



TOWN OF WESTFORD
OFFICE OF THE TOWN MANAGER

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Westford, MA
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TO: Honorable Members of the Select Board, School Committee, and Finance Committee

FROM: Jodi Ross *Jodi Ross*

DATE: December 13, 2022

RE: Fiscal Year 2024 Budget Message

I am pleased to present a Fiscal Year 2024 operating and capital budget for your consideration. The [FY24 Town Manager Budget Presentation](#) is available on our town's website. During the preparation of our operating and capital budgets, we strived to adhere to the Select Board's FY24 [Budget Policy Direction](#), to sustain our town assets through capital investment and maintain the level of services we currently provide. Our Bond Rating Agency, Standard & Poor's, continues to support and applaud our financial policies and procedures and in recognition has continued our AAA Bond Rating.

FY23 versus FY24 Projected Revenue

This has been another challenging budget season, but there have been improvements in revenue projections, along with several federal sources of funding which have been available due to the pandemic. The below chart shows the FY23 budgeted revenue versus the FY24 projected revenue.

Revenue	FY23	FY24	Variance
Tax Revenue	\$90,837,699	\$93,587,809	2,750,110
Local Revenue (w/out MSBA Offset)	6,626,198	6,914,096	287,898
MSBA Offset*	1,639,933	0	(1,639,933)
State Aid	20,722,236	20,925,873	203,637
Enterprise Revenue	8,053,357	8,195,417	142,060
Reserves Applied	0	0	0
Other Available Funds**	2,951,268	1,663,595	(1,287,673)
Free Cash – Capital, Perchlorate, Snow & Ice	2,257,539	4,621,391	2,363,852
Total	\$133,088,230	\$135,908,181	\$2,819,951

* The Massachusetts School Building Authority (MSBA) debt service for the Stony Brook, Crisafulli, and Miller Schools is paid in full, so we no longer budget the state share.

**Does not include Community Preservation recommendations.

Local Revenue

Local revenue fluctuates from year to year. Below is a table showing the FY22 actual revenue received, the budget for FY23, and our local revenue projections for FY24. Overall, local revenue is increasing by \$287,898 from FY23 to FY24. Most local revenue categories are earmarked to increase by 2.5%, with the exception of Meals and Hotels Excise and Investment Income. The FY23 first quarter Meals Excise exceeded pre-pandemic levels, and the Hotel Excise for the same period was at 87%. The projection for the FY24 Hotel Excise is at 80% of pre-pandemic levels. Motor Vehicle Excise is projected to increase \$95,000 from the FY23 budget. For investment income, investment rates have increased steadily, and our town has earned \$36,820 through the first three months of FY23. We will continue to monitor local revenue during the year and make adjustments if appropriate.

Local Revenue	FY22 Actual	FY23 Budget	FY24 Projected
Motor Vehicle Excise	3,866,078	3,800,000	3,895,000
Meals and Hotel Excise	1,016,321	1,005,000	1,078,625
Penalties and Interest	304,806	200,000	205,000
Payments in Lieu of Taxes	73,802	73,801	75,646
Fees	333,237	300,000	307,500
Rentals	4,473	0	0
Departmental Revenue – Cemeteries	37,700	30,000	30,750
Licenses and Permits	1,027,398	922,500	960,000
Special Assessments	6,521	4,842	4,963
Fines and Forfeits	54,551	41,000	50,000
Investment Income	47,662	47,000	120,000
Medicaid Reimbursement*	548,220	74,692	81,819
Miscellaneous Recurring Revenue	1,829,491	1,767,296	104,793
Miscellaneous Non-Recurring Revenue	80,574	0	0
Subtotal	9,230,834	8,266,131	6,914,096
Less: MSBA Revenue	(1,569,586)	(1,639,933)	0
Adjusted Total	7,661,248	6,626,198	6,914,096

