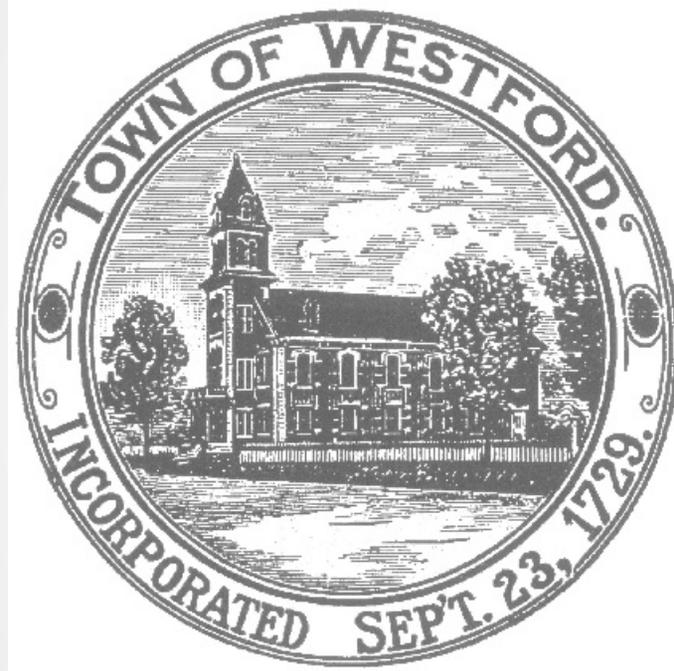


Town of Westford



Fiscal Year 2023 Message

Jodi Ross
Town Manager
February 8, 2022

Town Charter requirements related to annual operating budget

- The financial management powers, duties and responsibilities of the town manager shall include but not be limited to the following:
- (a) to prepare and submit, after consultation with all town departments an annual operating budget and capital improvements program for all town departments;

FY23 Town Budget Objectives

- Strived to adhere to Select Board [FY23 Budget Policy Direction](#)
- Maintained level services
- Sustained town assets through capital investment
- Shared mission statements / organizational charts
- Explained significant changes
- Offered transparency
- Budget documents available at [2022 Annual Town Meeting](#) on our Town's website www.westfordma.gov

