



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: Kristen Las, Town Manager *Kristen D. Las*

DATE: December 12, 2023

RE: Fiscal Year 2025 Budget Message

I am presenting a Fiscal Year 2025 balanced operating and capital budget (Option 1) for your consideration. Additionally, at the direction of the Select Board, I am presenting an alternative Fiscal Year 2025 budget (Option 2) that contemplates a Proposition 2 ½ override. The [FY25 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 FY25 [Budget Policy Direction](#), to attempt to maintain services at current levels. However, anticipated FY25 revenue and excess Free Cash is insufficient, therefore we have identified options for specific expense reductions and/or new revenue sources to balance expenses with funding. We are unable to sustain our town assets through capital investment and maintain the level of services we currently provide with the current revenue projections. This has been unprecedented budget season which was informed by the work of the Budget Task Force provided in their [report](#) to understand how external factors such as high inflation is impacting the cost of town services. The positive news is that our Bond Rating Agency, Standard & Poor's, continues to support and applaud our financial policies and procedures and in recognition, we have maintained our AAA Bond Rating.

Budget Challenges

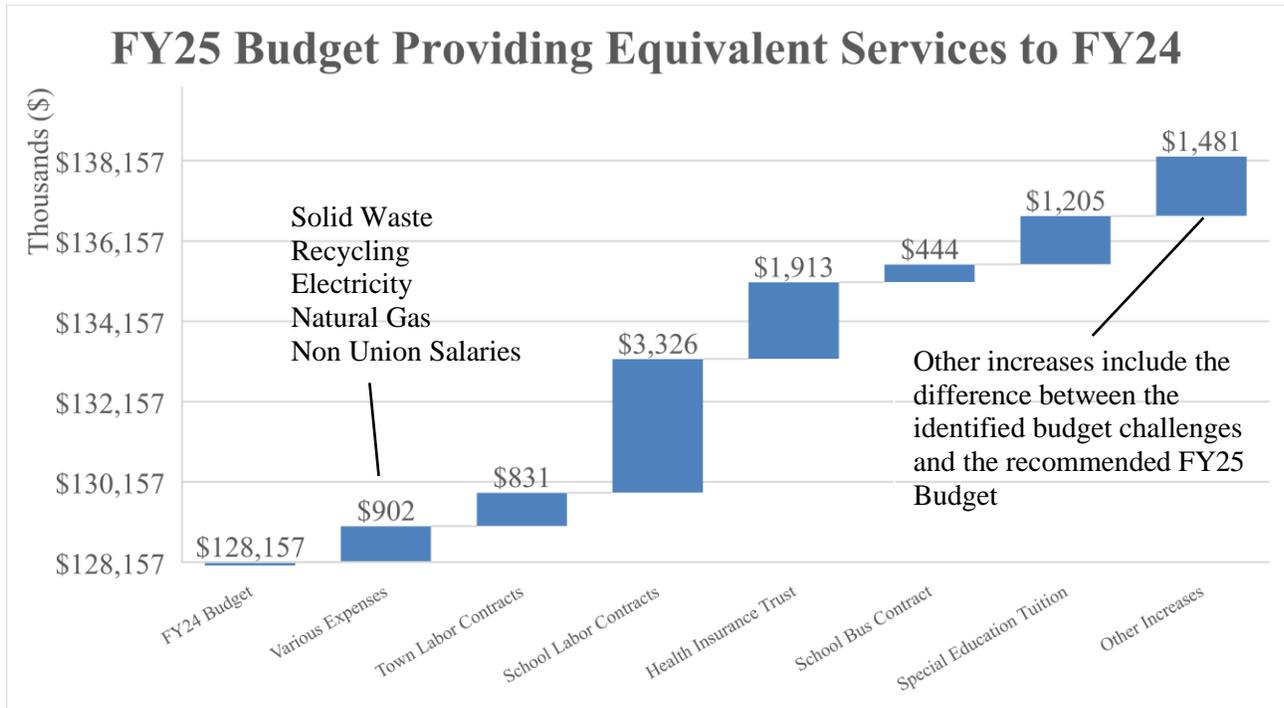
The following issues were identified by the Budget Task Force and are the main factors for costs rising far beyond historical norms:

- Large labor, energy and services contracts are increasing
- Inflation at a generational high following a period of low inflation
- Need to maintain commitment to competitive pay
- Rapidly growing health insurance expenses
- New revenue opportunities are limited and will take some time

The FY25 budget deficit is not anticipated to get any better in FY26 and FY27. In fact, there is a cascading effect to the budget gap that will lead to further cuts that is shown in the budget presentation. We do anticipate seeing some relief during the end of FY26 and beginning of FY27 if the Town adopts MBTA zoning and developers start to build associated with that zoning as well

as seeing the effects of an Economic Development consultant that is anticipated to be hired in the late winter of 2024.