*FY22 Actual included prior year claims

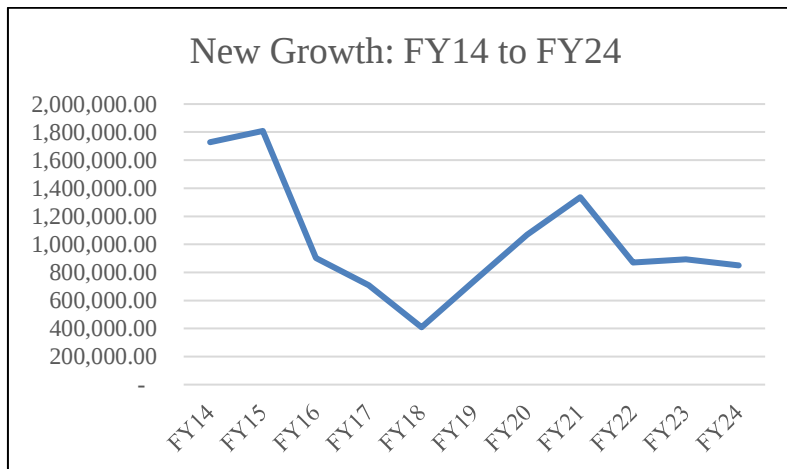
State Aid

In FY23 Westford received an overall 2.23% increase in State Aid, which resulted in additional revenues of \$451,609. State Assessments were reduced by \$163,232 in FY23, resulting in a total increase in State Funding of \$613,027. For FY24, we are estimating a \$30 increase per student for Chapter 70, a 2.5% increase for Unrestricted Government Aid, and a 1% increase in all other State Aid revenue. Since the Annual Town Meeting is scheduled for March 25th, and the FY24 Governor's budget is not due to be released until March 1st, 2023, we will be using these assumptions for the FY24 budget process. If the final State Aid amount is different than expected, we may propose budget adjustments at our October 2023 Special Town Meeting.

New Growth

Over the past 10 years, Westford has experienced fluctuating new growth. We estimated new growth for FY24 at \$850,000 due to several developments under construction. Below is a chart showing new growth from FY14 to FY24:

Fiscal Year	New Growth
FY24 (Budget)	\$850,000
FY23	\$892,263
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



Additional FY24 General Fund Revenue

Our additional FY24 general fund revenue is \$1,601,712. This represents new funds we may distribute to budgets as needed, after first satisfying obligatory expenses such as employee and retiree health insurance, Middlesex Retirement, debt service, general insurances, and the carry forward of existing employees. We also attempted to adhere to our Other Post Employment Benefits (OPEB) policy. Below is a chart identifying our recommendation to allocate new revenues for FY24.

New Revenue	FY24	Subtotal
Tax Revenue: Prop. 2 ½ Increase	\$2,203,883	
Tax Revenue: New Growth	850,000	
Tax Revenue: PY Excess Capacity	5,047	
Tax Revenue: Debt Exclusions	(308,820)	
MSBA Offset – Debt Exclusions	(\$1,639,933)	
Local Revenue	287,898	
State Aid	203,637	
Total New G/F Revenue		\$1,601,712

Allocation of New Revenue	FY24	Subtotal
Employee Benefits and General Insurance	905,323	
Net Debt Service	(1,846,877)	
NVTHS Assessment	87,854	
Other Amounts to be Raised	2,779	
Allowance for Abatements	(43,917)	
State Assessments	16,057	
Change in Premium Res'd for Debt Service	2,603	
Change in Available Funds	167,128	
Special Town Meeting Appropriation 10/17/22	40,000	
Subtotal		(\$668,950)
Funds Remaining for Departmental Expenses		\$2,270,662

WPS Budget		
Westford Public School Budget – 70%	1,600,955	
Net Town Operating Budgets – 30%	669,707	
Subtotal		\$2,270,662
Net Remaining		\$0

Federal Funding in response to the COVID-19 Pandemic:

- The American Rescue Plan Act of 2021 (ARPA) provided our town with \$7,417,971 in funding. The Select Board authorizes ARPA expenditures, and as of December 12, 2022, the board allocated \$4,147,011 for 62 projects. A complete list of the approved projects may be found at this link: [ARPA Funding](#).