FY22 vs. FY23 Projected Revenue

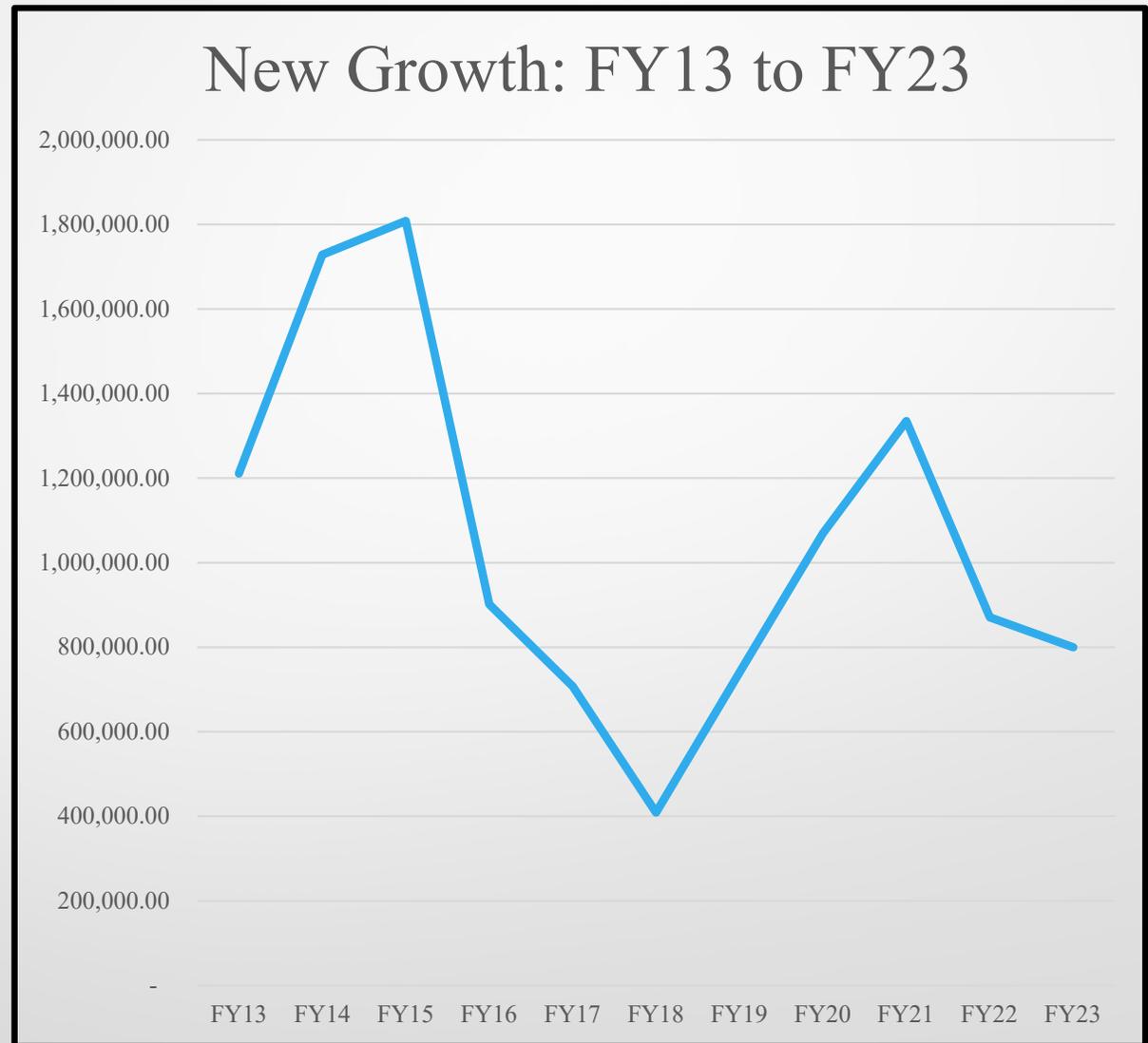
Revenue	FY22	FY23	Variance
Tax Revenue	\$88,115,910	\$90,750,487	2,634,577
Local Revenue	7,738,424	8,274,911	536,487
State Aid	20,270,627	20,414,991	144,364
Enterprise Revenue	8,132,449	7,948,057	(184,392)
Free Cash Applied to Budget	0	0	0
Other Available Funds**	3,449,248	2,620,705	(828,543)
Free Cash – Capital, Perchlorate, Snow & Ice	2,374,289	2,333,796	(40,493)
Total	\$130,080,947	\$132,342,947	\$2,262,000

FY21 - FY23 Local Revenue

Revenue	FY21 Act.	FY22 Bud.	FY23 Bud.
Motor Vehicle Excise	3,676,793	3,676,792	3,768,712
Hotel and Meals Excise	602,981	588,463	1,015,000
Penalties and Interest	328,622	200,637	205,653
Payments in Lieu of Taxes	87,726	66,625	68,291
Fees	302,780	297,000	304,425
Rentals	1,000	0	0
Departmental Revenue – Cemeteries	43,500	30,000	30,750
Licenses and Permits	965,695	900,000	922,500
Special Assessments	6,202	4,724	4,842
Fines and Forfeits	61,221	40,000	41,000
Investment Income	71,538	70,000	71,750
Medicaid Reimbursement	130,756	74,692	74,692
Miscellaneous Recurring Revenue	1,827,371	1,789,491	1,767,296
Miscellaneous Non-Recurring Revenue	97,964	0	0
Total	8,204,149	7,738,424	8,274,911

New Growth Historical Data

Fiscal Year	New Growth
FY23	800,000
FY22	870,884
FY21	1,234,704
FY20	1,069,837
FY19	740,243
FY18	408,857
FY17	707,422
FY16	901,454
FY15	1,808,449
FY14	1,728,677
FY13	1,210,815



Additional FY23 General Fund Revenue

New Revenue	FY23	Subtotal
Tax Revenue: Prop. 2 ½ Increase	\$2,128,368	
Tax Revenue: New Growth	800,000	
Tax Revenue: PY Excess Capacity	12,786	
Tax Revenue: Debt Exclusions	(306,577)	
Local Revenue	536,487	
State Aid	144,364	
Total New G/F Revenue		\$3,315,428

