



TOWN OF MIDDLETON
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TO: Board of Selectmen/Finance Committee

FROM: Sarah Wood

DATE: May 1, 2019

SUBJECT: FY 2019, 3rd Quarter Highlights

This report includes a summary of the 3rd quarter results as of March 31, 2019 of FY 2019 for the General Fund, CPA Fund, Water Fund, and Revolving Accounts. The General Fund accounts for the Town's annual operating budget and the majority of the capital budget. Exceptions include MELD and SESD assessments, which are accounted for as enterprise funds and capital budget items that are for another fund (i.e. CPA Fund).

General Fund Expenditures

As of March 31, 2019, 73% of the FY 2019 General Fund budget had been expended. Please see the chart below for a breakdown of each major category's budget versus actual figures as of the third quarter in FY 2019. Encumbrances and warrant articles are not included in these figures.

Major Category	Adjusted Budget	Actual Expended	Percent Expended
General Government	\$1,827,207	\$1,117,713	61%
Public Safety	\$4,074,236	\$2,683,758	66%
Education	\$22,495,895	\$16,373,854	73%
Public Works	\$1,613,946	\$1,057,481	66%
Health and Human Services	\$509,701	\$334,266	68%
Culture and Recreation	\$606,238	\$402,635	66%
Unclassified	\$4,423,547	\$3,799,159	86%

At the end of the third quarter of the fiscal year the total year-to-date expenditures should be around 75% of the departmental budget. The Recreation Commission, North Shore Essex Tech assessment, debt service, retirement assessment and liability insurance all typically have percentages exceeding 75% in the third quarter. Recreation committee's summer park program takes place within the first few months of the fiscal year therefore expenditures are higher. Retirement and liability insurance are paid by the Town in full in July and have now been allocated to MELD and the School Department per the allocation received from MIIA. Snow and Ice has expended 90% of the budget, we will end the year without the need of a Free Cash transfer. All other departments are operating at or below this benchmark.

As it is the third quarter we typically try to see how the general fund is looking as we get closer to year-end. With the BAN the Town has received for the purchase of the Middleton Golf Course we need to pay certain fees in FY19 that were unbudgeted as it was not anticipated during the budget process last year; a reserve fund transfer will be requested to cover these costs. In addition, the Police Chief is keeping an eye on his salaries budget, unless more officers use their vacation time we could be looking at a larger than usual vacation buyback at the end of the year that could exceed budgeted amounts. All other departments look to be remaining on track with their spending for the rest of the fiscal year.

General Fund Revenues

Revenue collections have been performing at or above budgeted expectations. As of March 31, 2019, 79.11% or \$28,154,773 of total estimated revenues for FY 2019 (\$35,587,590) had been collected.

Of the local receipts, there were only three categories that are lower than 75% of their budgeted revenues: PILOT, Library revenues and Medicaid Reimbursement. There is still one PILOT payment outstanding, once that is collected all expected revenues will be collected. We received a large turnover from the library in April that brings their total to 80% so I anticipate any remaining revenues will meet budgeted expectations. Medicaid reimbursements have seen a timing lag. In addition, the largest of the reimbursements is not typically received until June.

Many of the revenue categories are seeing significant increases in revenues collected compared to this time last fiscal year. I anticipate that revenues will stay within trend and end the year above budgeted expectations.

CPA Fund Expenditures & Revenues

CPA expenditures at 27% of budgeted expenditures, not inclusive of capital items. This is not unexpected as the majority of the remaining debt payments are due in April.

CPA revenues are at 84% of budgeted revenues. This is slightly higher than expectations as we receive the CPA state match in the 2nd quarter.

Water Fund Expenditures & Revenues

Water expenditures are at 61% of the budget not inclusive of capital items. This is not unusual as the majority of the remaining larger expenditures take place in the spring/summer. Also, due to staffing changes last fall it is anticipated that there will be a budgetary surplus in the salary line item.

There is no true budgeted revenue amount for the water fund. It is expected that revenues will be enough to cover the current year budget as well as add some additional revenue that will close out to fund balance at the end of the year. The majority of the revenue received comes from the Town of Danvers.