The allowed uses for ARPA funding include:

 - Support Public Health Expenditures
 - Address the Negative Economic Impacts Caused by the Public Health Emergency
 - Replace Lost Public Sector Revenue
 - Invest in Water, Sewer, and Broadband Infrastructure

The Final Rule approved by the Federal Treasury in January 2021 allows communities to claim a standard deduction of \$10,000,000 to replace lost public sector revenue. This allows Westford to have flexibility with the ARPA funding with only a few exceptions, such as allocating to a “rainy day” fund, contributing to a pension liability, paying debt service, or paying for settlements or judgements. Our town has until December 31, 2024 to allocate funding and until December 31, 2026 to spend the funds.
- Since March of 2020 we have been applying for FEMA funding to staff the fire department at a minimum of 10 firefighter/paramedics per shift, to purchase PPE and COVID-19 testing kits for employees, to hold vaccination clinics, and for reimbursement for other costs related to public safety. We have received reimbursement of \$475,723 to date with \$31,055 expected. Unfortunately the new FEMA administration notified our Fire Chief in April 2022 that they would not be reimbursing any outstanding claims. This left our fire department with a deficit in personal services (wages) of \$596,608. We contacted several other towns who have also been impacted by this change in reimbursement procedures, and the offices of our Congresswoman Lori Trahan along with other state and federal officials to assist us in trying to secure reimbursement funding. We are also appealing the FEMA decision. Until this is resolved, we recommend that we leave enough ARPA funding to cover this potential deficit if we are unsuccessful in recouping these FEMA reimbursements.
- Our Westford Public Schools also received COVID relief funds of \$587,730 from the Elementary and Secondary School Emergency Relief (ESSER III) program, with a fund expiration date of September 30, 2024. The district used these funds to apply \$277,665 in both FY23 and FY24 to partially offset the cost of tuition-free Full Day Kindergarten.

Current Reserves: Currently we have reserves of \$11,388,313 which represents a reserve fund balance of 9.92% of our total general fund operating budget. After leaving 5% of the operating budget in reserves per our Budget Policy Direction, and accounting for projected appropriations at our upcoming Annual Town Meeting, our estimated reserves at year-end will be \$6,793,922, or 5.71% of the general fund budget.

FY24 Budget Highlights – Expenditures Summary

The FY24 budget process began in August 2022. Department heads were sent instructions and worksheets to target a 2.0% increase for FY24, while attempting to maintain level services. They were also asked to submit budget projections for FYs 25 and 26.

School/Town increases: Westford Public Schools are allocated an additional \$1,600,955, which represents a 2.50% increase. We received the other town departments' budget requests initially at \$1,582,889 or 5.90% over the previous year's budget. We met with each town department head and reviewed each line item in every budget and made reductions and adjustments of approximately \$913,182 as necessary to present a balanced budget. These actions resulted in an overall town budget increase of \$669,707 or a 2.48% increase. This net amount includes adjustments for the ambulance, recreation, and stormwater enterprise subsidies.

Summary of FY24 Budget Recommendation

<i>Revenues</i>		<i>Expenditures</i>	
Tax Revenue	\$93,587,809	Westford Public Schools	\$65,639,147
Local Revenue	6,914,096	Other Town Departments	26,307,788
State Aid	20,925,873	Community Preservation	1,120,491
Enterprise Revenue	8,195,417	Debt Service	4,425,765
Reserves Applied	0	Enterprise	9,099,341
Other Available Funds	1,663,595	Unclassified	20,682,961
Free Cash Appropriation	4,621,391	N.V.T.H.S.	1,383,159
		Other Amounts to be Raised	7,249,529
Total	\$135,908,181	Total	\$135,908,181
		Budget Surplus	\$0

- Collective Bargaining Agreements:** As we budget for FY24, we have six settled town contracts. The IAFF (International Association of Fire Fighters) expires on June 30, 2024. OPEIU (middle management), WPA (Westford Police Association), WSO (Westford Superior Officers), WPWA (Westford Public Works Association), and CWA (Communication Workers of America) all have been settled through June 30, 2025. For the school department, we have Memorandum of Agreements with the Unit A teachers, Unit B curriculum coordinators/student support leaders, Unit C school nurses, Unit G math and reading interventionists, and academic coaches, through June 30, 2023. The food service workers are settled through June 30, 2024, and the central office support, school administrative assistants, and special education transportation staff are settled through June 30, 2025. The contracts for the school custodians and Unit E teacher assistants expired on June 30, 2022.
- Unclassified Budget: Health Insurance:** We converted our town's Health Insurance plan to a partially self-funded plan on March 1, 2022. We are pleased to report that since

