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Wilmington Financial Forecast and Users' Guide

A Community Compact Project

October 2018



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INTRODUCTION

The FY2020-FY2024 financial forecast is intended to provide public officials and 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 Wilmington 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 the source data and more in-depth analysis of revenue and expenditure categories.

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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 FY2020-FY2024 forecast for Wilmington 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."¹ 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.

Over the last 10 years, the Town has averaged over \$1.3 million in new growth tax revenues, and this projection assumes \$1.1 million rate of growth for the next 5 years. Certified new growth for FY2018 was \$1,569,275 and FY2017 was \$1,973,150.

Wilmington 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. 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.

¹ 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.

Wilmington Public Schools provides students with pre-K thru high school education. It is also a member of the Shawsheen Valley Regional Technical School District.

The majority of Chapter 70 aid on behalf of Wilmington is sent directly to the Town on the Cherry Sheet. In FY2018, Wilmington received \$11,270,330. The FY2019 Chapter 70 aid will be \$11,371,910. The 5-year projection utilizes an annual growth of 1.5%.

Charter Tuition Reimbursement – This category reimburses sending school districts for the student tuition and facilities costs that the sending municipality pays to the charter school based on a formula established by state statute. The Massachusetts Department of Elementary and Secondary Education determines the reimbursement amount based on enrollment and annual state appropriation. In FY2018, Wilmington received \$37,356 and is scheduled to receive \$28,855 in FY2019. The forecast assumes no increase in this category.

Unrestricted General Government Aid (UGGA) – This category represents state aid for general use by municipalities. Wilmington received \$2,484,126 in this category for FY2018, compared to \$2,571,070 for the FY2019 Budget. UGGA is projected to grow at a moderate rate of 4% for this projection.

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 received \$264,542 and \$133,449 respectively in reimbursements, compared to \$204,815 and \$152,862 for these categories in the FY2019 Budget. This forecast assumes a level amount

for veterans' benefits and a 6% increase in Exemptions reimbursements.

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.

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 budget in late January 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.

LOCAL ESTIMATED RECEIPTS

Local estimated receipts are locally generated revenues, other than real and personal property taxes. Major revenue sources include motor vehicle excise, payments in lieu of taxes, penalties and interest on taxes, ambulance revenue, and building permit fees. (Sewer revenue is reported separately below.) Wilmington reports on 11 categories of local receipts. In FY014, the Town collected \$8,251,487 in local receipts. This amount has grown to \$9,581,448 in FY2018. 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 over the last 5 years has collected \$1.5 million to \$2.5 million more than was budgeted.

In FY2018, the Town collected \$1,781,533 more than the local receipts FY2018 budget of \$7,799,915. Motor vehicle excise revenue (\$4,652,572) is the Town's largest local receipt, constituting about 47% of the total estimated receipts. Other significant local receipts include license and permits (\$922,340), ambulance revenues (\$678,111), and payments in lieu of taxes (\$822,000). The Town has not adopted the State authorized hotel/motel room excise. For forecast purposes, motor vehicle excise and meals tax are projected to increase 5% per year, and other items to remain stable. This results in a net projection increase of 2%% per year.

SEWER FUND

Sewer Revenues – The Town sewer fund was established by a special act of the legislature, and revenues and expenditures are accounted for in the general fund. Approximately 82% of the town has on-site septic systems. Revenues are generated from sewer rates, septage disposal, and sewer betterments, and are used to cover the expense budget and some indirect costs.

AVAILABLE FUNDS

Available Funds for Town Meeting Articles – This line item represents funds that are dedicated for specific purposes. For FY2019, \$20,000 was transferred from Cemetery Trust Fund interest, and \$20,000 transferred from sale of cemetery lots.

Water revenues comes from many different sources, including water rates, water services, connection fees, and protection and cross connections fees. Currently, the Water Department operating budget is not appropriated by town meeting but is detailed in the Town Manager’s Recommended Budget document. The water system does reimburse the general fund for Water debt, capital projects, and other Water costs that are included in the general fund budget. For FY2019, this amount is \$1,419,055.