Allocation of Additional FY23 General Fund Revenue

Allocation of New Revenue	FY23	Subtotal
Employee Benefits and General Insurance	756,441	
Net Debt Service	2,795	
NVTHS Assessment	107,252	
Other Amounts to be Raised	(34,144)	
Allowance for Abatements	(10,241)	
State Assessments	(225,207)	
Change in Premium Res'd for Debt Service	4,862	
Stormwater Revenue Projection	217,474	
Special Town Meeting Appropriation 10/16/21	165,230	
Subtotal		\$984,462
Funds Remaining for Departmental Expenses		\$2,330,966
Westford Public School Budget 74%	1,724,825	
Net Town Operating Budgets 26%	606,141	
Subtotal		\$2,330,966
Net Remaining		\$0

FY23 Projected Expenditures

Description	Town	School	Other	Total
Westford Public Schools		63,961,692		63,961,692
Other Town Departments	25,414,548			25,414,548
Community Preservation			1,079,350	1,079,350
Debt Service	2,629,857	3,537,292		6,167,149
Enterprise	1,244,619		7,499,057	8,743,676
Unclassified	7,333,301	12,571,881		19,905,182
N.V.T.H.S.			1,291,673	1,291,673
Other Amounts to be Raised	1,597,500	969,296	3,212,881	5,779,677
Total	38,219,825	81,040,161	13,042,961	132,342,947
% of Budget	28.88%	61.23%	9.89%	100.00%

FY23 Budget Highlights

- Allocating schools additional \$1,724,825 or 2.77% increase
 - Superintendent proposed options for reductions of \$225,898 to meet this budget allocation
- Allocating town departments additional \$606,141 or 2.34% increase
 - Reduced town department budget requests by \$553,270 due to limited financial resources

Collective Bargaining Agreements

- **Town:**

- IAFF settled through FY24
- CWA, WPA, WSO, OPEIU, and WPWA expiring June 30, 2022

- **Schools:**

- Food Service Workers settled through FY24
- Teachers, Coordinators, Nurses, Teaching Assistants, Math and Reading Interventionists, Academic Coaches, Central Office Support, School Admin. Assts., School Custodians, and Special Education Transportation staff and expiring June 30, 2022

FY23 Budget - Unclassified

- Unclassified (insurances/Medicare/retirement) increasing by 3.95%
 - Health Insurance decreasing \$125,714 (-1.07%)
 - Other Post Employments Benefits (OPEBs) increasing from FY22 level by \$238,704
 - Tied to meals and hotel excise tax collections
 - Additional \$267,000 to be funded through Free Cash
 - Middlesex Retirement increasing \$312,806 (+5.26%)
 - General Insurance and Worker's Comp increasing \$80,743
 - Medicare increasing by \$20,000
 - Unemployment Insurance increasing by \$10,000

FY23 Budget - Health Insurance

- Becoming partially self-funded on March 1, 2022
 - Fall 2021 Town Meeting approved creating a Health Insurance Trust Fund and transferred \$720,880 from the Health Insurance Stabilization to the new Health Insurance Trust Fund
 - Current Health Insurance Trust balance \$770,031
 - Health Insurance Trust Fund Agreement approved and Trustees appointed by Select Board on 11/23/21
 - Creates opportunities to better control costs and we become eligible for pharmacy rebates and other incentives

FY23 Budget - Health Insurance

- In FY22 budgeted 8% increase – received 4.9% increase from BCBS
 - The Trustees are adjusting rates to a 2.5% effective March 1, 2022
- Funding for retirees on Medicare plan decreased 0.03% on January 1, 2022
 - The Medicare plan will not be partially self-funded
- FY23 budget projects a 4% premium increase on November 1, 2022 totaling \$11,596,244
- By moving to a partially self-funded health insurance plan, the town is savings approximately \$766,188 in the FY23 budget where we would normally have to project an 8% increase

Health Insurance Budget History

Fiscal Year	Carrier	Budget	Actual	Non-Medicare Plan % Inc/(Dec)	Medicare Plan % Inc/(Dec)
FY13	Tufts	9,438,000	8,166,078	12.67%	2.86%
FY14	BCBS	10,131,521	8,141,183	1.40%	-36.00%
FY15	BCBS	9,467,933	8,186,031	5.10%	4.10%
FY16	BCBS	9,293,000	8,605,922	7.83%	7.88%
FY17	Fallon	9,697,491	9,046,212	5.50%	10.00%
FY18	Fallon	10,384,523	9,439,110	2.74%	5.77%
FY19	BCBS	10,475,348	9,859,572	0.60%	0.00%
FY20	BCBS	10,449,659	10,337,840	7.90%	1.50%
FY21	BCBS	11,071,922	10,522,388	4.90%	-6.50%
FY22	BCBS	11,740,958	6,333,706*	4.90%	0.03%
FY23	BCBS	11,596,244			