originally transferring \$720,880 from our Health Insurance Stabilization Fund into the new Trust Fund at the October 2021 Special Town Meeting, and through careful analysis and planning of the Trustees, the balance in the Trust has grown to \$2,102,212 as of November 30, 2022. Since moving to the partially self-funded plan, we have been better able to control costs, and we are receiving pharmacy rebates and other incentives. We also enrolled in the Pillar Program that provides both our employees and our town with substantial savings on high-cost medications. For FY24 we are budgeting \$12,367,589 which represents a \$721,295 or a 6.19% increase over our FY23 health insurance budget. The projected national and local trend is a 7 to 8% increase. Of the \$12,367,589, \$1,460,061 is budgeted in the 945 Risk Management budget to fund Medicare, with the remaining \$10,907,528 in the 990 Transfer to Trust budget to fund non-Medicare health insurance. The Trustees carefully track health insurance on a monthly basis and may update projections accordingly.

- **Unclassified Budget: Other Post Employment Benefits (OPEBs):** Our FY24 contribution to our OPEB Trust Fund, which funds retiree health and life insurance, is \$1,355,532. Due to budget constraints, we are funding OPEB in the operating budget at \$1,000,000, and then appropriating an additional \$355,532 from Free Cash to meet our policy requirements. We will continue to pay our existing retiree's OPEB obligation through our health insurance budget. In FY22, we paid \$1,305,692 for our Medicare retiree health insurance, with the Health Insurance Trust paying for the non-Medicare plans for retirees. Our OPEB Trust Fund has a current balance of \$11,299,690, which will increase to \$12,655,222 with this appropriation. Westford's last actuarial study on June 30, 2022 reported that Westford had a \$102,633,178 net OPEB liability.
- **Unclassified Budget: Middlesex Retirement Assessment:** Our Middlesex Retirement Assessment, which covers annual pension obligations for our town employees and non-educators in our schools, increased by \$259,586 or 4.14% to \$6,522,668. Middlesex Retirement gives member towns an option to pay their full assessment on July 1st of each fiscal year, which we do, resulting in a town savings of \$113,591 or a 1.71% savings.
- **Additional Public Safety Staffing/Overtime/Equipment:** After hearing a report from the Public Safety Staffing Working Group in FY18, the Select Board directed us to add five new police officers and eight new firefighter/paramedics to address the increases in calls. To date we have hired the five police officers and we are currently funding the last two firefighter/paramedics using a combination of the FY23 budget and ARPA funding. In FY24, 25% of the last two remaining firefighter/paramedics is allocated within the operating budget, with that figure increasing to 50% in FY25, 75% in FY26, and 100% in FY27. The police chief also requested four cruisers, but we were only able to fund three. The fire department had been backfilling each vacant shift during the COVID-19 pandemic. This practice has since ended, and the additional shifts are no longer backfilled. Our operations manager for our public safety communications department has requested an additional dispatcher for the past couple of years, but unfortunately that request was not able to be funded in this budget.

- **Other Adjustments to the FY24 Budget:**

- Our Select Board made a commitment to improve our resources supporting mental health and wellness and sustainability in FY23 by adding two new positions. The Town Manager budget was able to fund the salary the new Community Wellness Coordinator, but was not able to fund the new Sustainability Coordinator. We have received a DEP grant which we hope will help offset this critically important new position.
- The Legal Services budget was reduced by \$20,000 to reflect current projections.
- The Planning Department is seeking Summer Village Gift Funds to offset requested funding for planning studies.
- The Police expense gasoline budget increased \$26,712 using our town's \$4.00 per gallon of gas projection.
- The Tree Warden requested \$67,500 as recommended by the Municipal Vulnerability Preparedness (MVP) Action Grant. We were able to fund this request at \$40,000.
- The N.V.T.H.S. budget is projected to increase by \$87,954 as Westford is enrolling six additional students in the school and the overall student body is increasing by 25 students. We will not have the final assessment until after the Governor's budget is released on or about March 1, 2023.
- We reduced the Street Lights budget by \$25,000 due to a National Grid credit that we earned from switching to LED lights.
- We have an estimated increase of 8.45% in the Wastewater Treatment Management budget in anticipation of increased costs in a new contract.
- A portion of the salaries for the Cemetery and Parks and Grounds employees has been moved from the Highway Department budget into respective budgets in an effort to streamline the budget process.
- The Health Department requested to increase the Public Health Nurse's hours by 7.5 per week due to COVID. The Select Board approved ARPA funding for the additional hours through June 30, 2023, and there is a pending request for ARPA funding in FY24.
- We increased the COA Van Drivers budget by \$19,589 to account for the Select Board agreement to hire a full-time van driver beginning in FY23.
- The Veteran's Services budget was reduced by \$25,000 based on the past years of actual benefits paid. We will seek supplemental funding if claims increase.
- The Land Management budget requested \$70,000 for the treatment of Westford's water bodies as requested by the Healthy Lakes and Ponds Collaborative. With budget constraints, we were able to fund \$50,000 for this request.