Below is a chart outlines those identified expenses and shows the FY25 budget impact by category.



With no new personnel, no new services, and careful pursuit of efficiencies, our baseline budget is \$10,103,339 higher in FY25 than FY24.

Proposition 2 ½ Overview

Proposition 2 ½ is a Massachusetts law enacted in 1980 that paces a limit of 2 ½% on the amount of property tax revenue a community may raise through real and personal property taxes each year. There's a common misconception that each individual property tax bill can only increase by 2.5%. That is not true. The tax levy as a whole increases by 2.5%. It is then divided by the full and fair cash value of all taxable and real property in town. When the levy limit is not sufficient to maintain or expand services, the town has the option to approve a budget with reduced services, or to approve a Proposition 2 ½ override. This is a permanent increase to the town's levy. To pass, the Select Board must place an override question on the Town Meeting Warrant and then on a ballot during a local election. Both votes require a majority vote for passage.

Here is the calculation for the FY24 Tax Levy:

FY23 Levy Limit	\$88,155,336
Prop 2 ½ Increase	2,204,153
New Growth	856,873
Overrides	0
Debt Exclusions	\$1,485,882
Amended Growth	\$10,802
Excess Levy Capacity	(1,409)
Total FY24 Tax Levy	\$92,711,637

FY24 versus FY25 Projected Revenue

New revenue has not been growing with the rate of inflation. We are constrained by Proposition 2 ½. The below chart shows the FY24 budgeted revenue versus the FY25 projected revenue. The general fund share of the revenue can be used for town services such as funding education, public safety, and other government services.

Revenue	FY24	FY25	Variance
Tax Revenue	\$92,711,637	\$95,837,437	\$3,125,800
Proposition 2 ½ Override	0	0	0
Local Revenue (w/out MSBA Offset)	7,463,398	7,650,826	187,428
State Aid	21,087,696	21,298,573	210,877
General Fund Subtotal	\$121,262,731	\$124,786,836	\$3,524,105
Enterprise Revenue	9,060,362	8,689,322	(371,040)
Reserves Applied	0	0	0
Other Available Funds*	4,910,447	1,250,575	(3,659,872)
Free Cash – Capital, Perchlorate, Snow & Ice	5,133,955	2,688,716	(2,445,239)
Total	\$140,367,495	\$137,415,449	(\$2,952,046)

*Does not include Community Preservation recommendations.

Local Revenue

Local revenue fluctuates from year to year. Below is a table showing the FY23 actual revenue received, the budget for FY24, and our local revenue projections for FY25. Overall, local revenue is increasing by \$187,428 from FY24 to FY25. Most local revenue categories are earmarked to increase by 2.5%, with the exception of the Miscellaneous Recurring revenue which is increasing 3.30% based on the assessment for the Nashoba Tech School Resource Officer. We will continue to monitor local revenue during the year and make adjustments if appropriate.

Local Revenue	FY23 Actual	FY24 Budget	FY25 Projected
Motor Vehicle Excise	3,940,849	3,940,000	4,038,500
Meals and Hotel Excise	1,234,766	1,221,000	1,251,525
Penalties and Interest	351,322	220,000	225,500
Payments in Lieu of Taxes	71,956	71,955	73,754
Fees	268,206	260,687	267,204
Rentals	1,978	0	0
Departmental Revenue – Cemeteries	39,000	30,000	30,750
Licenses and Permits	1,255,627	1,010,000	1,035,250
Special Assessments	5,460	4,963	5,087
Fines and Forfeits	95,731	60,000	61,500
Investment Income	454,419	450,000	461,250
Medicaid Reimbursement	321,189	90,000	92,250
Miscellaneous Recurring Revenue	1,964,248	104,793	108,256
Miscellaneous Non-Recurring Revenue	66,896	0	0
Subtotal	10,071,648	7,463,398	7,650,826
Less: MSBA Revenue	(1,664,778)		0
Adjusted Total	8,406,870	7,463,398	7,650,826