*FY22 Actual as of January 31, 2022

Health Insurance Subscriber History

Fiscal Year	Total Subscribers	Town - Non Medicare Subscribers	Town - Medicare Subscribers	School - Non Medicare Subscribers	School - Medicare Subscribers
FY13	1,001	193	63	537	208
FY14	1,016	191	65	517	243
FY15	1,003	187	57	495	264
FY16	1,032	192	67	475	298
FY17	1,033	188	67	459	319
FY18	1,091	185	73	487	346
FY19	1,124	186	77	495	366
FY20	1,133	190	79	475	389
FY21	1,164	189	78	476	421
FY22	1,211	197	87	490	437

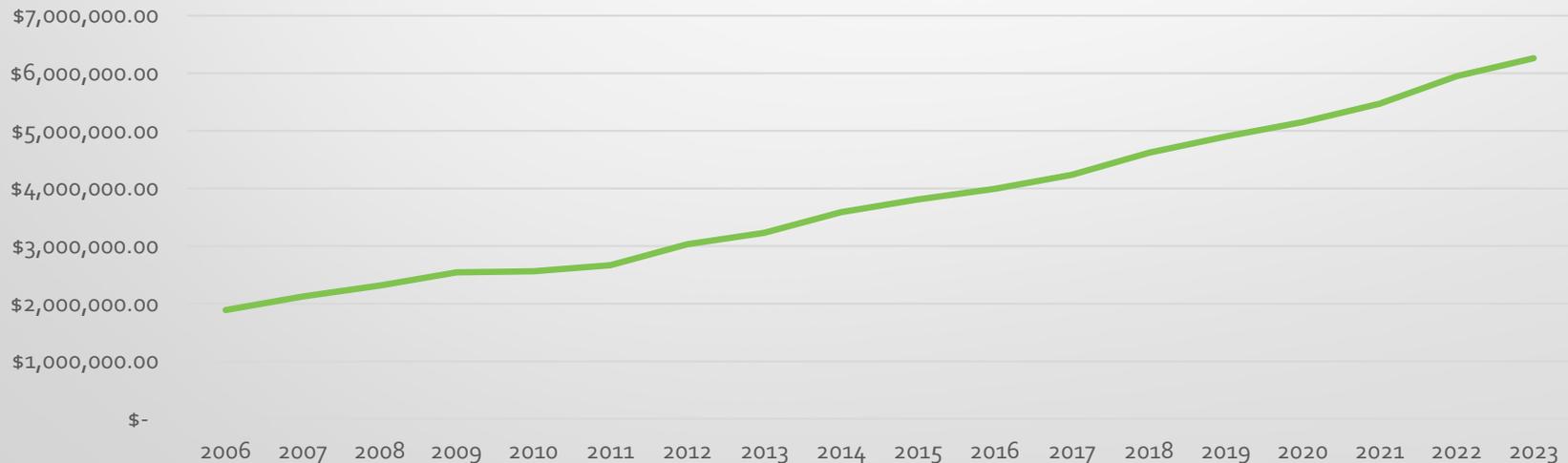
Other Post Employment Benefits

- Our OPEB policy – annually fund “normal costs” – accrued liability for employees hired after Jan 1, 2012
- Current net liability is \$75.65M as of June 30, 2021 – new actuarial study occurs each year
- Funding OPEB at \$1,180,661 with \$913,661 in the operating budget and \$267,000 from free cash – total increase of \$505,704 from previous year - to correspond with temporary loss in hotel and meals excise taxes
- OPEB Trust Fund current balance \$11,601,560 – after FY23 appropriation balance will be \$12,788,221
- In FY21 \$2,312,176 paid for retiree health insurance through the health insurance budget

Middlesex Retirement

- Middlesex Retirement assessment will continue to increase to meet their target of fully funded by 2037.
 - FY21 \$5,473,719 +6.23%
 - FY22 \$5,950,276 +8.71%
 - FY23 \$6,263,082 +5.26%