- **Enterprise Funds:**

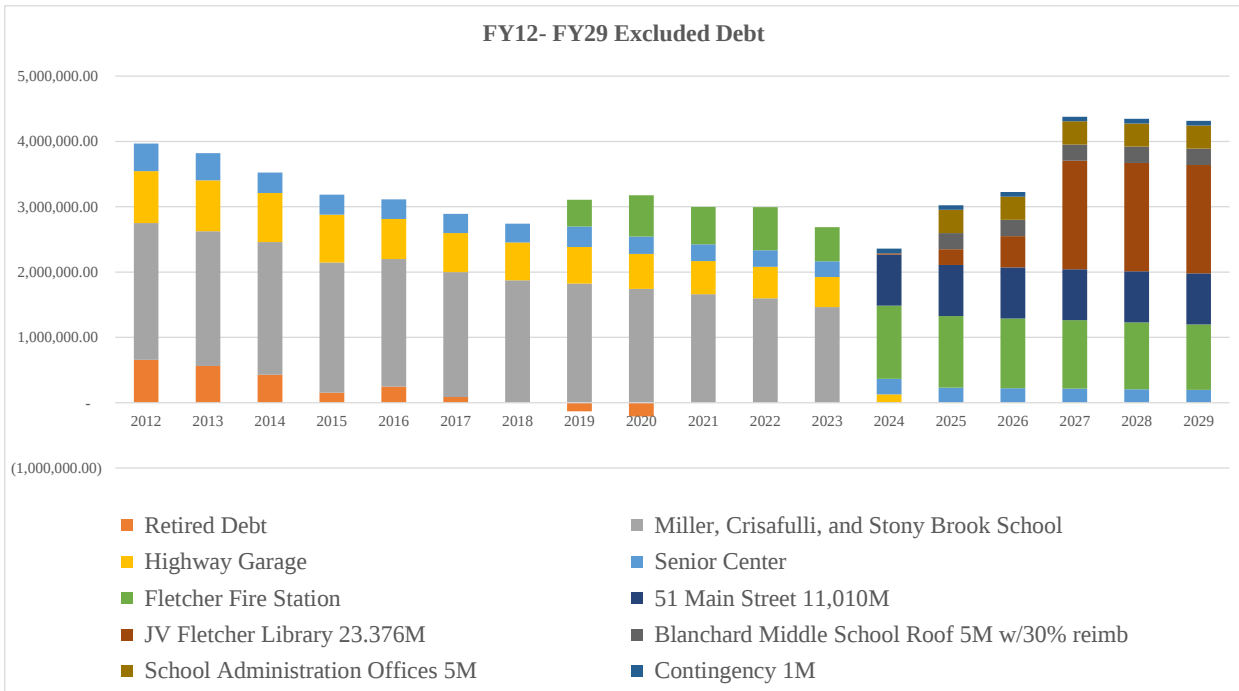
- **Water:** The Water Enterprise is expecting a rate increase due to PFAS treatment and an increased cost in chemicals to treat our water.
- **Recreation:** In FY22 our Recreation Department successfully operated the Westford Partnership for Children (WPC) after school program after the program was discontinued during FY21 due to the pandemic. This program has been the main revenue source to support the Recreation Enterprise. In total, the Recreation Enterprise generated \$929,972 in revenue in FY22, as compared to \$285,808 in FY21. We are still not at the pre-pandemic levels when we generated \$1,298,692 in

FY19. In FY23, we applied a combination of \$225,000 in retained earnings and \$167,128 in ARPA funding to bridge the gap in the revenue estimate. For FY24, we are proposing to lower the revenue estimates for the Recreation Enterprise to correspond with the decrease in WPC enrollment. We are also recommending using \$150,000 in retained earnings, and then decreasing two positions that were not filled in FY23. Doing so would mean that the middle school WPC program will not be held in FY24. We will continue to carefully monitor revenues and expenses.