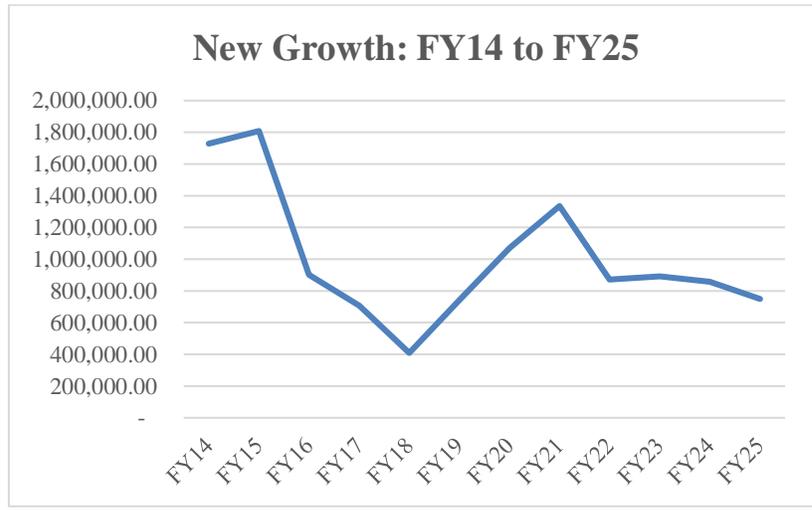
State Aid

In FY24 Westford received an overall 1.76% increase in State Aid, which resulted in additional revenues of \$365,460. State Assessments were reduced by \$42,652 in FY24, resulting in a total increase in State Funding of \$408,112. For FY25, we are estimating a \$30 increase per student for Chapter 70, a 1% increase for Unrestricted Government Aid, and a 1% increase in all other State Aid revenue. Since the Annual Town Meeting is scheduled for March 23, 2024, and the FY24 Governor’s budget is not due to be released until January 24, 2024, we will have sufficient time to update the budget projections. The final budget is typically not signed until each July, so the final State Aid amount is different than expected, we may propose budget adjustments at our October 2024 Special Town Meeting.

New Growth

Over the past 11 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
FY25 (Budget)	\$750,000
FY24	\$856,873
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 FY25 General Fund Revenue without a Proposition 2 ½ Override

For FY25, our new general fund revenue is \$3,524,105. After accounting for other town-wide expenses, including a substantial increase in health insurance, the total available new funds is \$2,270,662. 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	FY25	Subtotal
Tax Revenue: Prop. 2 ½ Increase	\$2,280,679	
Tax Revenue: New Growth	750,000	
Proposition 2 ½ Override	0	
Tax Revenue: PY Excess Capacity	1,409	
Tax Revenue: Debt Exclusions	93,712	
Local Revenue	187,428	
State Aid	210,877	
Total New G/F Revenue		\$3,524,105

Allocation of New Revenue	FY25	Subtotal
Employee Benefits and General Insurance	1,791,089	
Net Debt Service	159,949	
NVTHS Assessment	69,804	
Other Amounts to be Raised	(382,065)	
Allowance for Abatements	172,843	
State Assessments	29,981	
Change in Premium Reserved for Debt Service	625	
Override Appropriation to Stabilization	0	
Subtotal		(\$1,842,226)
Funds Remaining for Departmental Expenses		\$1,681,879
WPS Budget		
Westford Public School Budget – 78%	1,317,791	
Net Town Operating Budgets – 22%	364,088	
Subtotal		\$1,681,879
Net Remaining		\$0

Current Reserves: Currently we have reserves of \$10,128,287 which represents a reserve fund balance of 8.41% 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 \$7,467,815, or 6.24% of the general fund budget.

FY25 Budget Highlights – Changes to Non-Override and Override Budgets

The FY25 budget process began in July 2023. Department heads were sent instructions and worksheets to create a budget for FY25 and submit budget projections for FY26 and FY27.

School/Town Increases: Westford Public Schools are allocated an additional \$1,317,791, which represents a 2.00% increase. For the town departments, we met with each town department head and reviewed each line item in every budget and made reductions and adjustments as necessary to present a balanced budget. These actions resulted in an overall town budget increase of \$364,088 or a 1.30% increase. This net amount includes adjustments for the ambulance, recreation, and stormwater enterprise general fund subsidies.