I hope the information presented is informative and helpful. If you have any questions, please do not hesitate to contact me.

Town of Middleton, MA
Fiscal Year 2019 Expenditures (unaudited)

For the Period Ended GENERAL FUND	BUDGET	9/30/18 Quarter 1	12/31/18 Quarter 2	3/31/19 Quarter 3	6/30/19 Quarter 4	Total YTD EXPENDED	AVAILABLE BUDGET	% USED
Total 114 TOWN MODERATOR	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	0%
Total 122 SELECTMEN	310,478	53,546	56,355	85,149	-	195,050	115,428	63%
Total 131 FINANCE COMMITTEE	88,509	430	125	500	-	1,055	87,454	1%
Total 135 TOWN ACCOUNTANT	163,517	27,873	35,450	55,039	-	118,362	45,155	72%
Total 141 ASSESSORS	178,021	42,255	40,119	48,673	-	131,047	46,974	74%
Total 145 TREASURER/COLLECTOR	255,806	57,585	49,121	63,848	-	170,554	85,252	67%
Total 146 CUSTODIAN OF TOWN LANDS	2,500	-	-	2,500	-	2,500	-	100%
Total 151 TOWN COUNSEL	86,500	8,887	17,325	16,018	-	42,230	44,270	49%
Total 155 MIS	282,109	40,190	44,587	72,256	-	157,033	125,076	56%
Total 161 TOWN CLERK	134,718	28,449	29,953	29,941	-	88,343	46,375	66%
Total 162 ELECTIONS	40,474	4,864	15,878	2,601	-	23,343	17,131	58%
Total 171 CONSERVATION COMMISSION	62,062	13,943	13,486	16,205	-	43,633	18,429	70%
Total 175 PLANNING BOARD	102,647	22,297	19,356	26,879	-	68,533	34,114	67%
Total 176 BOARD OF APPEALS	4,300	540	431	522	-	1,493	2,807	35%
Total 181 MASTER PLAN COMMITTEE	1,225	-	-	250	-	250	975	20%
Total 192 TOWN BUILDING	109,141	15,631	20,905	36,578	-	73,113	36,028	67%
Total 195 TOWN REPORT	5,000	-	-	1,174	-	1,174	3,826	23%
Total 210 POLICE	1,875,196	363,537	369,932	454,423	-	1,187,892	687,304	63%
Total 220 FIRE	1,909,968	361,769	370,730	565,899	-	1,298,398	611,571	68%
Total 241 BUILDING INSPECTION	262,234	57,310	56,937	67,506	-	181,753	80,481	69%
Total 292 ANIMAL CONTROL	26,638	4,686	5,659	5,371	-	15,716	10,922	59%
Total 296 CONSTABLE	200	-	-	-	-	-	200	0%
Total 301 SCHOOL DEPARTMENT	11,883,149	1,759,074	3,039,632	3,320,085	-	8,118,791	3,764,358	68%
Total 314 MASCONOMENT ASSESSMENT	9,795,231	2,419,464	2,353,854	2,668,061	-	7,441,378	2,353,853	76%
Total 315 ESSEX TECH ASSESSMENT	817,515	204,730	418,094	190,861	-	813,685	3,830	100%
Total 420 DPW ADMINISTRATION	960,638	208,868	171,100	199,292	-	579,260	381,378	60%
Total 423 SNOW & ICE REMOVAL	249,500	-	27,970	196,990	-	224,960	24,540	90%
Total 425 TRANSFER STATION	403,808	77,224	73,284	102,754	-	253,262	150,546	63%
Total 511 BOARD OF HEALTH	134,703	34,169	27,887	31,662	-	93,717	40,986	70%
Total 541 COUNCIL ON AGING	207,800	53,911	50,758	57,575	-	162,244	45,556	78%
Total 543 VETERANS AGENT	133,698	24,249	18,027	23,360	-	65,635	68,063	49%
Total 545 TRI TOWN COUNCIL	28,500	7,125	7,125	7,125	-	21,375	7,125	75%
Total 548 GARDEN CLUB	5,000	-	1,295	-	-	1,295	3,705	26%
Total 610 LIBRARY	549,350	124,284	109,779	136,473	-	370,536	178,814	67%
Total 630 RECREATION COMMISSION	45,888	29,351	2,473	275	-	32,099	13,789	70%
Total 691 HISTORICAL COMMISSION	1,000	-	-	-	-	-	1,000	0%
Total 692 MEMORIAL DAY	5,000	-	-	-	-	-	5,000	0%