- **Ambulance:** The Ambulance Enterprise is earmarked to fund \$50,000 from retained earnings after appropriating \$25,000 last year.
- **Stormwater:** The general fund subsidy for the Stormwater Enterprise continues to be \$600,000. The debt service budget for Stormwater is increasing as planned by \$118,700 in FY24 as we are budgeting payments for the Oak Hill, Plain, and Moore Road infrastructure project, the Pond Brook and Blue Brook culvert project, and the 185 North Main Street, 40 Forge Village Road, and Cold Spring Road culvert near Old Homestead Road project.

Capital Investment: The Capital Planning Committee reviewed capital requests from all town departments and voted their initial recommendations to the Town Manager on December 2, 2022. The [FY24 Capital Plan](#) includes \$31,242,055 in capital to be funded by our town issuing general fund bonds in the amount of \$19,969,043, water enterprise bonds in the amount of \$3,045,000, stormwater enterprise bonds for \$1,500,000, using \$3,768,859 in Free Cash, and utilizing enterprise and other available funds for the remaining \$2,959,153. This is a preliminary funding plan that may be revised as department heads seek additional sources of funding (grants or Community Preservation Act funds) and submit revised quotes. As suggested by our bond rating agencies, we will continue funding capital projects with Free Cash as much as possible, and we may rely upon our Capital Stabilization Fund, with a current balance of \$514,417, if needed.

Excluded Debt Service Building Projects: At the October 17th, 2022 Special Town Meeting, we presented the [Westford Debt Service Presentation](#). We discussed the need to reinvest in our infrastructure and the goal of having 7-10% of our operating budget as debt service. With the Miller, Crisafulli, and Stony Brook schools being paid off in FY23, and the Highway Garage paid off in FY24, our projected debt service as a percent of budget is falling to 4.75%. As these projects are paid off, this is the opportune time to authorize additional debt exclusions to avoid having “dips” and “spikes” in the tax bills. The graph below shows the retiring excluded debt service along with the estimate annual payments for the J.V. Fletcher Library Expansion, 51 Main Street, the Blanchard Roof MSBA project, and a placeholder for the School Administration Building.



- J.V. Fletcher Library Expansion:** Our town recently supported the library expansion project. The total cost of the project is estimated at \$32,546,009, with \$23,375,756 in bonds, \$7,851,994 from the Massachusetts Board of Library Commissioners Grant, \$1,300,000 from fundraising, and \$18,259 in CPA funding. The estimated annual debt payment is \$1,659,679 beginning in FY27 when the project is expected to be completed. The tax impact on a median home estimated at \$660,500 is \$158.61 in FY27, with the annual payment declining over time as the tax base grows. We are hopeful that the state will allocate additional ARPA funds that waitlisted libraries are advocating for due to construction cost increases. Most of 2023 will be design development, with the first half of 2024 to be bidding and moving library operations offsite. Construction will take place from June 2024 to June 2026, which is the target date for the dedication and resuming operations at 50 Main Street.
- New Town Center Building (51 Main Street):** The cost estimate to demolish the existing old fire station, clean up the hazardous materials on the site, construct the new building, and move the technology infrastructure to the center of town is approximately \$12,010,000. To date, we have appropriated \$872,000 towards the new center building project. The building will align with our commitment to Net-Zero emissions and sustainability and include a 100-person meeting room/police training room, and provide suitable office space for our technology, veterans services, and facilities departments, and for our new community wellness coordinator and sustainability coordinator. The article to fund the project using a debt exclusion was dismissed at the October 17, 2022 Special Town Meeting as our voters felt it more appropriate for our Annual Town Meeting on March 25, 2023. There will be continued public meetings to present the plans on this project.
- Blanchard Roof MSBA Project:** The Blanchard Roof has reached its end of life and needs to be replaced. The roof is leaking in areas and the insurance deductible has risen

