



2/11/2016

TOWN OF
WESTFORD

FEBRUARY 11, 2016 REVENUE OVERVIEW

Summary:

Pre 1981, municipal budgets in Massachusetts were driven by expenditures. Local communities could raise taxes to the extent that the local authority appropriated. Then in 1982, Proposition 2 ½ (M.G.L. Ch. 59 ~ 21C) was enacted limiting the increase to the tax levy to 2.5%. Since that time, municipal budgets have been shaped by revenue limitations. There are six major revenue components that Westford uses to fund its annual operating budget; Property taxes, State Aid, Local Revenue, Enterprise Revenue, Other Available Funds, and Free Cash. Below is a brief analysis that displays the trends in revenue from Fiscal Year 2014 to Fiscal Year 2017.

Revenue Source	FY2014 Actual	FY2015 Actual	FY2016 Budget	FY2016 Actual 12-31-	FY2017 Projected	Budget Increase \$\$	Budget Increase %
Property Taxes*	64,828,935	67,843,888	70,321,012	33,622,002	72,643,620	2,322,608	3.30%
Local Revenue	8,515,185	8,389,378	7,757,036	2,435,140	7,883,420	126,384	1.63%
State Aid	20,121,931	20,343,323	20,501,002	9,279,444	20,722,688	221,686	1.08%
Approp. From Free Cash**	769,934	4,134,165	5,412,973	5,412,973	1,945,257	(3,467,716)	-64.06%
Free Cash Applied**	1,995,414	149,339	-	-	-	-	
Total General Fund	96,231,400	100,860,093	103,992,023	50,749,559	103,194,985	(797,038)	-0.77%
Enterprise Revenue	6,536,862	6,269,044	6,749,673	3,835,700	6,816,784	67,111	0.99%
Other Available Funds**	2,960,492	2,065,401	2,524,475	1,355,708	933,935	(1,590,541)	-63.00%
Total Revenue	105,728,753	109,194,538	113,266,171	55,940,967	110,945,704	(2,320,467)	-2.05%

* These figures represent the levy limit, not the actual amount collected.