Total 693 CHIEF WILLS FESTIVAL	5,000	-	-	-	-	-	5,000	0%
Total 710 DEBT SERVICE	1,282,835	784,753	-	331,255	-	1,116,008	166,828	87%
Total 820 STATE ASSESSMENTS & CHARGES	438,091	110,354	110,674	101,649	-	322,677	115,414	74%
Total 910 COMPENSATION RESERVE	40,000	-	2,925	-	-	2,925	37,075	7%
Total 911 RETIREMENT	1,409,336	1,743,117	-	(333,781)	-	1,409,336	-	100%
Total 913 UNEMPLOYMENT	10,000	1,104	221	1,895	-	3,220	6,780	32%
Total 914 HEALTH INSURANCE	869,035	237,560	190,570	186,500	-	614,629	254,406	71%
Total 915 GROUP INSURANCE	3,000	677	424	466	-	1,567	1,433	52%
Total 916 MEDICARE/DEP TAX	90,000	18,993	20,466	25,375	-	64,833	25,167	72%
Total 945 LIABILITY INSURANCE	206,250	319,477	5,177	(135,690)	-	188,964	17,286	92%
Total 962 TRANSFERS TO OTHER FUNDS	75,000	75,000	-	-	-	75,000	-	100%
Total GENERAL FUND	\$ 35,550,770	\$ 9,337,275	\$ 7,778,081	\$ 8,663,510	\$ -	\$ 25,778,866	\$ 9,771,904	73%
Total CPA	\$ 158,050	\$ 38,450	\$ -	\$ 3,925	\$ -	\$ 42,375	\$ 115,675	27%
Total WATER FUND	\$ 191,155	\$ 49,899	\$ 28,051	\$ 38,285	\$ -	\$ 116,235	\$ 74,920	61%
<p>The Departmental Codes in the 900 series are initially expensed with the Town covering all costs. In March, the School and MELD's portion of these expenditures are journaled out into MELD's fund and the school's budget.</p>								

Town of Middleton, MA
Fiscal Year 2019 Warrant Articles Expenditures (unaudited)