The town accountant maintains the revenue and expenditure details to monitor any annual surplus or deficit in the water system.

FREE CASH

Free Cash for Reserves, Capital and Other Purposes – The Town utilizes free cash to fund a number of town meeting capital outlay and miscellaneous 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 reporting. The department budgets are reported as follows: General Government, Public Safety, Public Works, Sewer, Community Development, Public Buildings, and Human Services.

Salaries and Wages are impacted by wage settlements for all union and non-union employees. For projection purposes, the recommended FY2019 salary budgets have been used to calculate the impacts of wage settlements for FY2020 – FY2024. Note that the FY2019 salary budgets do not include potential wage cola, which is reserved in the “Salary Adjustment” budget account. The forecast utilizes a 2% COLA and 2% step increase, 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.

This projection worksheet is based on existing staff and staffing levels. Changes in positions or staffing increases and/or decreases are not included.

Other Expense projections for departments 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.

SCHOOLS

Wilmington School Department – Wilmington School Committee is responsible for providing education for pre-k through high school students in six elementary schools, one middle school, and one high school. Student population has dropped slightly from 3,593 in FY2013 to 3,330 in FY2018. The FY2018 budget was \$38,869,388, and the FY2019 appropriation is \$40,326,533. This forecast uses a 3.25% increase for FY2020-FY2024.

Shawsheen Valley Regional Technical School District – Wilmington is a member of the SVRT School District. Budget costs are assessed to each member community based upon the number of students. Wilmington students attending SVRT has dropped from 271 in FY2013 to 231 in FY2018. In FY2018, Wilmington’s budget assessment was \$4,182,233, and the FY2019 assessment is \$4,265,878. The forecast projects a 3% increase for FY2020-FY2024.

North Shore Agricultural/Technical School District – Wilmington sends some students to the NSAT School District. This item reflects its share of the annual budget. In FY2018, Wilmington’s budget assessment was \$127,813, and the FY2019 assessment is \$164,332. The forecast projects a 3% increase for FY2020-FY2024.

DEBT SERVICE

Debt Service Non-Exempt – Debt Service costs in this category are funded within the limits of Proposition 2 ½. Any future non-exempt debt service costs would be projected in this row based upon the Capital Improvement Program, town meeting appropriations, 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. Any future voter-approved exempt debt service costs would be projected in this row based upon the Capital Improvement Program, town meeting appropriations, timing, amount, interest rate, and debt structure, as determined by the Town Treasurer with the assistance of the Town’s financial advisor.

Debt Service Sewer and Water – Debt Service costs in this category are funded by sewer and water revenues. Any future debt service costs would be projected in this row based upon the Capital Improvement Program, town meeting appropriations, timing, amount, interest rate, and debt structure, as determined by the Town Treasurer with the assistance of the Town’s financial advisor.

EMPLOYEE BENEFITS

Employee Health and Life 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 5% increase in rates. This early estimate will be updated each year as MIIA reviews costs, and the Town reviews its health insurance program.

Employee Retiree Unused Sick Leave – This account funds payments of unused sick leave based upon various non-union and union agreements. This forecast uses a level-funded amount but is subject to fluctuations based upon retirements.

Medicare – The Town must contribute 1.45% of wages to Medicare for employees hired after 1986. The FY2019 appropriation is \$800,000. In the forecast, Medicare has been projected to increase 5% per year thereafter. This reflects the impact of negotiated salary and step increases for employees.

Salary Adjustments – This line is an amount set aside for FY2019 salary adjustments to be determined by negotiations. The FY2019 town department budgets do not include funds for any potential settlement. The 5-year projection includes this amount because the COLA worksheet uses the FY2019 department appropriation as its base.