Middlesex Retirement Assessment: FY06 to FY23



We save \$111,299 by paying assessment on July 1, 2022

Public Safety Needs

- Select Board formed Public Safety Staffing Working Group in FY18
 - Recommended additional 5 Police Officers & 8 Firefighter/Paramedics
 - 4 Police Officers & 5 Firefighter/Paramedics have been hired
 - Recommended hiring 1 Police Officer and 1 Firefighter/Paramedic in FY23 budget. Still need 2 Firefighter/Paramedics to meet recommended staffing levels
- Reduction of one Police cruiser from requested amount
- Funded Police and Fire requested overtime amounts
- Additional Fire Overtime shifts have been funded through FEMA to fully staff each shift during the pandemic - 100% reimbursable
- Additional 911 dispatcher requested but not recommend due to limited resources

FY23 Budget - Other Departments

- Restored Town Manager's staff management training - \$5,000
- Reduced Legal Services budget - (\$20,000)
- Restored HR Administrative Assistant to full-time - \$17,791
- Increased Town Clerk Election Workers - \$21,860
- Centralized building maintenance, HVAC, plumbing, electrical, elevator, generator, fire/alarm, security, and pest management services under 199 Public Buildings
 - \$86,500 being transferred from the Town Hall, Police, Fire/Ambulance Enterprise, Highway, and Historical Budgets
- Could not fund request from Health Department to increase Nurse by 7.5 hours – Select Board approved ARPA through 6/30/22, with requests for ARPA funding in FY23 and FY24

FY23 Budget - Other Departments

- Recycling budget decreased by \$204,021 because the town started generating revenue on processing fees
- Solid Waste budget increased by \$67,449 due disposal fees increasing from \$90.00 to \$93.60 per ton
- Projected NVTHS Assessment increasing by \$107,252 - Additional enrollment of two students and the state is increasing the minimum contribution
- Recreation Enterprise - applying \$75,000 in retained earnings after appropriating \$0 last year. Select Board approved Lost Revenue Replacement from ARPA of \$456,708
- Ambulance Enterprise - applying \$25,000 in retained earnings after appropriating \$0 last year
- State Assessments decreased by \$225,207 (Mostly school choice and charter school sending tuition)

Federal Funding – COVID-19 Pandemic

Grant Name	Amount	Spending Date
CARES Act	\$2,142,123	12/30/21
FEMA	100% of Eligible Expenses	Extended to April 2022
American Rescue Plan Act (ARPA)	\$7,417,971	Appropriate by 12/31/24, Spend by 12/31/26
Elementary and Secondary School Emergency Relief (ESSER2)	\$271,511	9/30/23
Elementary and Secondary School Emergency Relief (ESSER3)	\$587,730	9/30/24

FY21 vs. February 2022 Reserves

Description	FY21 Amount	FY22 Amount	FY22 Balance
Free Cash Balance	\$2,617,597	\$4,284,163	
Stabilization Balance	\$5,453,355	\$5,616,708	
Total Reserves	\$8,070,952	\$9,900,871	
Beginning Balance	\$8,070,952	\$9,900,871	\$9,900,871
Less: Reserve Minimum Balance (5%)	(\$5,750,383)	(\$5,915,100)	\$3,985,771
Less: Capital Appropriation	(\$1,048,857)	(\$1,541,796)	\$2,443,975
Less: Snow & Ice Deficit	(\$144,202)	(\$400,000)	\$2,043,975
Less: Perchlorate Appropriation	(\$102,000)	(\$45,000)	\$1,998,975
Less: Appropriation to Capital Stabilization	(\$40,000)	(\$80,000)	\$1,918,975
Less: OPEB Contribution		(\$267,000)	\$1,651,975
Remaining Available Reserves	\$985,510	\$1,651,975	\$1,651,975

FY23 Capital Investment

Capital Planning Committee Recommendation January 21, 2022:

Free Cash	\$1,621,796
General Fund Bonds	\$11,910,000
Enterprise Bonds	\$500,000
Enterprise Revenue/Retained Earnings	\$449,000
Other Available Funds	\$1,003,415
Total	\$15,484,211

**Capital Stabilization current balance: \$1,049,435*

Recommending to Annual Town Meeting to transfer \$80,000 from Cornerstone mitigation into Capital Stabilization fund and to transfer \$580,000 from Capital Stabilization for fire training equipment to be replenished upon the final sale of 35 Town Farm Road.

