,500	53,045	54,636	56,275	57,964	3.0%	see operating expense detail
<b>TOTAL</b>	<b>1,557,263</b>	<b>1,690,060</b>	<b>1,834,842</b>	<b>1,992,672</b>	<b>2,164,758</b>	<b>2,344,015</b>		
<b>PROPERTY/LIABILITY INSURANCES</b>								
Property/Liability/Workers Comp	150,170	154,675	159,315	164,095	169,018	174,088	3.0%	see operating expense detail
<b>TOTAL</b>	<b>150,170</b>	<b>154,675</b>	<b>159,315</b>	<b>164,095</b>	<b>169,018</b>	<b>174,088</b>		
<b>ENTERPRISE FUNDS</b>								
Ambulance Salary and Wages	151,000	155,530	160,196	165,002	169,952	175,050	3.0%	
Ambulance Other Expenses	53,432	55,035	56,686	58,387	60,138	61,942	3.0%	
<b>TOTAL</b>	<b>204,432</b>	<b>210,565</b>	<b>216,882</b>	<b>223,388</b>	<b>230,090</b>	<b>236,993</b>		
<b>OTHER AMOUNTS TO BE RAISED</b>								
Cherry Sheet offset	8,165	8,165	8,165	8,165	8,165	8,165	0.0%	
Tax Titles	0	0	0	0	0	0		
Overlay	205,553	210,692	215,959	221,358	226,892	232,564	2.5%	
<b>TOTAL</b>	<b>213,718</b>	<b>218,857</b>	<b>224,124</b>	<b>229,523</b>	<b>235,057</b>	<b>240,729</b>		
<b>STATE and COUNTY ASSESSMENTS</b>								
Retired Teachers Health Insurance	914	1,005	1,106	1,217	1,338	1,472	10.0%	
Mosquito Control	74,028	75,879	77,776	79,720	81,713	83,756	2.5%	
Air Pollution	2,564	2,564	2,564	2,564	2,564	2,564	0.0%	
RMV Non-Renewal Surcharge	3,600	3,600	3,600	3,600	3,600	3,600	0.0%	
MBTA	36,714	37,632	38,573	39,537	40,525	41,539	2.5%	
Regional Transit	8,867	9,089	9,316	9,549	9,788	10,032	2.5%	
<b>TOTAL</b>	<b>126,687</b>	<b>129,769</b>	<b>132,934</b>	<b>136,186</b>	<b>139,528</b>	<b>142,963</b>		
<b>RESERVES ARTICLES</b>								
Stabilization Fund	250,000	250,000	250,000	250,000	250,000	250,000	0.0%	
OPEB Fund	50,000	100,000	100,000	100,000	100,000	100,000	0.0%	OPEB minimum funding policy
<b>TOTAL</b>	<b>300,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>		
<b>FREE CASH ARTICLES</b>								
Town Hall Lease	162,000	162,000	162,000	162,000	162,000	162,000		new lease to be negotiated
Storm Water management	25,000	40,000	55,000	70,000	85,000	100,000		
OPEB Actuary update	6,500	0	0	6,500	0	0		
Other Special Town Meeting Articles	77,311							
Capital Outlay	640,684	300,000	315,000	330,750	347,288	364,652	5.0%	CIP Pay As You Go Policy
<b>TOTAL</b>	<b>911,495</b>	<b>502,000</b>	<b>532,000</b>	<b>569,250</b>	<b>594,288</b>	<b>626,652</b>		
<b>ARTICLES FROM AVAILABLE FUNDS</b>								
Plum Island Project Debt Service	607,106	600,176	597,627	574,466	571,168	442,704		See Exist Debt Schedule Tab
From Stabilization Fund for Capital Outlay								
Misc Articles								
PEG Access	93,000	93,000	93,000	93,000	93,000	93,000		offset by Cable fees
<b>TOTAL</b>	<b>700,106</b>	<b>693,176</b>	<b>690,627</b>	<b>667,466</b>	<b>664,168</b>	<b>535,704</b>		
<b>TOTAL EXPENDITURES</b>	<b>20,619,139</b>	<b>21,323,574</b>	<b>22,067,811</b>	<b>22,463,138</b>	<b>23,112,135</b>	<b>23,771,627</b>		