<u>Fund</u>	<u>Fiscal Year</u>	<u>Article #</u>	<u>Account Name</u>	<u>Original Appropriation</u>	<u>Available Balance at 7/1/2018</u>	<u>YTD Expended</u>	<u>Available Balance at 3/31/19</u>
GF	2012	30	STRM.MNGMNT CONSULT	15,000	2,613	-	2,613
GF	2013	13	ASSESSOR GIS SYS	32,000	1,936	-	1,936
GF	2013	25	DPW BLDG REPAIR	41,000	19,429	8,118	11,311
GF	2014	16	SCHOOL SECURITY SYST	37,000	7,691	-	7,691
GF	2015	19	RADAR GUN & VESTS	23,300	2,964	-	2,964
GF	2015	25	IMPROVE RUBCHINUK PK	90,000	12,347	2,900	9,447
GF	STM 2015	2	ATHLETIC FLD MAINT	35,000	11,707	7,120	4,587
GF	2016	16	FIRE TRAINING	16,000	3,951	3,905	45
GF	2016	25	DPW BUILDING REFURB	25,000	25,000	1,500	23,500
GF	2017	17	REMEDiate NATSUE WAY	165,000	144,135	7,280	136,855
GF	2017	23	UPGRADE RADIO INFRASTRUCTURE	25,000	2,536	-	2,536
GF	2017	26	PUBLIC FACILITIES STUDY	50,000	2,000	-	2,000
GF	2017	28	SCHOOL ACCOUNTING SOFTWARE	22,000	4,417	-	4,417
GF	2018	26	REPLACE DUMP TRUCK	73,000	2,402	-	2,402
GF	2018	26	TRANSFER STATION BUILDING AND DECK REPAIRS	9,000	9,000	6,571	2,429
GF	2018	28	FD BUILDING REPAIRS	20,000	20,000	13,293	6,707
GF	2018	28	FD TRAINING	16,400	16,400	16,377	23
GF	2018	28	FD COMAND POST EQUIPMENT	16,000	8,299	-	8,299
GF	2018	28	REPLACE FIRE HOSES	8,000	6,020	1,912	4,108
GF	2018	29	FM LIBRARY FURNITURE	13,000	990	-	990
GF	2018	29	FM SCIENCE CURRICULIM	36,750	4,422	4,337	86
GF	2018	29	FM SECURITY SYSTEM	101,358	101,358	203	101,155
GF	2018	33	TOWN HALL WINDOWS	10,000	10,000	-	10,000
GF	2018	34	IT IMROVEMENTS	34,450	12,760	7,412	5,348
GF	2018	34	VOTING TABULATORS	17,000	17,000	-	17,000
GF	2018	34	EMPLOYEE TRAINING	10,000	4,248	3,977	272
GF	STM 2018	7	MEMORIAL HALL REPAIRS	25,000	2,228	1,972	256
GF	2019	18	DEPARTMENT HEAD RECRUITMENT	20,000	20,000	-	20,000
GF	2019	18	IT IMROVEMENTS	37,280	37,280	28,855	8,425
GF	2019	18	VOTING BOOTHS	9,367	9,367	9,400	(33)
GF	2019	18	ELECTION POLLING PADS	12,720	12,720	9,540	3,180
GF	2019	18	POLICE DEPT TASER REPLACEMENT	12,700	12,700	12,670	30
GF	2019	18	FIRE DEPT TOUGHBOOKS	10,750	10,750	1,355	9,395
GF	2019	18	FIRE DEPT PORTABLE RADIOS	51,000	51,000	-	51,000
GF	2019	18	FIRE DEPT COMMUNICATIONS EQUIPMENT	55,000	55,000	46,494	8,506
GF	2019	18	HM END-USER TECHNOLOGY	107,016	107,016	61,720	45,296
GF	2019	18	HM TECHNOLOGY INFRASTRUCTURE	27,733	27,733	13,960	13,773
GF	2019	18	FM END-USER TECHNOLOGY	37,592	37,592	32,263	5,329
GF	2019	18	FM TECNOLOGY INFRASTRUCTURE	20,516	20,516	7,615	12,901
GF	2019	18	TRAGERT COMMON IMPROVEMENTS	4,200	4,200	3,800	400
GF	2019	18	HIGHWAY DIVISION POWER WASHER	5,500	5,500	5,395	105
GF	2019	18	HIGHWAY DIVISION SANDER/PLOW	46,000	46,000	41,040	4,960
GF	2019	18	HIGHWAY DIVISION RIGHT OF WAY TREE-CUTTING	30,000	30,000	26,335	3,665
GF	2019	18	ADDITIONAL CHAPTER 90	100,000	100,000	52,143	47,857
GF	2019	18	TRANSFER STATION CONCRETE PADS	24,300	24,300	-	24,300
GF	2019	18	COA SECURITY SYSTEM	1,100	1,100	400	700
GF	2019	18	COA SOFTWARE	7,500	7,500	6,372	1,128
GF	2019	18	COA KITCHEN EQUIPMENT	8,000	8,000	1,327	6,673
GF	2019	19	REPLACE SCBA COMPRESSOR	50,000	50,000	-	50,000
GF	2019	20	MASCO CAPITAL ITEMS*	192,765	192,765	-	192,765
GF	2019	25	BYLAW CONSULTANT	50,000	50,000	-	50,000
CEMETERY I	2016	26	OAKDALE CEMETERY WORK	63,000	30,182	-	30,182
CEMETERY I	2019	18	OAKDALE CEMETERY IMPROVEMENTS	15,000	15,000	3,690	11,310
CPA	2014	27	OLD TOWN HALL REPAIRS	22,000	22,000	-	22,000
CPA	2015	34	PHASE 1 RAILS TO TRAILS	130,000	126,600	-	126,600
CPA	2016	20	SHADE STRUCTURE AT HM	25,000	3,990	-	3,990
CPA	2016	21	TOWN COMMON IMPROVEMENT	100,000	4,713	-	4,713
CPA	2016	45	OLD TOWN HALL PLANS + DRAWINGS FOR REPAIR	20,000	8,510	-	8,510
CPA	2018	35	CURTIS SAW MILL PROJECT	4,900	4,900	-	4,900
CPA	2019	10	EMILY MAHER PARK IMPROVEMENTS	45,000	45,000	-	45,000
CPA	2019	10	HOUSING AUTHORITY WINDOWS	185,917	185,917	-	185,917