Summary of FY25 Budget Recommendation

<i>Revenues</i>		<i>Expenditures</i>	
Tax Revenue	\$95,837,437	Westford Public Schools	\$67,207,355
Local Revenue	7,650,826	Other Town Departments	26,921,630
State Aid	21,298,573	Community Preservation	1,121,028
Enterprise Revenue	8,689,322	Debt Service	3,566,124
Reserves Applied	0	Enterprise	10,144,690
Other Available Funds	1,250,575	Unclassified	22,417,150
Free Cash Appropriation	2,688,716	N.V.T.H.S.	1,465,893
		Other Amounts to be Raised	4,571,579
Total	\$137,415,449	Total	\$137,415,449
		Budget Surplus	\$0

The following changes to the FY25 budget are included in both the non-override and override versions.

- Collective Bargaining Agreements:** As we budget for FY25, we have five 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 Westford Public Schools, the agreement for the Unit G math and reading interventionists expired in FY23. The food service workers are settled through June 30, 2024. The contracts for the school custodians and Unit E educational support professionals are settled through FY25, and the agreement for Unit A teachers, Unit B curriculum coordinators/student support leaders, and Unit C school nurses are all settled through FY26.
- Solid Waste and Recycling Contract:** The contracts for solid waste collection, recycling collection, and solid waste disposal all expire on June 30, 2024. Through a competitive bid process, the Select Board authorized the Town Manager to enter into a contract with E.L. Harvey for FY25 through FY29 for solid waste and recycling collection, and with Covanta for solid waste tipping fees. There is a budget increase of \$320,610 for FY25, which represents 88% of the new funding for the town.
- Utility Costs:** The contract for natural gas supply expires on February 28, 2024. The new three-year agreement is increasing rates by 69.7%. The total cost for town and schools is estimated at \$238,642 per year. The electricity supply contract is also expiring on November 30, 2024. The rates on the new three-year contract are increasing by 39.6%, which increases that annual budget for town and schools by an estimated \$297,994. Because the increase occurs in the middle of the year, the increase for electricity is able to be absorbed over two budget cycles.
- Health Insurance Trust:** We converted our town's Health Insurance plan to a partially self-funded plan on March 1, 2022. Since that time, our utilization has increased by over 20% each year for the first two years. This has been fueled by large-loss claims over \$125,000 which are two to three times higher than expected. According to our Health Insurance Broker, Hub Inc.,

we would likely have seen higher renewal rates if we had remained a fully-insured plan. We ended FY23 with a deficit balance of \$387,079, which we were able to raise on the tax FY24 rate recap. We also subsidized the FY24 budget of \$10,907,528 by \$950,000 at the October 16, 2023 Special Town Meeting. Members of the Health Insurance Trust voted to increase rates for employees by 15% effective November 1, 2023. For FY25, we are budgeting \$12,280,173 which represents a \$422,645 or a 3.56% increase over our FY24 health insurance budget. The Trustees carefully track health insurance monthly and may update projections accordingly.

- **Unclassified Budget: Other Post Employment Benefits (OPEBs):** Our FY25 contribution to our OPEB Trust Fund, which funds retiree health and life insurance, is \$1,000,000. This amount was reduced from the scheduled \$1,400,000 contribution per the OPEB funding policy. In past years, we have supplemented the difference using free cash. However, we are recommending not doing so at this time since the Health Insurance Trust has been running poorly and we need to reserves on hand to fund any potential deficit as mandated by Massachusetts General Laws. We will continue to pay our existing retirees' OPEB obligation through our health insurance budget. In FY23, we paid \$1,387,349 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 \$13,605,330 with this appropriation. Westford's last actuarial study on June 30, 2023 reported that Westford had a \$107,046,616 net OPEB liability. The study shows that Westford's OPEB obligation is estimated to be fully funded by 2075.
- **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 \$408,976 or 6.27% to \$6,931,644. 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 \$120,713 or a 1.71% savings.
- **School Bus Contact:** The School Bus Contract expires on June 30, 2024. Bids have been received and are being reviewed by the school administration. We estimated an 11% increase based on bids received from other communities, which represents about a \$444,000 increase for FY25.
- **School Special Education Tuitions:** The Operational Services Division (OSD) allowed special education and private school tuition rates to increase by 14% in FY24. This historical increases have been around 3.3%. The schools are absorbing the increase in their FY24 budget, this expense needs to be built into future budgets. The estimated budget increase for FY25 is \$1,204,850.
- **Other Adjustments to the FY25 Budget:**
 - We are integrating the efficiencies of Budget Task Force work into the budget.
 - The Finance Committee Reserve fund is reduced by \$25,000 based on the average of the past five years of appropriations.
 - The Assessors contracted services line item is reduced by \$23,700 as more personal property assessment will be conducted in house.
 - Council on Aging Building Maintenance Accounts are transferred to the Public

Buildings budget under the Facilities Director in an effort to further consolidate maintenance expenditures.