Retirement – Town pension costs are projected based on the appropriations letters issued by the Public Employee Retirement Administration Commission (PERAC) for the Middlesex 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 Wilmington is detailed in the Retirement worksheet. The FY2019 assessment share of retirement costs

for Wilmington is \$6,535,038. The forecast applies the 6.5% annual increase to the next 5 years based upon the funding schedule approved by PERAC. Though this is the best information available at this time, Town officials should be aware that the schedule will be updated every 2 years and this will likely result in changes to these projected pension costs for Wilmington and should be monitored in future years to reflect any revisions in the necessary funding.

UNCLASSIFIED

Miscellaneous and Reserve Fund – This category lists costs for the annual audit, ambulance billing, Town Report, professional and technical services, and the Finance Committee Reserve Fund. The 5-year projection level funds all these items except for a small increase of 2.5% per year for ambulance billing.

PROPERTY/LIABILITY INSURANCES

Workers Compensation/Property/Liability – Wilmington participates in the MIIA program. Early cost estimates are projected at 2.5% 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 any new construction projects and employee injury and safety performance.

STATE, COUNTY, AND DISTRICT ASSESSMENTS

Most assessments included in the forecast are based on the Cherry Sheet estimates published by the Division of Local Services for the FY2019 budget. The most significant assessments to Wilmington are the MWRA sewer assessment for FY2019 of \$3,032,110, and the Massachusetts Bay Transit Authority (MBTA) assessment of \$518,623. Assessments have been projected to increase by 2.5% per year for the 5-year forecast.

Similar to the cherry sheet state aid accounts on the revenue side, Town officials should continue to monitor the state budget process for FY2020 and follow the release of local aid estimates until the State budget process concludes with the issuance of final FY2020 Cherry Sheets.

OTHER AMOUNTS TO BE RAISED

Overlay – The annual allowance for abatements and exemptions (**Overlay**) has been level funded. 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.

WARRANT ARTICLES FROM TAX LEVY

Memorial Day, Veterans Day, Veterans' Quarters, and 4th of July – These items appear annually in the budget and are forecast to be level funded.

Capital Outlay – Wilmington annually funds a number of capital items as “pay as you go” that are identified in the 5-year Capital Improvement Program. The Town appropriated \$1,957,600 for projects in FY2019. The current CIP has identified these projects and the potential for funding them with the tax levy. These projects and funding sources will be reviewed and revised with each year’s CIP. For purposes of this forecast, the total dollar amount of the current plan was utilized but spread out over the five year forecast to increase the pay as you go investment in capital infrastructure to commit an annual allocation to the capital improvement program that can grow at a rate similar to the operating budget. The development of the financial management policies is anticipated to discuss this practice.

OPEB Reserve Trust 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. Wilmington has established such a fund and in FY2019 appropriated \$1,000,000. This forecast maintains the same \$1,000,000 funding level as FY2019.

Capital Stabilization Fund – Wilmington has established a Capital Stabilization Fund to fund future capital projects. The Town appropriated \$1,000,000 from the tax levy to this fund for FY2019. This 5-year forecast assumes level funding. The development of the financial management policies is anticipated to discuss this practice and the use of these funds.

Retirement Reserve and/or Prepayment – Wilmington, as are all other Massachusetts municipalities, is required to appropriate money to its retirement system. This amount was described in the Retirement section. In addition, municipalities can set aside additional money to reduce its future retirement liabilities. Wilmington has done so and in FY2019 has appropriated \$1,500,000. This 5-year forecast projects level funding for this item. The development of the financial management policies is anticipated to discuss this practice and the use of these funds.

WARRANT ARTICLES FROM FREE CASH

Capital Stabilization Fund – In addition to funding its Capital Stabilization Fund from the current tax levy, the Town also appropriated \$3,000,000 from free cash to this fund for FY2019. This 5-year forecast does not assume any funding from free cash at this point in time.