* - will close out to free cash as the other two communities did not have special town meetings prior to the end of January

Town of Middleton, MA
Fiscal Year 2019 Encumbrance Expenditures (unaudited)

<u>Fund</u>	<u>Department</u>	<u>Account Name</u>	<u>Approved</u>	<u>YTD Expended</u>	<u>Balance at 3/31/19</u>
GF	Selectmen	Contractual Services	\$ 3,500	\$ -	\$ 3,500
GF	MIS	Contractual Services - Police	1,900	1,210	690
GF	MIS	Technology Supplies	2,055	2,055	0
GF	MIS	PEG Supplies	5,000	4,561	439
GF	Town Clerk	General Code	5,000	3,075	1,925
GF	Police	Salaries & Wages **	20,535	-	20,535
GF	Police	Overtime **	9,349	-	9,349
GF	Police	Part Time **	8,200	-	8,200
GF	Police	Incentive Pay **	2,886	-	2,886
GF	Police	Equipment Repair	344	344	-
GF	Police	Training and Education **	25,737	-	25,737
GF	Police	K-9 Unit	2,000	1,087	913
GF	Police	Tavel	2,582	2,582	-
GF	Fire	Overtime **	68,857	-	68,857
GF	Fire	Part Time **	40,677	-	40,677
GF	Fire	Central Office Supplies	224	224	-
GF	School	Teacher's Summer Pay	296,830	295,002	1,828
GF	School	Supplies	96,617	42,172	54,445
GF	DPW	Catch Basin Cleaning	12,000	11,928	72
GF	DPW	Road Machinery Cleaning	3,358	3,358	-
GF	Transfer Station	Electricity	648	600	48
GF	BOH	Community Health Service	195	195	-
GF	BOH	Copier/Printing	314	314	-
GF	BOH	Travel	32	32	-
GF	Comp Reserve	Compensation Reserve	2,500	2,500	-
			<u>\$ 611,338</u>	<u>\$ 371,238</u>	<u>\$ 240,100</u>

** - Were to be used for pending contract negotiations; will be closed out at end of year due to contracts not being signed within the appropriate time frame

Town of Middleton, MA
Fiscal Year 2019 Revenues (unaudited)