from \$5,000 to \$50,000 per occurrence. We applied for Massachusetts School Building Authority (MSBA) funding, and we are anticipating being awarded a 48% match on December 21, 2022. The total estimated cost of the project is \$6,425,043, with \$3,378,810 planned to be considered for excluded bonds at our March 2023 town meeting, and \$3,087,233 being funded through the MSBA grant. The annual tax impact on a median home estimated at \$660,500 is \$22.93 beginning in FY25. Construction will begin summer of 2024 to have the project substantially completed while students are on summer break. The MSBA does not cover the cost to replace the rooftop chiller units or ventilation fans, so we are suggesting issuing a non-excluded bond to cover these costs. If we replace this equipment, which is also at the end of its useful life, at the same time as the roof, the MSBA will cover their portion of the costs to move this equipment.

Non-Excluded Debt Service: The current FY24 non-excluded debt service budget is \$2,003,505 which exceeds the minimum borrowing policy by \$1,003,505. Of this amount, \$1,358,644 is permanently bonded and the remaining balance of \$644,861 is estimated debt payments for ongoing and future projects, which includes the Town and School Safety Task Force (TSSTF) article to implement exterior access controls (2020), the Carlisle Road sidewalk project (2020), the first anticipated debt payment for the Oak Hill, Plain, and Moore Road infrastructure improvement bond (2020), the Public Safety Fully Digital Radio upgrade (2022), the Senior Center HVAC project (2022), and the Plain Road Phase 1 sidewalk construction (2022). Other items earmarked for borrowing include the fire department tower truck and the Blanchard Roof chiller units and ventilation fans, however, the initial debt payments are not anticipated until FY25.

- **Public Works Projects:** Below is an update of current and future Public Works projects:
 - The Department of Public Works (DPW) completed the paving of 8.53 miles of roads in FYs22/23 using various funding sources, including our annual Chapter 90 allotment, the Winter Recovery Assistance Program, and Newport Materials mitigation funds. No town operating funds were used for these purposes. For FY24, our DPW Director again plans to fund the entirety of the FY24 Pavement Management Program utilizing Chapter 90 and Newport Materials mitigation funds.
 - The Blanchard Middle School wastewater tank rehabilitation project was completed in September 2022.
 - The design work for Phase 1 of the Plain Road sidewalk extension is complete. Phase 1 extends from Nutting Road to Grassy Pond. We are currently working with abutters to secure easements. The design for Phase 2, which extends from Grassy Pond to the Stony Brook Conservation Area, is currently underway.
 - We completed drainage and trail improvements on the Bruce Freeman Rail Trail.
 - Our town has awarded a construction contract for the Beaver Brook Bridge Reconstruction Project. We appropriated \$75,000 at our 2020 Special Town Meeting to acquire easements and fund non-participating costs and \$125,000 at our October 2022 Special Town Meeting for construction phase services. Construction will begin in April 2023 and will include approximately \$2,500,000 in MassDOT Transportation Improvement Program funding.
 - The Boston Road Reconstruction Project is in the final stages of design and permitting. Construction is anticipated to take place in 2024 and will include approximately \$12,000,000 in MassDOT construction funding.