Capital Outlay and Other Costs – In addition to funding capital items from current tax levy, capital can also be funded from free cash. The Town appropriated \$1,091,800 from free cash in FY2019 of which the majority was for major software upgrades. This 5-year forecast does not assume any funding from free cash at this point in time. This decision is reviewed annually based upon the CIP and other funding requirements.

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WORKSHEETS AND PROCESS TO UPDATE FORECAST

Description of Worksheets

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

- Summary
- Revenue Projections
- Growth
- Local Receipts History
- Cherry Sheet History
- Reserves and Free Cash
- Expenditure Projections
- Operating Expense Budget Detail
- COLA
- Cherry Sheet and Other Assessments
- Existing Debt Schedules
- Authorized/Unissued Debt and CIP Bonded Projects
- 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 Current Budget 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 can 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 worksheet should be updated when each fiscal year’s actual revenues are finalized and when the tax rate is set.

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

Reserves and Free Cash History – This worksheet is used to detail the history and current status of these special accounts and activity for planning purposes.

Expenditure Projections – This worksheet lists the details of the various departments and other expense 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 or enters manually in this 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.

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

Debt Schedules – These worksheets 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.

Authorized/Unissued Debt and Potential CIP debt projects – This worksheet details the Town’s existing and potential future debt service authorizations. When the Town permanently borrows for these projects, the respective debt schedules must be updated in the previous worksheets. Estimated debt service for potential projects should be added to the Expenditure worksheet as the CIP is finalized.

Retirement – This worksheet lists the current PERAC retirement appropriation for Wilmington’s share of the Middlesex Retirement System. The funding schedule is updated by an actuary hired by the County every 2 years and approved by PERAC which will allow Wilmington 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 Wilmington Draft FY2021 to FY2025 Forecast. A blank template file is provided to the town for this next cycle, the FY2021 to FY2025. 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 5- 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 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: FY2020-FY2024 FINANCIAL FORECAST

SUMMARY OF PROJECTED REVENUES AND EXPENDITURES

	FY2019 Budget	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected
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Revenues

Property Tax Levy	82,548,393	85,687,937	88,769,019	92,017,687	95,347,572	98,760,704
State Aid	14,355,960	14,638,553	14,928,369	15,225,644	15,225,644	15,530,622
Local Receipts	11,884,284	12,135,256	12,471,382	12,822,284	13,188,651	13,570,879
Other Available Funds	1,459,005	1,591,765	1,816,906	1,879,030	1,946,536	2,019,322
Free Cash	4,091,800	1,800,000	0	0	0	0
Total Revenues	114,339,442	115,853,511	117,985,676	121,944,645	125,708,403	129,881,527
Annual \$ Growth		1,514,069	2,132,165	3,958,969	3,763,758	4,173,124
Annual % Growth		1.3%	1.8%	3.4%	3.1%	3.3%

Expenditures

General Government	2,795,394	2,892,675	2,993,495	3,097,987	3,206,290	3,318,546
Public Safety	10,526,052	10,942,134	11,374,796	11,824,703	12,292,545	12,779,041
Public Works	6,871,888	7,139,258	7,417,611	7,707,419	8,009,171	8,323,382
Sewer	183,217	191,487	200,134	209,176	218,631	228,518
Community Development	786,471	817,369	849,493	882,893	917,619	953,724
Public Buildings	5,001,776	5,183,320	5,371,583	5,566,818	5,769,286	5,979,261
Human Services	2,122,039	2,197,082	2,274,890	2,355,567	2,439,223	2,525,971
Schools	44,756,743	46,200,262	47,690,362	49,228,549	50,816,374	52,455,441
Debt Service- Non-Exempt	724,325	705,725	683,175	567,525	543,900	525,400
Debt Service- Exempt	3,188,650	3,092,350	3,001,200	2,859,300	2,771,050	2,682,800
Debt Service- Sewer	365,715	361,144	352,842	340,479	309,940	303,242
Employee Benefits	21,047,038	22,174,315	23,363,953	24,619,477	25,944,613	27,343,304
Unclassified	810,500	811,575	812,677	813,806	814,964	816,151
Property/Liability Insurance	854,000	875,350	897,234	919,665	942,656	966,223
State/County Assessments	3,798,734	3,893,702	3,991,045	4,090,821	4,193,092	4,297,919
Other Amounts to be Raised	900,000	900,000	900,000	900,000	900,000	900,000
Warrant Articles- Tax Levy	5,515,100	6,057,500	6,132,500	6,209,750	6,289,318	6,371,272
Warrant Articles- Free Cash	4,091,800	1,800,000	0	0	0	0
Total Expenditures	114,339,442	116,235,248	118,306,991	122,193,934	126,378,671	130,770,194
Annual \$ Growth		1,895,806	2,071,743	3,886,943	4,184,737	4,391,524
Annual % Growth		1.7%	1.8%	3.3%	3.4%	3.5%