TOWN OF NEWBURY ARTICLE 4 OPERATING BUDGET DETAIL PROJECTION

ARTICLE 4 NON SALARY & WAGES EXPENSES		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Proj Percent
GENERAL GOVERNMENT		Final Recap	Projected	Projected	Projected	Projected	Projected	Notes
	% change from prior year	584,350	595,483	606,950	618,761	630,926	643,457	
			2.0%	2.0%	2.0%	2.0%	2.0%	
Moderator		50	50	50	50	50	50	0%
Selectmen		3,200	3,200	3,200	3,200	3,200	3,200	0%
Prof/Technical Services		100,000	103,000	106,090	109,273	112,551	115,927	3%
Tax title		25,000	25,000	25,000	25,000	25,000	25,000	0%
Admin & Finance		47,800	49,234	50,711	52,232	53,799	55,413	3%
Fin Com		5,000	5,000	5,000	5,000	5,000	5,000	0%
Reserve Fund		150,000	150,000	150,000	150,000	150,000	150,000	0%
Assessors		41,300	42,539	43,815	45,130	46,484	47,878	3%
Audit		30,000	30,900	31,827	32,782	33,765	34,778	3%
Legal		80,000	82,400	84,872	87,418	90,041	92,742	3%
Personnel Board		500	500	500	500	500	500	0%
IT		46,200	47,586	49,014	50,484	51,999	53,558	3%
Postage		19,000	19,570	20,157	20,762	21,385	22,026	3%
General Code		6,000	6,000	6,000	6,000	6,000	6,000	0%
Town Clerk		6,800	7,004	7,214	7,431	7,653	7,883	3%
Town Records		10,000	10,000	10,000	10,000	10,000	10,000	0%
Town Elections		13,500	13,500	13,500	13,500	13,500	13,500	0%
NATURAL RESOURCES		67,500	69,000	70,545	72,136	73,775	75,464	
	% change from prior year		2.0%	2.0%	2.0%	2.0%	2.0%	
Storm Water management		5,000	5,000	5,000	5,000	5,000	5,000	0%
Beaver management		5,000	5,000	5,000	5,000	5,000	5,000	0%
Plum Island Beach Management		5,000	5,000	5,000	5,000	5,000	5,000	0%
Tree warden		50,000	51,500	53,045	54,636	56,275	57,964	3%
Ciam Flats Shellfish		2,500	2,500	2,500	2,500	2,500	2,500	0%
PLANNING and ZONING		18,944	19,512	20,098	20,701	21,322	21,961	
	% change from prior year		3.0%	3.0%	3.0%	3.0%	3.0%	
Pictometry		9,776	10,069	10,371	10,682	11,003	11,333	3%
Planning		5,735	5,907	6,084	6,267	6,455	6,648	3%
MVPC dues		2,433	2,506	2,581	2,659	2,738	2,821	3%
Zoning		1,000	1,030	1,061	1,093	1,126	1,159	3%
FACILITIES		224,250	235,450	247,210	259,558	272,523	286,137	
	% change from prior year		5.0%	5.0%	5.0%	5.0%	5.0%	
Utilities		105,000	110,250	115,763	121,551	127,628	134,010	5%
Repairs,Maint, Improvements		90,000	94,500	99,225	104,186	109,396	114,865	5%
Property related Services		29,000	30,450	31,973	33,571	35,250	37,012	5%
Town Reports		250	250	250	250	250	250	0%
PROPERTY/LIABILITY/WORKERS COMP		150,170	154,675	159,315	164,095	169,018	174,088	
	% change from prior year		3.0%	3.0%	3.0%	3.0%	3.0%	
Property		150,170	154,675	159,315	164,095	169,018	174,088	3%
Liability		0	0	0	0	0	0	3%
Workers Comp		0	0	0	0	0	0	3%