**Amounts included are as appropriated at Town Meeting.

DETAILED REVENUE SUMMARY							
	FY2013	FY2014	FY2015	2016	2017	FY17 vs FY16	
General Fund	Actual	Actual	Actual	Budget	Projected	Budget Inc. \$	% Inc.
Property Taxes*	61,929,283	64,828,935	67,843,888	70,321,012	72,643,620	2,322,608	3.42%
Local Revenue	8,118,718	8,515,185	8,476,766	7,757,036	7,883,420	126,384	1.49%
Motor Vehicle Excise	2,921,395	3,359,008	3,342,941	3,342,941	3,397,050	54,109	1.62%
Other Excise (Local Options)	960,718	1,066,166	1,126,516	1,126,516	1,154,679	28,163	2.50%
Penalties & Interest	133,543	152,714	194,908	194,908	199,781	4,873	2.50%
Payments in Lieu of Taxes	56,036	7,256	99,554	53,964	55,313	1,349	2.50%
Fees	329,207	281,343	265,846	258,114	264,567	6,453	2.50%
Dept. Revenue - Cemeteries	20,625	28,750	30,900	30,900	31,673	772	2.50%
Other Dept. Revenue	29,533	6,796	6,872	6,872	7,044	172	2.50%
Licenses and Permits	1,124,740	1,217,059	827,175	777,175	796,604	19,429	2.50%
Special Assessments	18,410	38,868	21,816	15,373	14,815	(557)	-3.63%
Fines and Forfeits	99,284	113,232	90,119	90,119	92,372	2,253	2.50%
Investment Income	43,726	35,117	43,556	36,521	37,434	913	2.50%
Miscellaneous Recurring	1,814,852	1,873,443	1,871,369	1,823,633	1,832,088	8,454	0.46%
Miscellaneous Non-Recurring	566,648	335,433	555,194			0	
State Aid	\$19,846,627	\$20,121,931	\$20,343,323	\$20,501,002	\$20,722,688	221,686	1.09%
General Government Aid	1,813,155	1,872,193	1,914,057	1,969,192	2,058,723	89,531	4.55%
School Aid	16,064,000	16,189,875	16,313,850	16,436,625	16,534,785	98,160	0.60%
School Construction Aid	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	0	0.00%
Tax Abatement Aid	96,001	123,772	132,152	131,272	129,724	(1,548)	-1.18%
Offset Aid	316,445	379,065	426,238	406,887	442,430	35,543	8.74%
Approp. From Free Cash**	\$697,000	\$769,934	\$4,134,165	\$5,412,973	\$1,945,257	(3,467,716)	-83.88%
Free Cash Applied**	\$1,851,116	\$1,995,414	\$149,339	\$0	\$0	\$0	0.00%
TOTAL GENERAL FUND REVENUE	\$92,442,744	\$96,231,400	\$100,947,482	\$103,992,023	\$103,194,985	(\$797,038)	-0.79%
Enterprise Revenue/Free Cash	\$6,112,797	\$6,536,862	\$6,269,044	\$6,749,673	\$6,816,784	67,111	1.07%
Water Enterprise	4,284,616	4,517,803	4,185,227	4,370,673	4,696,039	325,366	7.44%
Recreation Enterprise	1,139,675	1,137,042	1,247,594	1,239,000	1,264,205	25,205	2.03%
Ambulance Enterprise	688,506	882,017	836,223	1,140,000	856,540	(283,460)	-24.86%
Other Available Funds**	\$3,262,513	\$2,960,492	\$2,065,401	\$2,524,475	\$933,935	(1,590,541)	-77.01%
Premium on BANS/Bonds Non-Exempt	1,331	627	192	4,262	2,800	4,070	95.49%
Premium on BANS/Bonds Exempt	42,801	32,167	22,061	32,401	24,107	10,340	31.91%
Capital Stabilization Fund	0	31,000	0	0		0	
Overlay Surplus	0	0		0		0	
Community Preservation Funds	2,821,272	2,271,095	1,897,954	1,981,444	884,528	83,490	4.21%
Other Available Funds	397,109	625,603	145,194	506,369	22,500	361,175	71.33%
TOTAL ENTERPRISE / OTHER FUNDS	\$9,375,310	\$9,497,354	\$8,334,445	\$9,274,148	\$7,750,719	(\$1,523,430)	-18.28%

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PROPERTY TAX

Property Tax is the primary source of revenue for the Town of Westford, which accounts for approximately 71% of general fund revenue. Property taxes are levied on real property (land and buildings) and personal property (equipment). State law mandates that communities update their property values every three years. A town-wide revaluation was most recently completed in Fiscal Year 2014. The next scheduled revaluation is for Fiscal Year 2017.

Due to Proposition 2 ½, the levy limit increase for property taxes cannot exceed 2.5%. This amount does not include “New Growth” which are additional taxes added from new properties, nor does it pertain to debt exclusions. Debt exclusion dollars are raised to pay for debt service that voters have previously authorized. Below is the calculation for the FY17 projected levy limit:

FY16 LEVY LIMIT	\$67,215,667
PROP. 2 ½ INCREASE	1,680,392
NEW GROWTH ESTIMATE	850,000
DEBT EXCLUSIONS	<u>2,897,562</u>
TOTAL FY17 TAX LEVY	<u>\$72,643,620</u>