Annual Surplus/Deficit	0	-381,737	-321,315	-249,289	-670,268	-888,667
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FIVE YEAR REVENUE PROJECTION

Revenue Projections	FY2019 Budget	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected	Projection Percent	Notes
PROPERTY TAX LEVY								
Prior Year Tax Levy Limit	76,668,444	79,685,155	82,777,284	85,946,716	89,195,384	92,525,269		
2.5% Increase	1,916,711	1,992,129	2,069,432	2,148,668	2,229,885	2,313,132		
Prop 2 1/2 Override	0	0	0	0	0	0		
Certified New Growth	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000		See Growth
TAX Levy Limit Total	79,685,155	82,777,284	85,946,716	89,195,384	92,525,269	95,938,401		
Debt Exclusions (Net of Premium)	3,004,153	2,910,653	2,822,303	2,822,303	2,822,303	2,822,303		See Expenditures
Capital Expenditure Exclusion								
Debt Exclusions-Projected								To be determined
Maximum Allowable Levy	82,689,308	85,687,937	88,769,019	92,017,687	95,347,572	98,760,704		
Excess Tax Levy Capacity	(140,915)	0	0	0	0	0		
TOTAL Actual Tax Levy	82,548,393	85,687,937	88,769,019	92,017,687	95,347,572	98,760,704		
STATE AID CHERRY SHEET								
	Final							
Chapter 70 Education Aid	11,371,910	11,542,489	11,715,626	11,891,360	11,891,360	12,069,731	1.50%	five year average
Charter Tuition Reimbursement	28,855	28,855	28,855	28,855	28,855	28,855	0.00%	
Unrestricted General Government Aid	2,571,070	2,673,913	2,780,869	2,892,104	2,892,104	3,007,788	4.00%	five year average
Veterans Benefits	204,815	204,815	204,815	204,815	204,815	204,815	0.00%	
Exemptions VBS and Elderly	152,862	162,034	171,756	182,061	182,061	192,985	6.00%	five year average
Public Libraries Offset	26,448	26,448	26,448	26,448	26,448	26,448	0.00%	
TOTAL Cherry Sheet	14,355,960	14,638,553	14,928,369	15,225,644	15,225,644	15,530,622		
ESTIMATED LOCAL RECEIPTS								
Motor Vehicle Excise	4,485,977	4,710,276	4,945,790	5,193,079	5,452,733	5,725,370	5.00%	
Local Meals Tax	370,000	388,500	407,925	428,321	449,737	472,224	5.00%	
Penalties & Interest	600,000	600,000	600,000	600,000	600,000	600,000	0.00%	
Payment in Lieu Of Taxes	780,000	780,000	780,000	780,000	780,000	780,000	0.00%	
Charges For Services - Ambulance	750,000	750,000	750,000	750,000	750,000	750,000	0.00%	
Fees	60,000	60,000	60,000	60,000	60,000	60,000	0.00%	
Rentals	120,000	120,000	120,000	120,000	120,000	120,000	0.00%	
Dept Revenue - Schools	0	0	0	0	0	0	0.00%	
Dept Revenue - Library	10,000	10,000	10,000	10,000	10,000	10,000	0.00%	
Dept Revenue - Cemetery	85,000	85,000	85,000	85,000	85,000	85,000	0.00%	
Dept Revenue - Other	20,000	20,000	20,000	20,000	20,000	20,000	0.00%	
Licenses & Permits	814,000	814,000	814,000	814,000	814,000	814,000	0.00%	
Fines & Forfeits	90,000	90,000	90,000	90,000	90,000	90,000	0.00%	
Investment Income	250,000	250,000	250,000	250,000	250,000	250,000	0.00%	
Medicaid Reimbursement	150,000	150,000	150,000	150,000	150,000	150,000	0.00%	
Miscellaneous (Non - Recurring)	73,000	73,000	73,000	73,000	73,000	73,000	0.00%	
Sewer	3,226,307	3,234,480	3,315,667	3,398,884	3,484,181	3,571,286		from Sewer forecast
TOTAL Local Receipts	11,884,284	12,135,256	12,471,382	12,822,284	13,188,651	13,570,879		
AVAILABLE FUNDS								
Cemetery Trust Fund Interest	20,000	20,000	20,000	20,000	20,000	20,000		
Sale of Cemetery Lots	20,000	20,000	20,000	20,000	20,000	20,000		
Water Dept Transfer	1,419,005	1,551,765	1,776,906	1,839,030	1,906,536	1,979,322		from Water forecast
TOTAL Other Available Funds	1,459,005	1,591,765	1,816,906	1,879,030	1,946,536	2,019,322		
FREE CASH								
Capital Stabilization Fund	3,000,000	0	0	0	0	0		see expenditure projects
Capital Outlay	1,091,800	1,800,000	0	0	0	0		see expenditure projects
TOTAL Free Cash	4,091,800	1,800,000	0	0	0	0		
TOTAL REVENUES	114,339,442	115,853,511	117,985,676	121,944,645	125,708,403	129,881,527		