TOWN OF NEWBURY ARTICLE 4 OPERATING BUDGET DETAIL PROJECTION

ARTICLE 4 NON SALARY & WAGES EXPENSES	FY2018 Final Recap	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	Proj Percent Notes
<b>PUBLIC SAFETY</b>	<b>516,677</b>	<b>528,534</b>	<b>540,748</b>	<b>553,327</b>	<b>566,284</b>	<b>579,630</b>	
<i>% change from prior year</i>		<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	
Police	174,900	180,147	185,551	191,118	196,851	202,757	3%
Emergency Management	10,000	10,300	10,609	10,927	11,255	11,593	3%
Fire lease payments	80,000	80,000	80,000	80,000	80,000	80,000	0%
Fire	164,847	169,792	174,886	180,133	185,537	191,103	3%
Fire insurance premium	25,000	25,750	26,523	27,318	28,138	28,982	3%
Inspector vehicle allowance	8,400	8,400	8,400	8,400	8,400	8,400	0%
Inspector expense	20,500	21,115	21,748	22,401	23,073	23,765	3%
Sealer of Weights	2,500	2,500	2,500	2,500	2,500	2,500	0%
Animal Control	3,500	3,500	3,500	3,500	3,500	3,500	0%
Greenhead Assessment	7,030	7,030	7,030	7,030	7,030	7,030	0%
Hydrant service	20,000	20,000	20,000	20,000	20,000	20,000	0%
<b>CAPITAL OUTLAY</b>	<b>311,751</b>	<b>321,104</b>	<b>330,737</b>	<b>340,659</b>	<b>350,878</b>	<b>361,405</b>	
<i>% change from prior year</i>		<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	
Police Capital Outlay	39,000	40,170	41,375	42,616	43,895	45,212	3%
Fire capital Outlay	228,000	234,840	241,885	249,142	256,616	264,314	3%
DPW Capital Outlay	44,751	46,094	47,476	48,901	50,368	51,879	3%
<b>PUBLIC WORKS</b>	<b>700,000</b>	<b>715,000</b>	<b>730,450</b>	<b>746,364</b>	<b>762,754</b>	<b>779,637</b>	
<i>% change from prior year</i>		<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	
DPW	190,000	195,700	201,571	207,618	213,847	220,262	3%
Road Improvement	250,000	257,500	265,225	273,182	281,377	289,819	3%
Snow and Ice	200,000	200,000	200,000	200,000	200,000	200,000	0%
Street Lighting	60,000	61,800	63,654	65,564	67,531	69,556	3%
<b>COMMUNITY SERVICES</b>	<b>221,437</b>	<b>225,755</b>	<b>230,203</b>	<b>234,784</b>	<b>239,502</b>	<b>244,362</b>	
<i>% change from prior year</i>		<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	
Health	66,930	68,938	71,006	73,136	75,330	77,590	3%
Council on Aging	4,632	4,771	4,914	5,062	5,213	5,370	3%
Veterans Assmt	30,000	30,000	30,000	30,000	30,000	30,000	0%
Veterans Benefits	45,000	45,000	45,000	45,000	45,000	45,000	0%
Library	71,000	73,130	75,324	77,584	79,911	82,308	3%
Historical Committee	1,375	1,416	1,459	1,502	1,548	1,594	3%
Memorial Day Celebration	2,500	2,500	2,500	2,500	2,500	2,500	0%
<b>EDUCATION</b>	<b>9,374,592</b>	<b>9,741,915</b>	<b>10,123,931</b>	<b>10,521,227</b>	<b>10,761,333</b>	<b>11,191,049</b>	
<i>% change from prior year</i>		<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>2.0%</b>	<b>4.0%</b>	
Triton Regional Operating Assmt	8,616,585	8,961,248	9,319,698	9,692,486	10,080,186	10,483,393	4%
Triton Regional Debt Service Assmt/Exempt	173,083	173,083	173,083	173,083	0	0	0%
Whittier Regional Operating Assmt	434,750	452,140	470,226	489,035	508,596	528,940	4%
Whittier Regional Debt Service Assmt/NonExempt	18,434	18,434	18,434	18,434	18,434	18,434	0%
Essex Tech Operating Assmt	131,740	137,010	142,490	148,190	154,117	160,282	4%

TOWN OF NEWBURY ARTICLE 4 OPERATING BUDGET DETAIL PROJECTION

ARTICLE 4 NON SALARY & WAGES EXPENSES	FY2018 Final Recap	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	Proj Percent Notes
<b>EXISTING DEBT SERVICE</b>							
Bonding costs	1,191,211	1,158,183	1,139,840	730,866	724,368	512,704	
Debt Service- Short term interest	30,000	30,000	30,000	30,000	30,000	30,000	
Debt Service-Exempt	40,000	40,000	40,000	40,000	40,000	40,000	
Debt Service-Non-exempt	514,105	488,007	472,213	86,400	83,200	0	debt worksheet
Debt Service-Sewer Plum Island	0	0	0	0	0	0	
	607,106	600,176	597,627	574,466	571,168	442,704	debt worksheet
<b>PROJECTED AUTHORIZED EXEMPT DEBT SERVICE</b>							
Debt Service Police Town Hall-Exempt	0	397,500	397,775	397,825	397,650	402,250	
	0	397,500	397,775	397,825	397,650	402,250	financial advisor est
<b>EMPLOYEE BENEFITS</b>							
Essex Regional Retirement Assmt	1,557,263	1,690,060	1,834,842	1,992,672	2,164,758	2,344,015	
Unemployment	601,440	645,964	693,830	745,242	800,465	851,374	retirement worksheet
Health insurance	10,000	10,000	10,000	10,000	10,000	10,000	0%
Dental	856,340	941,974	1,036,171	1,139,789	1,253,767	1,379,144	10%
Life	37,983	39,122	40,296	41,505	42,750	44,033	3%
Medicare	1,500	1,500	1,500	1,500	1,500	1,500	0%
	50,000	51,500	53,045	54,636	56,275	57,964	3%
<b>TOTAL Non Salary and Wages from Above</b>							
TOTAL Salary and Wages from COLA sheet	14,918,145	15,852,172	16,432,643	16,652,975	17,135,093	17,616,159	
<b>TOTAL ARTICLE 4 BUDGET</b>	3,851,662	3,967,212	4,086,228	4,208,815	4,335,080	4,465,132	
<b>% change from prior year</b>	18,769,807	19,819,384	20,518,871	20,861,790	21,470,172	22,081,291	
		6.0%	4.0%	2.0%	3.0%	3.0%	