Below is a table showing the tax levy calculation from Fiscal Years 2011 to 2016

TAX REVENUE:	FY2011 TAX LEVY	FY2012 TAX LEVY	FY2013 TAX LEVY	FY2014 TAX LEVY	FY2015 TAX LEVY	FY2016 TAX LEVY
Prior Year Base Tax Levy	50,891,093.00	53,198,056.00	55,520,678.00	58,166,632.28	61,349,475.00	64,692,572.00
Prop. 2 1/2 Increase	1,272,731.00	1,329,956.00	1,389,166.28	1,454,165.81	1,533,759.00	1,617,419.82
New Growth	1,016,138.00	992,490.00	1,210,815.00	1,728,677.00	1,808,449.00	901,454.00
Overrides	-	-	-	-	-	-
Debt Exclusions	4,081,073.00	3,968,758.00	3,818,892.00	3,522,918.00	3,186,316.00	3,113,477.00
Capital Outlay/Ammended Growth	18,095.00	176.00	45,973.00	-	889.00	4,221.00
Excess Levy Capacity	(31,375.89)	(14,685.03)	(56,240.77)	(43,457.53)	(34,999.80)	(8,131.69)
Total Property Tax Levy	57,247,754.11	59,474,750.97	61,929,283.51	64,828,935.56	67,843,888.20	70,321,012.13

LOCAL REVENUE

The below summary reflects the information submitted on page 3 of the recap.

Motor Vehicle Excise – Payments are due in 30 days after bills are sent out. The majority of estimated collections will be received in mid March.

Local Option Taxes – An additional .75% meals tax and 2% hotel tax were approved at the March 26, 2011 Annual Town Meeting and instituted on July 1, 2011.

Penalties & Interest – Fees collected on late property tax and motor vehicle excise payments.

Payments in Lieu of Taxes – Revenue collected from tax exempt properties, with MIT being the largest contributor.

Fees – The largest contributors include: Demand Fees, Municipal Lien Certificates, Planning Board Fees, Police Detail Admin Fees, Fire Alarm Monitoring Fees, and Board of Health Fees.

Dept. Revenue – Cemeteries – Grave openings.

Other Dept. Revenue – Tax statements, tax filings, and other departmental revenue.

Licenses & Permits – Inspection permits made up 67.1% of the FY15 Actual Revenue. Licenses and Permits are heavily dependent upon new growth.

Special Assessments – Street and sidewalk betterments. Budget amount coincides with assessments due for FY17.

Fines and Forfeits – Health and smoking, civil substance possession, motor vehicle, parking violations, court fines, and animal fines.

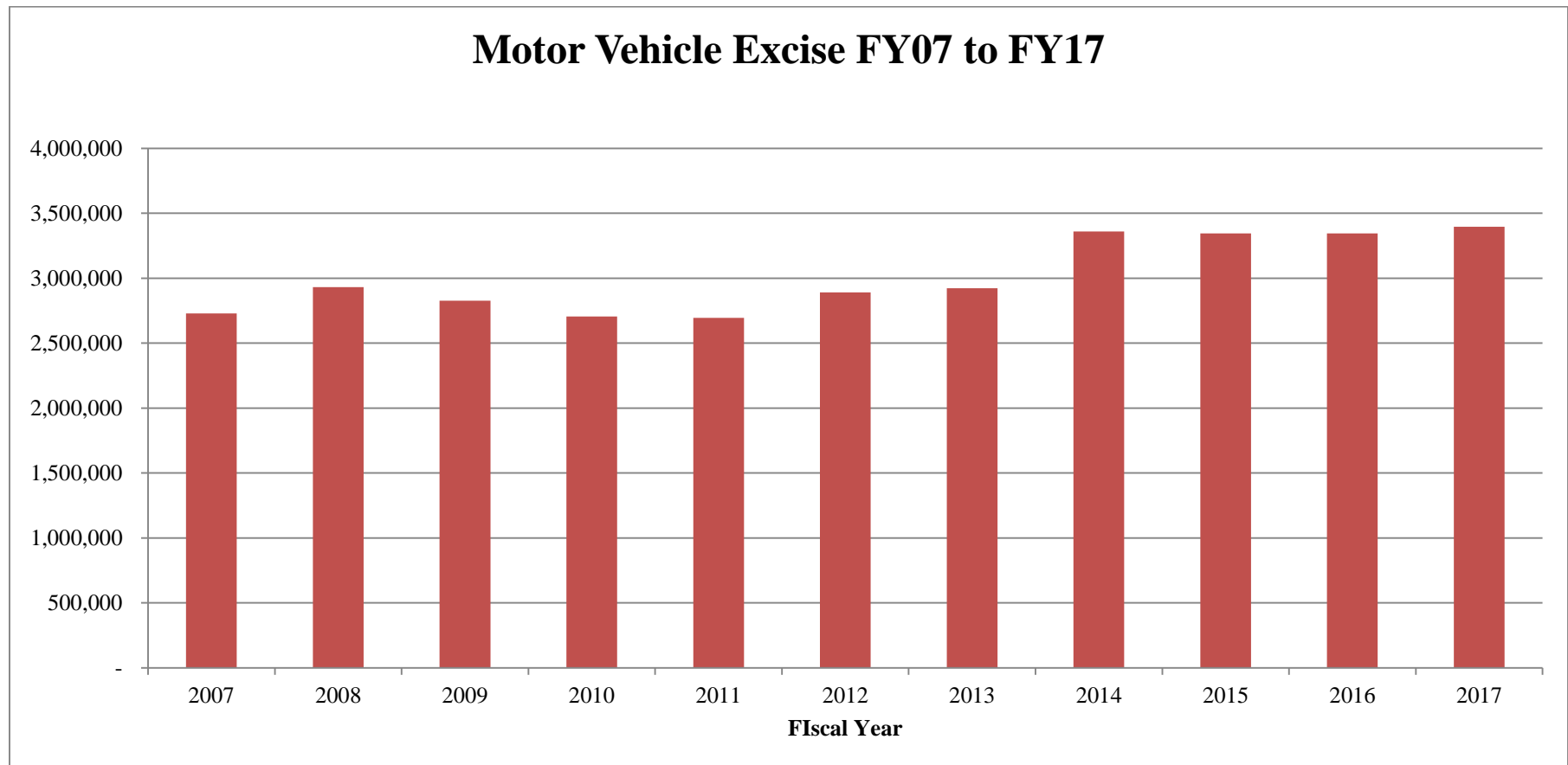
Investment Income – Rates continue to be low, but have risen slightly in the past year. The Town received \$43,556 in FY15, which is down from \$846,064 in FY07.