- The Nashoba Tech Budget is not final, but we are projecting a 5% increase as Westford's enrollment is increasing by one student in FY25.
- The Solid Waste and Recycling budgets are combined into one budget – “430 Waste Collection and Disposal”. The tonnage rates for solid waste and blended rate for recyclables are highly variable and often need adjustments mid-year, so combining the budgets will help reduce the additional administrative work.
- The Public Health Nurse is reflected as full-time in the budget – the incremental cost is being offset by the Immunizations and Clinical Revolving fund for the additional 7.5 hours per week. The position has been full-time and supplemented using ARPA funds since the beginning of the Covid pandemic.
- The Conservation budget is increased by \$7,350 to provide staffing at the Stony Brook Conservation Land on weekends for sixteen weeks. This is considered a pilot program and we are using East Boston Camps Revolving funds to offset the cost. We may also consider charging non-residents to help offset the cost.
- The Water Enterprise includes \$864,000 in funding for debt service for the PFAS Treatment Facilities.
- The Recreation Enterprise budget has a general fund subsidy of \$125,927 as opposed to \$263,227 in FY24. This is in part due to the reduction of an administrative staff person in FY25 Budget.

FY25 Town Budget Efficiencies and Revenue: Through the Budget Task Force process, we developed the below list of efficiencies and revenue opportunities that could be implemented in the short-term. We either already implemented or are working to implement the following:

- Fleet fueling at DPW Garage
- Centralized fleet maintenance opportunities
- Comparing fee structures to our market
- Health Department just adjusted fees
- Ambulance Enterprise raised rates to market in Oct 2023
- Composting to reduce solid waste tonnage
- Residential services available December 1, 2023
- MBTA Zoning/Economic Development (FY26 and beyond)
- Technology integration
- Shared service agreements both internal and external
- Continue to monitor and examine health insurance opportunities

Option 1: FY25 Budget Changes without a Proposition 2 ½ Override: The following reductions are the initial recommendation in order to present a balanced budget to Town Meeting, which is required by Massachusetts General Laws.

- We reduced two firefighters from the budget. There are scheduled retirements in January 2025, so will bridge the salaries using ARPA funding. This will allow us to retain current staff rather than having to layoff and then train new employees. However, the reduction in staff will result in temporary closures at Rogers Fire Station.
- Two police positions were removed from the budget. This will negatively impact the

Community Policing Program.

- We reduced of one full-time dispatcher. This position was just added in FY24 and overtime was reduced to cover the cost. This will result in causing additional order-ins and employee retention issues within the dispatch center. Overtime was adjusted to help offset the impact.
- The Community Wellness Coordinator, which has been funded using mostly ARPA funding, was not included in the budget. This position provides mental health services and programming to staff and the community. The Board of Health Regional program is still available.
- We did not fund the Sustainability Coordinator that was funded partially with a grant and ARPA money in FY24.
- We reduced one heavy equipment operator in the Highway budget. This will cause potential delays in road maintenance and plowing.
- Library hours were reduced from 55 to 50 per week and part-time staffing was decreased accordingly by 0.9 FTE's. The reduced budget still meets the MAR and State Aid is not reduced in FY25. However, we do need to qualify through a waiver process.
- The DPW Business Manager's Budget is reduced to 22 hours per week placing more work on the DPW Director. The current Business Manager is retired and only works 22 hours per week, but this will become an issue once he is fully retired.
- We reduced the Building Department inspector coverage by 50% for when employees are out of the office. This will cause potential delays in inspections. We also reduced the hours for the intern that performs all the building permit scanning.
- The seasonal staff in the Highway, Cemetery, and Parks & Grounds budgets were reduced.
- Our community outreach will be impacted because we eliminated the Strategic Planning Retreat from the Select Board budget. We do have grant funding to cover it for one more year in 2024.
- Continuing education and meetings and conferences were eliminated or reduced in most budgets.
- We eliminated Planning Studies for the Land Use Department.
- The Public Buildings budget was decreased, which will defer maintenance to town buildings.
- We reduced fire box alarm expenses in the Fire Department budget.
- The Dental Service program for the Board of Health was not funded. This program has been serving school aged children for over 20 years.
- We reduced Veterans Services funding to meet current claims, which are currently low. If they increase, we will need to seek supplemental funding.
- We reduce Parks & Grounds maintenance budget so fields may be treated and maintained less frequently.
- We discontinued the Healthy Lakes & Ponds initiative to treat our water bodies. This funding was built into the operating budget in FY24. Local associations may need to treat the ponds and lakes through donations.
- We may need to delay projects recommended for bonding this year or we may have to borrow short term until a new funding plan is considered.
- We reduced appropriation to the health insurance trust due to the decrease in personnel. We still may be obligated to appropriate additional funding if claims remain high.
- There is an increase to unemployment insurance of \$35,000 to account for potential layoffs.
- We reduced Recreation Enterprise funding for part-time staff by \$15,000, limiting the