FIVE YEAR EXPENDITURE PROJECTION

Expenditure Projections	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Projection	Notes
	Budget	Projected	Projected	Projected	Projected	Projected	Percent	
GENERAL GOVERNMENT								
Salaries & Wages	1,778,985	1,850,856	1,925,631	2,003,426	2,084,364	2,168,573		see cola tab
Other Expenses	1,016,409	1,041,819	1,067,865	1,094,561	1,121,925	1,149,973	2.50%	
TOTAL	2,795,394	2,892,675	2,993,495	3,097,987	3,206,290	3,318,546		
PUBLIC SAFETY								
Salaries & Wages	9,930,549	10,331,743	10,749,146	11,183,411	11,635,221	12,105,284		see cola tab
Other Expenses	595,503	610,391	625,650	641,292	657,324	673,757	2.50%	
TOTAL	10,526,052	10,942,134	11,374,796	11,824,703	12,292,545	12,779,041		
PUBLIC WORKS								
Salaries & Wages	3,240,428	3,371,341	3,507,543	3,649,248	3,796,678	3,950,064		see cola tab
Rubbish Collection & Disposal	1,826,797	1,918,137	2,014,044	2,114,746	2,220,483	2,331,507	5.00%	
Other Expenses	1,804,663	1,849,780	1,896,024	1,943,425	1,992,010	2,041,811	2.50%	
TOTAL	6,871,888	7,139,258	7,417,611	7,707,419	8,009,171	8,323,382		
SEWER								
Salaries & Wages	92,841	96,592	100,494	104,554	108,778	113,173		see cola tab
Other Expenses	90,376	94,895	99,640	104,622	109,853	115,345	5.00%	
TOTAL	183,217	191,487	200,134	209,176	218,631	228,518		
COMMUNITY DEVELOPMENT								
Salaries & Wages	729,621	759,098	789,765	821,672	854,867	889,404		see cola tab
Other Expenses	56,850	58,271	59,728	61,221	62,752	64,321	2.50%	
TOTAL	786,471	817,369	849,493	882,893	917,619	953,724		
PUBLIC BUILDINGS								
Salaries & Wages	3,027,982	3,150,312	3,277,585	3,410,000	3,547,764	3,691,093		see cola tab
Fuel								
Other Expenses	1,973,794	2,033,008	2,093,998	2,156,818	2,221,523	2,288,168	3.00%	
TOTAL	5,001,776	5,183,320	5,371,583	5,566,818	5,769,286	5,979,261		
HUMAN SERVICES								
Salaries & Wages	1,428,058	1,485,752	1,545,776	1,608,225	1,673,198	1,740,795		see cola tab
Other Expenses	693,981	711,331	729,114	747,342	766,025	785,176	2.50%	
TOTAL	2,122,039	2,197,082	2,274,890	2,355,567	2,439,223	2,525,971		
SCHOOLS								
Wilmington School Dept	40,326,533	41,637,145	42,990,353	44,387,539	45,830,134	47,319,613	3.25%	
North Shore Agriculture/Technical School District	164,332	169,262	174,340	179,570	184,957	190,506	3.00%	
Shawsheen Valley Reg Voc Tech High School	4,265,878	4,393,854	4,525,670	4,661,440	4,801,283	4,945,322	3.00%	
TOTAL	44,756,743	46,200,262	47,690,362	49,228,549	50,816,374	52,455,441		