Miscellaneous Recurring – Mass School Building Authority's advanced refunding for Stony Brook, Rita Miller, and Crisafulli schools. Lump sum payment from the MSBA held in a separate account and a portion of principal and interest (earning 4+%) are transferred to the general fund each year. Also includes reimbursement for NVTSH School Resource Officer, CPE Program Receipts, and Medicaid Receipts.

Miscellaneous Non-Recurring – Sale of tax possession properties, sales of equipment, settlement proceeds, and FEMA/MEMA reimbursements.

Motor Vehicle Excise – Excise tax commitments are billed based on calendar year and come from the Registry of Motor Vehicles in batches. The first commitment for calendar year 2015 will be billed in February. In FY14, the town had 20,220 bills for a total commitment of \$2,606,059. The commitment for FY16 consists of 20,993 bills totaling \$2,855,097. The actual amounts collected are higher than the original commitment because there are additional commitments throughout the year and revenue from prior years is also collected.

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
MV Excise	2,726,951	2,928,677	2,823,987	2,703,682	2,692,125	2,888,535	2,921,395	3,359,008	3,342,941	3,342,941	3,397,050



Town of Westford, MA

General Fund Revenue

Local Options Excise – As of December 31, 2015, Westford has received Hotel excise of \$423,279 (4.1% increase) and Meals excise of \$269,629 (5.9% increase) for a total of \$692,908. The budget for local options in FY16 is \$1,126,516. At this point, it looks as if the Town is projected to surpass the original estimate. New growth along Route 110 has been the main reason for the increased meals excise, particularly with the addition of several new restaurants at Cornerstone Square. Below is a table showing the history of hotel occupancy revenue since Fiscal Year 2007.