number of children that can participate in the after school and summer programs.

- The schools are facing a net reduction of 64.2 FTE's. Examples of reductions to the level services budget include a reduction in teachers due to enrollment adjustments (8.4 FTE's), eliminating in-district transportation, a data specialist (1.0 FTE), literary specialists (3 FTE's), administration (3.0 FTE's), middle school interventionists, middle school reading teachers (2.0 FTE's), staffing at WA (11.4 FTE's), and elementary teachers (4.0 FTE's). For more information regarding the Westford Public Schools FY25 Budget, please visit their [website](#).

Option 2: FY25 Budget Changes with a Proposition 2 ½ Override: The recommended budget with an \$8,000,000 operating override will fund the contracts we are obligated to pay for FY25 and FY26 and will allow the town and school to maintain level services and staffing while also integrating the efficiencies that the Budget Task Force identified. Overall, in this scenario, the town departments would receive a \$1,380,567, or a 4.94% increase. The schools are allocated an additional \$4,612,269, or a 7.00% increase.

New Revenue	FY25	Subtotal
Tax Revenue: Prop. 2 ½ Increase	\$2,280,679	
Tax Revenue: New Growth	750,000	
Proposition 2 ½ Override	8,000,000	
Tax Revenue: PY Excess Capacity	1,409	
Tax Revenue: Debt Exclusions	93,712	
Local Revenue	187,428	
State Aid	210,877	
Total New G/F Revenue		\$11,524,105

Allocation of New Revenue	FY25	Subtotal
Employee Benefits and General Insurance	2,705,609	
Net Debt Service	351,387	
NVTHS Assessment	69,804	
Other Amounts to be Raised	(382,065)	
Allowance for Abatements	44,092	
State Assessments	29,981	
Change in Premium Reserved for Debt Service	625	
Override Appropriation to Stabilization*	2,711,836	
Subtotal		(\$5,531,269)
Funds Remaining for Departmental Expenses		\$5,992,836
WPS Budget		
Westford Public School Budget – 77%	4,612,269	
Net Town Operating Budgets – 23%	1,380,567	
Subtotal		\$5,992,836
Net Remaining		\$0

*The override stabilization fund would act as a special reserve account where we transfer money from the override into the account in year one. In future years, we will recommend funding the operating budget using the balance in the override stabilization fund, which will require a 2/3 majority vote by Town Meeting.

Proposition 2 ½ Override Two-Year Scenario: Expenses are climbing rapidly from FY25 through FY27. To support a baseline budget for FY25 and FY26, it would require an \$8,000,000 override. This is a model utilized by other communities where they raise more in the first year to ensure that the override can cover expected increases for a certain number of years.

For FY25, we are projecting new general fund (G/F) revenue of \$3,524,105. The FY25 budget request to maintain services with efficiencies is \$8,812,369. This leaves a budget gap of:

\$8,812,369	FY25 G/F Expenses
(\$3,524,105)	FY25 G/F Revenue
\$5,288,264	FY25 Budget Gap

\$5,288,264 would be the override request to fund one year of the operating budget. However, we have known budget increases in FY26 which will require either additional funding up front, an override request in FY26, or a decrease to the operating budget. The amount projected to fund the operating budget through FY26 is \$8,000,000. In this scenario, the difference between the amount need to fund the FY25 expenses and the override amount would be transferred to an override stabilization fund. The funds would then be appropriated to offset the cost of the increased expenses in FY26 and/or FY27.