DEBT SERVICE- GF Non-Exempt								
Existing Debt	679,325	660,725	638,175	522,525	498,900	480,400		See Non-Exempt Tab
Fees and Misc	45,000	45,000	45,000	45,000	45,000	45,000		
Projected CIP Debt								to be determined per CIP
TOTAL	724,325	705,725	683,175	567,525	543,900	525,400		
DEBT SERVICE- GF Prop 2 1/2 exempt								
Existing Debt	3,188,650	3,092,350	3,001,200	2,859,300	2,771,050	2,682,800		See Exempt Debt Tab
BAN								
Projected CIP Debt								to be determined per CIP
TOTAL	3,188,650	3,092,350	3,001,200	2,859,300	2,771,050	2,682,800		
DEBT SERVICE- Sewer and Water								
Existing Sewer Debt	115,520	112,920	110,320	103,180	77,460	75,660		See Sewer Debt Tab
Existing Water Debt	250,195	248,224	242,522	237,299	232,480	227,582		See Water Debt Tab
Authorized/Unissued								
Projected CIP Debt								to be determined per CIP
TOTAL	365,715	361,144	352,842	340,479	309,940	303,242		
EMPLOYEE BENEFITS								
Employee Health & Life Insurance	13,000,000	13,650,000	14,332,500	15,049,125	15,801,581	16,591,660	5.00%	subject to experience and rate setting
Employee Retire Unused Sick Leave	75,000	75,000	75,000	75,000	75,000	75,000	0.00%	accumulated benefits on separation
Medicare (1.45%)	800,000	840,000	882,000	926,100	972,405	1,021,025	5.00%	increase at rate of payroll growth
Salary Adjustments & Additional Costs	625,000	637,500	650,250	663,255	676,520	690,051	2.00%	variablir based on contract status
Local Trans/Training Conference	5,000	5,000	5,000	5,000	5,000	5,000	0.00%	
Out of State Travel	7,000	7,000	7,000	7,000	7,000	7,000	0.00%	
Retirement	6,535,038	6,959,815	7,412,203	7,893,997	8,407,106	8,953,568	6.50%	Middlesex Retirement System
TOTAL	21,047,038	22,174,315	23,363,953	24,619,477	25,944,613	27,343,304		
UNCLASSIFIED								
Annual Audit	35,000	35,000	35,000	35,000	35,000	35,000	0.00%	
Ambulance Billing	43,000	44,075	45,177	46,306	47,464	48,651	2.50%	
Town Report & Calendar	7,500	7,500	7,500	7,500	7,500	7,500	0.00%	
Professional & Tech Services	125,000	125,000	125,000	125,000	125,000	125,000	0.00%	
Reserve Fund	600,000	600,000	600,000	600,000	600,000	600,000	0.00%	
TOTAL	810,500	811,575	812,677	813,806	814,964	816,151		
PROPERTY/LIABILITY INSURANCES								
Public Liability- Officials	40,000	41,000	42,025	43,076	44,153	45,256	2.50%	
Workers Comp	425,000	435,625	446,516	457,679	469,120	480,848	2.50%	
Automobile Liability	80,000	82,000	84,050	86,151	88,305	90,513	2.50%	
Property & General Liability	225,000	230,625	236,391	242,300	248,358	254,567	2.50%	