Hotel	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Actual (12-31-15)	2017 Budget
Q1	73,857	79,400	108,560	93,290	98,723	122,544	170,123	178,592	200,685	673,926	212,599	690,774
Q2	82,061	97,470	109,925	99,469	110,037	160,293	157,208	187,116	205,966		210,681	
Q3	61,992	76,775	73,528	72,660	74,756	119,377	113,440	130,453	119,621			
Q4	64,184	75,718	84,467	81,446	88,507	131,255	143,144	141,134	147,654			
Total	282,094	329,363	376,480	346,865	372,024	533,470	583,915	637,295	673,926	673,926	423,280	690,774
Meals												
Q1						31,539	99,233	119,050	128,880	452,590	138,294	463,905
Q2						88,777	93,500	115,810	125,715		131,334	
Q3						71,219	91,309	95,036	98,653			
Q4						74,163	92,762	98,976	99,342			
Total	-	-	-	-	-	265,698	376,803	428,871	452,590	452,590	269,629	463,905
Total Excise	282,094	329,363	376,480	346,865	372,024	799,168	960,718	1,066,166	1,126,516	1,126,516	692,908	1,154,679

Penalties & Interest – Mass General Law allows Collectors to assess penalties and interest to unpaid balances. Westford charges interest on all unpaid tax bills starting on the day after the due date according to provisions found in MGL Chapters 59 and 60. Interest is intended to be penal in nature. The rates are as follows:

Real Estate and Personal Property Tax - 14%
 Motor Vehicle Excise Tax 12%
 Tax Title 16%

In addition to interest, demand fees are also added to delinquent tax bill notices. MGL Ch. 60, Sec 15 allows communities to charge up to \$30 for a demand fee. Westford has set the demand fee at \$10.00. There are various other fees and charges provided by law according to type of tax and stage of collection. Most common are the fees associated with unpaid excise tax bills. If allowed to go all the way through every stage of collection the added fees can total as much as \$69.00. The budgetary benefit of fees collected is relatively minor. The fees do however motivate tax payers to make their payments timely and that helps to keep Westford fiscally sound.

Penalties & Interest - Fiscal Year 2007 to Fiscal Year 2017

2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	FY16 Actual 12-31-15	2017 Budget
128,797	128,285	117,159	145,875	157,159	131,295	133,543	152,714	194,908	194,908	71,642	199,781

Payments in Lieu of Taxes – The revenue received from PILOTS are from agreements that the Board of Selectmen have entered into with non-profits in Westford. The largest contributor on an annual basis is MIT. The FY14 MIT payment was deposited in July 2014 (FY15).

Payment in Lieu of Taxes - Fiscal Year 2007 to Fiscal Year 2017

2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	FY16 Actual 12-31-15	2017 Budget
41,537	42,424	51,622	41,376	47,504	47,000	56,036	7,256	99,554	53,964	-	55,313

Fees – The table below shows a brief history of different types of fees charged by the Town of Westford. The price of municipal lien certificates increased in FY11 resulting in over a 100% increase in revenue. Passports are no longer offered by the Town Clerk as of May 2011. In addition, Hunting & Fishing licenses are also no longer offered by the town as of January 1, 2012. They are now available exclusively online. Police administration fees are dependent upon the amount of utility work and new growth performed in town. Other fees generally include copy fees, returned check fees, and other small amounts charged by departments. As of December 31, 2015, it appears that the fees collected are expected to meet exceed the budget of \$258,114.