\$8,000,000	FY25 Override Amt.
(\$5,288,264)	FY25 Budget Gap
\$2,711,736	Transfer to Override Stab.

In the current financial model, the \$2,711,736 in the stabilization account can be used to offset \$1,960,900 in the FY26 budget to match the level services budget, and then \$750,936 in the FY27 budget to help offset fiscal cliff that occurs after applying the stabilization funds. In FY27, we are currently projecting a \$3,200,000 deficit. Any change in expense, revenue, or override amount will change the amount of stabilization that can be applied to future years and the amount of the fiscal cliff.

Proposition 2 ½ Override Three-Year Scenario: Using the same methodology, with all else remaining constant, we have determined that a \$9,000,000 operational override is sufficient to fund the budget through FY27.

\$9,000,000	FY25 Override Amt.
(\$5,288,264)	FY25 Budget Gap
\$3,711,736	Xfer to Override Stab.

In this scenario, the \$3,711,736 in the stabilization account can be used to offset \$935,900 in the FY26 budget to match the level services budget, and then \$2,775,936 in the FY27 budget leaving a projected deficit of \$100,000. The fiscal cliff may then occur in FY28.

Estimated Tax Bill Impact from an \$8,000,000 Proposition 2 ½ Override: Based on FY24 values, every \$1,000,000 override would cost \$112.36 on the median single-family home assessed at \$756,500. The below chart shows a variety of single-family home values and the potential impact from an \$8,000,000 override.

% Single Family Home Value	Single Family Home Value	Override Tax 2025
25%	\$558,000	\$663.02
35%	\$625,000	\$742.63
50%	\$721,000	\$856.69
59%	\$820,500	\$974.92
75%	\$891,000	\$1,058.69
90%	\$1,082,000	\$1,285.63
95%	\$1,230,000	\$1,461.49

Capital Investment: The Capital Planning Committee reviewed capital requests from all town departments and voted their initial recommendations to the Town Manager on November 29, 2023. The [FY25 Capital Plan](#) includes \$39,654,522 in capital to be funded by our town issuing general fund bonds in the amount of \$1,800,000, water enterprise bonds in the amount of \$24,500,000, ambulance enterprise bonds for \$532,050, using \$2,150,472 in Free Cash, and utilizing enterprise and other available funds for the remaining \$10,672,000. 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 \$508,715, if needed.

Non-Excluded Debt Service: The current FY25 non-excluded debt service budget is \$2,215,236 which exceeds the minimum borrowing policy by \$1,215,236. Of this amount, \$1,190,775 is permanently bonded and the remaining balance of \$943,893 is estimated debt payments for ongoing and future projects, which includes the Town and School Safety Task Force (TSSTF) (2020) 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), and the Plain Road Phase 1 sidewalk construction (2022), fire department tower truck (2023), and the Blanchard Roof chiller units and ventilation fans (2023). Other items earmarked for borrowing but not yet approved by Town Meeting include the 2 six-wheel dump trucks and 2 six-wheel swap loaders for the DPW and the Plain Road Phase 2 sidewalk construction.

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 – Impact from Ameresco Energy Contracts
- Clean Energy & Sustainability recommendations
- 12 North Main Street
- Hotel and Meals excise
- Snow and ice deficit
- Override vs Non-Override Budget

How the Public Can Stay Involved:

- Attend the Select Board, School Committee, and Finance Committee joint meeting on January 9, 2024 (hybrid meeting)
- Attend the virtual Finance Committee Budget Hearings from January 11 to February 1, 2024.
- Sign up for agendas at: <https://www.westfordma.gov/list.aspx>
- Monitor www.westfordma.gov and visit the “Town Meeting” page for information regarding the budget process and supporting material
- Email the Town Manager and/or Select Board with questions or concerns: klas@westfordma.gov
- A variety of educational videos will be released over the next few weeks to discuss the budget challenges we are facing and how we are responding – A link will be posted when they are available
- Attend Town Meeting on March 23, 2024 at 9 AM at the Westford Academy Gymnasium

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 FY25 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.