- Phase 1 of the Moore Road, Oak Hill Road, and Plain Road Water Main and Roadway Improvement is expected to be completed by the end of 2022, with Phases 2 and 3 to be completed in the fall of 2023. \$8,160,000 was appropriated at the 2020 Special Town Meeting for this extensive infrastructure project which includes a new water main, drainage improvements, new sidewalks, and complete road reconstruction.
 - \$440,000 was appropriated at the 2020 Special Town Meeting for the Carlisle Road Sidewalk Project. The design is complete and we are working with abutters to secure easements. Construction is anticipated to begin in the Spring of 2023.
 - Conceptual plans for the Littleton Road Widening Project are currently being reviewed by MassDOT. The proposed widening would occur between the Westford Regency and Powers Road, including a Two Way Left Turn Lane, a sidewalk on the northern side of Littleton Road, and a shared use path for bicycles and pedestrians on the south side of Littleton Road.
 - The design work for the culvert replacements at Blue Brook at Groton Road, and Pond Brook at Old Lowell Road is complete, with construction anticipated in 2023. This project is being funded from the Stormwater Enterprise.
 - The design of pedestrian safety improvements at the Jack Walsh Fields and on West Street is in progress.
- **35 Town Farm Road:** In January 2021, the Select Board awarded a contract to SCG Development and Chelmsford Housing Authority (CHOICE, Inc.) to construct 35 unit mixed-income senior 62+ residential housing consisting of six studio apartments and 29 one-bedroom apartments. We are also replacing the fire department's training facilities located on the site to another town parcel to make the redevelopment viable. We recently received a low bid of \$313,350 for the site work and \$283,971 for the actual fire training equipment. Construction of the training facilities is anticipated to be completed during the Summer of 2023.
 - **12 North Main Street:** In FY22, our town received a grant from Mass Development's One Stop for Growth Program in the amount of \$240,000 to assist with the cleanup of hazardous materials identified in the ground on the exterior of the building. The interior of the structure is currently not safe for personnel to access due to the continued deterioration of the building related to the roof collapse and exposure to the elements. In FY22, the Select Board sought input from the Historical Commission to identify if they believed the building should be saved, as opposed to being demolished. The commission recommended reducing the building footprint by one third and preserving the remaining structure. In FY23, the Town Manager's Office applied for a Federal Brownfields Clean Up Grant from the Environmental Protection Agency in November 2022 in the amount of \$500,000 in hopes of securing additional funding for this project and to limit the amount of financial burden for our residents.

Recommendations to consider during upcoming budget review meetings:

For FY24, we suggest funding the following budgetary needs to continue programs that we were unable to fit within the operating budget:

Description	Amount
Sustainability Coordinator	\$53,541
Brightly Computerized Maintenance Management System (to process Work Order requests for the Schools, Public Buildings, and DPW)	27,193
Total	\$80,734

One suggestion is to fund the Public Safety Radio Upgrade that was approved at the June 2022 Annual Town Meeting using ARPA funding in the amount of \$1,040,000. This would save \$126,880 per year in debt payments over the next ten years, and those proceeds could be used for the above recommendations and leave \$46,146 for additional needs.

The Board may also consider implementing some variation of a Pay-As-You-Throw (PAYT) – (solid waste / recycling) program. We were awarded two grants in November 2022 from the Massachusetts Department of Environmental Protection (DEP) in the amount of \$360,450 to be used towards the implementation of a PAYT program. We also have a third grant being reviewed by the Recycling Partnership Inc. (a national non-profit) to potentially provide the town with additional funds. We anticipate that this 3rd grant may be in the range of \$70,000 to \$140,000, which must be used for purchasing our residents standardized recycling carts. The Town Manager's Office will be working with the Recycling Commission and our Sustainability Coordinator to develop multiple options for the Select Board to consider, which we anticipate presenting in January 2023. This analysis will include the pros and cons of each program and will provide an estimated revenue projection based on research from other communities in the Commonwealth, and feedback received from the Massachusetts Department of Environmental Protection.

We are not scheduled to receive the Governor's FY24 state aid budget until March 1. Shortly thereafter, we should have the Nashoba Valley Technical High School (NVTHS) Assessment for FY24. If any funds are remaining after adjusting for any variance in the projected NVTHS budget, they could also be allocated for the suggestions listed above.

Other Budget Variables to Consider

The following variables may impact on our FY24 budget and need to be monitored:

- State and Federal aid
- New growth
- Solid waste and recycling
- Infrastructure/facilities
- Public safety needs
- Energy costs
- Clean Energy & Sustainability recommendations
- 12 North Main Street
- Hotel and Meals excise
- Snow and ice deficit

Summary

As the budget process continues over the next several months, more information will be available regarding State and Federal aid and other revenues, and final adjustments may be made. Thank you for the opportunity to present the FY24 budget. The town department heads and I welcome your input and suggestions. We remain committed to examining each and every opportunity to be creative and conservative with our valuable town resources. It is our unwavering objective to continue to provide both the quantity and the quality of services as we have in the past for our residents.