Public Works Projects

- Beaver Brook Bridge project at final stages of permitting and design
 - Construction anticipated in 2023
 - \$75,000 funded at Oct. 2020 STM, \$2,000,000 MassDOT funding
- Completed 75% design for Boston Rd Reconstruction
 - Construction anticipated in 2024, \$10,200,000 MassDOT funding
- Moore Rd, Oak Hill Rd, and Plain Rd Phase 1 began in 2021
 - Town authorized bonds of \$8,160,000
 - Phase 2 to start in April 2022 and should be substantially completed in 2022

Public Works Projects

- Carlisle Road Sidewalk in final stages of design
 - Town issued bonds of \$440,000. Construction anticipated to begin in spring of 2022
- Conceptual plans for the Littleton Rd Widening Project between the Westford Regency and Power Rd is being reviewed by MassDOT
- Design work has begun on culverts located at Blue Brook at Groton Rd and Pond Brook at Old Lowell Rd
 - To be paid from stormwater enterprise

Public Works Projects

- Town Farm Water Storage Tank Rehabilitation underway and expected to be completed in the spring of 2022
 - Authorized bonds of \$2,350,000 from water enterprise
- WA Wastewater Tank Rehabilitation to begin in June 2022
 - \$170,000 approved at June 2021 ATM for construction
- DPW completed paving of 6.02 miles of road in 2021
 - Used Chapter 90 funds, Water Enterprise funds, and Newport Materials settlement agreement
 - Funding the FY23 Pavement Management Program through the annual Chapter 90 allocation and Newport Materials settlement agreement

New Town Center Building

- Appropriated \$60,000 for feasibility study in 2017 and \$320,000 for design in 2018
- \$9,200,000 estimated cost for construction, including demolition of old fire station and site clean up
- Includes new 120-person meeting/police training room, and Technology, Facilities, Veteran's Services, Community Wellness Coordinator, and Sustainability Coordinator offices
- Select Board support new design and voted to bring to the 2022 Annual Town Meeting



Disposition of Town Properties

63 Main Street

- Town Meeting directed Select Board to sell as single-family home with a historic preservation restriction
- Property was sold on 11/22/21
- Capital Stabilization was reimbursed \$470,000 at 10/16/21 Special Town Meeting
- Parcel was subdivided and the town retained a portion for future town parking



Disposition of Town Properties

35 Town Farm Road

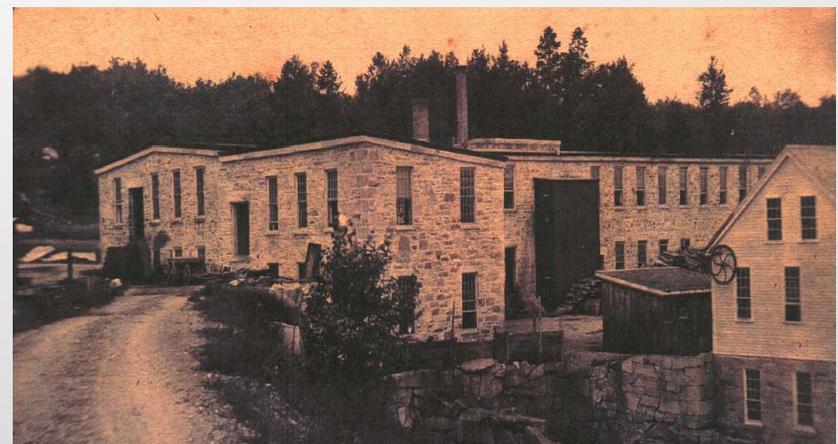
- Select Board entered into a purchase and sales agreement with SCG Development and CHOICE, Inc, with Icon Architecture, Inc.,
- Property to be redeveloped into senior affordable housing and a new home for the Westford Food Pantry
- New Fire Training Facility to be constructed at 60 Forge Village Rd



Disposition of Town Properties

12 North Main Street

- Town received a grant from the One Stop for Growth Program in the amount of \$240,000 to assist with the cleanup of hazardous materials
- Historical Commission recommended reducing the building footprint by one third and preserving the remaining structure
- Select Board is considering project funding options and preservation vs. demolition of the structure



Budget Variables

- COVID-19 Pandemic
- Federal funding
- State aid
- New growth
- Infrastructure/facilities
- Clean Energy & Sustainability Committee recommendations
- Energy performance contract / energy costs
- 12 North Main Street
- Public safety needs
- Collective bargaining
- Solid waste and recycling
- Partially self-funded health insurance
- Hotel and Meals Excise
- Snow and ice deficit

Thank you

- We welcome your input and suggestions
- We are committed to examine each and every opportunity
- We strive to continue to provide high quality services for our residents
- Please stay safe everyone!