## TOWN OF NEWBURY PROJECTED IMPACT OF WAGE INCREASES

COLA Factor Step Increase Factor		FY2019	FY2020	FY2021	FY2022	FY2023		
		103.00%	103.00%	103.00%	103.00%	103.00%		
		100.00%	100.00%	100.00%	100.00%	100.00%		
	FY2016 Budget	FY2017 Budget	FY2018 Budget	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
GENERAL GOVERNMENT	573,691	633,453	671,055	691,187	711,922	733,280	755,278	777,937
NATURAL RESOURCES	43,000	53,129	56,528	58,224	59,971	61,770	63,623	65,531
PLANNING and ZONING	72,270	78,510	81,821	84,276	86,804	89,408	92,090	94,853
PUBLIC SAFETY	1,900,145	1,993,092	2,187,857	2,253,493	2,321,097	2,390,730	2,462,452	2,536,326
PUBLIC WORKS	447,915	497,453	512,377	527,748	543,581	559,888	576,685	593,985
COMMUNITY SERVICES	316,200	324,506	342,024	352,285	362,853	373,739	384,951	396,500
TOTAL	3,353,221	3,580,143	3,851,662	3,967,212	4,086,228	4,208,815	4,335,080	4,465,132
Total Financial Impact				115,550	119,016	122,587	126,264	130,052
% Change				3.0%	3.0%	3.0%	3.0%	3.0%

**TOWN OF NEWBURY**  
**RETIREMENT FUNDING SCHEDULE**

January 2017 Approved PERAC Funding Schedule

Fiscal Year	per cent inc from prior year	Newbury Retirement Share
2018		601,400
2019	7.41%	645,964
2020	7.41%	693,830
2021	7.41%	745,242
2022	7.41%	800,465
2023	6.36%	851,374
2024	4.00%	885,429
2025	4.00%	920,847
2026	4.00%	957,680
2027	4.00%	995,988
2028	4.00%	1,035,827
2029	4.00%	1,077,260
2030	4.00%	1,120,351
2031	4.00%	1,165,165
2032	4.00%	1,211,771
2033	4.00%	1,260,242
2034	4.00%	1,310,652
2035	3.89%	1,361,636
2036	-80.24%	269,059

# TOWN OF NEWBURY FIVE YEAR FORECAST FOR CAPITAL INVESTMENT

FISCAL YEAR	Excluded					Capital Operating Budget Pay as You Go	Capital Articles Free Cash	GRAND TOTAL	Total FORECASTED Revenue Budget	Capital Inv as % of Forecast Budget	\$ Change from Prior Yr
	Existing General Fund Debt Service	Estimated Author/Unissued Debt Service	FY2019-FY2023 CIP Proposed Debt (estimated)								
2018	514,105	0	0		311,751	802,684	825,856	20,619,139	4.0%		
2019	488,007	397,500	TBD		321,074	462,000	1,206,581	21,274,686	5.7%	380,725	
2020	472,213	397,775	TBD		330,736	477,000	1,200,724	21,912,127	5.5%	-5,857	
2021	86,400	397,825	TBD		340,659	492,750	824,884	22,182,135	3.7%	-375,840	
2022	83,200	397,650	TBD		350,879	509,288	831,729	22,685,695	3.7%	6,845	
2023	0	402,250	TBD		361,405	526,652	763,655	23,186,311	3.3%	-68,074	

### ***ABOUT THE CENTER***

The Edward J. Collins, Jr. Center for Public Management in the McCormack Graduate School of Policy and Global Studies at the University of Massachusetts Boston was established in 2008 to improve the efficiency and effectiveness of all levels of government. The Center is funded by the Commonwealth and through fees charged for its services.



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