For the Period Ended GENERAL FUND	BUDGET	9/30/18 Quarter 1	12/31/18 Quarter 2	3/31/19 Quarter 3	6/30/19 Quarter 4	Total YTD REVENUE	(UNDER)/OVER BUDGET	% RECEIVED
PERSONAL PROPERTY TAXES	\$ 623,282	\$ 247,573	\$ 64,096	\$ 206,576		\$ 518,245	(105,037)	83%
REAL ESTATE**	27,810,228	7,094,901	6,894,402	6,988,000		20,977,303	(6,832,925)	75%
TAX LIEN/TITLE/FORECLOSURE	*	3,340	332,917	72,826		409,083	N/A	N/A
MOTOR VEHICLE EXCISE	1,950,000	121,013	125,084	1,364,877		1,610,974	(339,026)	83%
OTHER EXCISE - ROOM	215,000	64,781	63,540	37,120		165,441	(49,559)	77%
OTHER EXCISE - MEALS	215,000	62,787	57,791	52,009		172,587	(42,413)	80%
PENALTIES AND INTEREST ON TAXES	80,000	17,931	50,997	50,528		119,456	39,456	149%
PILOT	130,000	-	-	84,323		84,323	(45,677)	65%
PILOT - MELD	223,000	-	223,000	-		223,000	-	100%
CHARGES FOR SERVICES - SOLID WASTE FEES	200,000	96,010	107,200	9,925		213,135	13,135	107%
FEES	115,000	19,847	46,794	41,555		108,196	(6,804)	94%
DEPARTMENTAL REVENUES - LIBRARIES	3,500	-	1,747	437		2,184	(1,316)	62%
DEPARTMENTAL REVENUES - CEMETERIES	48,000	5,300	22,187	8,600		36,087	(11,913)	75%
OTHER DEPARTMENTAL REVENUE	140,000	29,692	50,129	31,439		111,260	(28,740)	79%
LICENSES AND PERMITS	605,000	237,627	188,254	102,739		528,620	(76,380)	87%
FINES AND FORFEITS	12,000	3,762	5,037	2,346		11,145	(855)	93%
INVESTMENT INCOME	70,000	28,744	29,533	42,437		100,714	30,714	144%
MEDICAID REIMBURSEMENT	30,000	7,253	4,415	5,539		17,207	(12,793)	57%
STATE AID	2,329,644	621,670	586,980	559,386		1,768,036	(561,608)	76%
TRANSFERS IN	787,936	867,190	110,587	-		977,777	189,841	124%
Total GENERAL FUND	\$ 35,587,590	\$ 9,529,421	\$ 8,964,690	\$ 9,660,662	\$ -	\$ 28,154,773	\$ (7,432,817)	79%
Total CPA	\$ 264,349	\$ 60,201	\$ 101,373	\$ 61,269	\$ -	\$ 222,843	\$ (41,506)	84%
Total WATER FUND	*	\$ 14,075	\$ 20,625	\$ 12,260	\$ -	\$ 46,960	N/A	N/A

* Indicates budgeted figures not available.

** Net of Overlay raised on recap

Note: The budgeted figures for Personal Property and Real Estate taxes are the amounts to be raised per the recap

Note: Budgeted revenues does not include the free cash or overlay surplus appropriated for fiscal year expenditures

Town of Middleton, MA Revolving Funds (unaudited)				
	Fund Balance as of 7/1/2019	Revenue as of 3/31/19	Expenditures as of 3/31/19	Fund Balance as of 3/31/19
RECREATION REVOLVING	\$ 15,060	\$ 3,136	\$ (3,375)	\$ 14,821
USER FIELD FEES	28,044	2,240	(2,300)	27,984
COA TRIP FUND	15,828	15,611	(11,862)	19,577
STORMWATER MANAGEMENT	800	100	-	900
FIREARMS LICENSES AND PERMITS	13,791	3,313	-	17,103

Town of Middleton, MA
Appropriation Funds (unaudited)

	Fund Balance as of 3/31/19	Revenue as of 3/31/19	FY 20 Appropriation
AMBULANCE FUND	910,456	510,834	(475,000)
WATER FUND**	661,058	46,960	-
PEG	406,731	133,666	(154,406)
WEIGHTS & MEASURERS	22,792	-	(22,792)
OPEB*	1,251,950	31,292	50,000
STABILIZATION*	1,513,868	47,203	50,000
CAPITAL STABILIZATION*	413,481	13,481	50,000
RETIREMENT STABILIZATION*	25,843	843	-
SPED STABILIZATION*	155,114	4,946	(12,000)
SPED RESERVE FUND*	139,629	4,402	-

* Revenue amount indicates interest only.

** No appropriation shown for water as it is accounted for as an enterprise fund in FY20