Boiler	10,000	10,250	10,506	10,769	11,038	11,314	2.50%	
Bonds	4,000	4,100	4,203	4,308	4,415	4,526	2.50%	
Accident- Police & Fire	60,000	61,500	63,038	64,613	66,229	67,884	2.50%	
Umbrella	10,000	10,250	10,506	10,769	11,038	11,314	2.50%	
TOTAL	854,000	875,350	897,234	919,665	942,656	966,223		
STATE and COUNTY ASSESSMENTS								
Offset Items	26,448	27,109	27,787	28,482	29,194	29,923	2.50%	
MBTA	518,623	531,589	544,878	558,500	572,463	586,774	2.50%	
Metropolitan Area Planning Council	12,261	12,568	12,882	13,204	13,534	13,872	2.50%	
RMV Non-Renewal Surcharge	17,480	17,917	18,365	18,824	19,295	19,777	2.50%	
Metro Air Pollution Control District	8,267	8,474	8,686	8,903	9,125	9,353	2.50%	
Mosquito Control Program	63,625	65,216	66,846	68,517	70,230	71,986	2.50%	
MWRA Sewer Assessment	3,032,110	3,107,913	3,185,611	3,265,251	3,346,882	3,430,554	2.50%	
School Choice Sending Tuition	26,856	27,527	28,216	28,921	29,644	30,385	2.50%	
Charter Schools Sending Tuition	93,064	95,391	97,775	100,220	102,725	105,293	2.50%	
TOTAL	3,798,734	3,893,702	3,991,045	4,090,821	4,193,092	4,297,919		
OTHER AMOUNTS TO BE RAISED								
Overlay	900,000	900,000	900,000	900,000	900,000	900,000	0.00%	
Deficits	0	0	0	0	0	0		
TOTAL	900,000	900,000	900,000	900,000	900,000	900,000		
WARRANT ARTICLES FROM TAX LEVY								
Memorial Day/Veterans Day	6,000	6,000	6,000	6,000	6,000	6,000	0.00%	
Lease of Veterans Quarters	1,500	1,500	1,500	1,500	1,500	1,500	0.00%	
4th of July	50,000	50,000	50,000	50,000	50,000	50,000	0.00%	
Capital Outlay	1,957,600	2,500,000	2,575,000	2,652,250	2,731,818	2,813,772	3.00%	pavas you go increase
OPEB Reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.00%	
Capital Stabilization Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.00%	
Retirement Reserve and/or Prepayment	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	0.00%	
TOTAL	5,115,100	6,057,500	6,132,500	6,209,750	6,289,318	6,371,272		
WARRANT ARTICLES FROM FREE CASH								
Capital Stabilization Fund	3,000,000	0	0	0	0	0		to be determined per CIP
Capital Outlay	1,091,800	1,800,000	0	0	0	0		to be determined per CIP
TOTAL	4,091,800	1,800,000	0	0	0	0		
TOTAL EXPENDITURES	114,339,442	116,235,248	118,306,991	122,193,934	126,378,671	130,770,194		

Note:Water Budget not included above

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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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