Department	Description	FY10 Revenue	FY11 Revenue	FY12 Revenue	FY13 Revenue	FY14 Revenue	FY15 Revenue	FY16 Budget	FY16 YTD	FY17 Projected
Tax Collector	ADD'TL FEES TAX TAKING	8,258	4,808	255	85	255	85	70	85	
Tax Collector	DEMAND FEES	59,085	46,395	47,690	45,865	48,001	54,939	55,000	17,756	
Tax Collector	REG MOTOR VEHICLE FEES	61,975	51,558	58,015	420	400	220	220	240	
BOS	CABLE FRANCHISE FEE	3,358	3,430	3,480	3,607	3,703	3,923	3,900	-	
Tax Collector	MUNICIPAL LIEN CERTIFICATE FEE	23,477	54,103	53,600	56,051	33,150	35,850	35,000	20,900	
Town Clerk	LATE FEES	2,315	6,345	5,050	3,250	8,575	5,130	5,000	1,200	
Town Clerk	BUSINESS CERTIFICATES	5,070	4,520	4,010	3,954	4,590	4,520	4,500	1,680	
Town Clerk	PASSPORT FEES	7,950	4,575	-						
Town Clerk	BIRTH CERTIFICATES	4,120	3,450	3,620	3,980	3,762	4,105	4,100	1,477	
Town Clerk	DEATH CERTIFICATES	6,130	7,370	6,710	7,340	6,681	6,661	6,600	4,326	
Town Clerk	BULK CURBSIDE PICKUP	12,995	20,141	16,663	18,034	17,843	15,849	12,000	6,647	
Planning Board	DEPARTMENTAL FEES	74,852	29,456	36,010	69,026	22,036	26,025	26,000	15,600	
ZBA	DEPARTMENTAL FEES	8,350	7,400	14,300	7,500	6,320	6,200	6,200	3,600	
Police	INSURANCE REPORT FEES	4,013	3,540	2,815	2,853	4,606	4,914	4,900	2,635	
Police	DETAIL ADMINISTRATION FEES	47,834	44,319	34,588	43,227	46,438	32,712	32,300	11,130	
Fire	ALARM MONITORING FEES	31,400	30,400	30,100	33,550	35,800	36,200	36,200	35,737	
Board of Health	DEPARTMENTAL/OTHER FEES	24,413	46,721	1,510	1,532	2,706	2,847	2,800	591	
Town Wide	DEPARTMENTAL/OTHER FEES	24,227	22,793	34,618	28,934	36,479	25,666	23,324	15,068	
	Total	409,821	391,324	353,033	329,207	281,343	265,846	258,114	138,671	264,567

Departmental Revenue - Cemeteries – The cost of grave openings increased on January 1, 2012 from \$600 to \$800. The cost for purchasing a grave also increased to \$800. Of the \$800 for purchasing a lot, 60% goes to the perpetual care non-expendable trust and 40% goes to the cemetery “sale of the lots” receipts reserved account. Below is a table displaying the fees charged for grave openings beginning in Fiscal Year 2007.

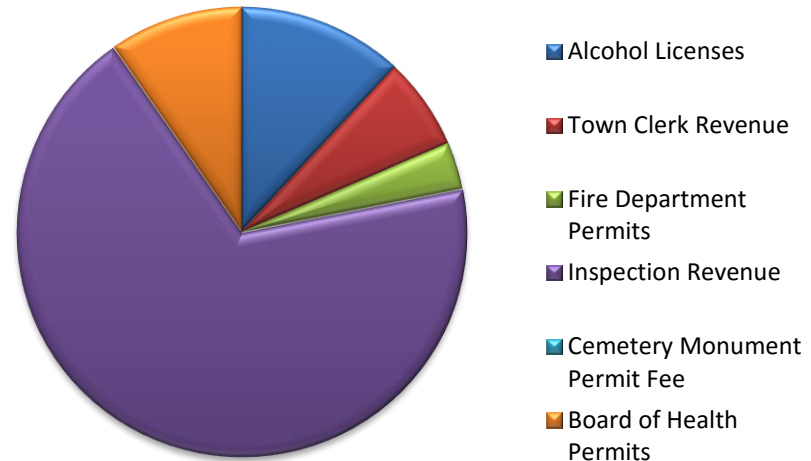
Departmental Revenue - Cemeteries – Fiscal Year 2007 to Fiscal Year 2017											
2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual			FY16 Actual 12-31-15	2017 Budget
13,050	18,400	20,550	27,425	26,245	35,300	20,625	28,750	30,900	30,900	19,325	31,673

Other Departmental Revenue –The majority of the other revenue is from money collected for tax statements, tax files and the Board of Health Flu Vaccine. Since the March 2013 Annual Town Meeting approved the BOH Clinical Services revolving fund, there will no longer be receipts for flu vaccine deposited into the general fund.

Other Departmental Revenue – Fiscal Year 2007 to Fiscal Year 2017												
Account	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	FY16 Actual 12-31-15	2017 Budget
Rentals / Leases						3,921	4,785	4,260	4,741	4,741	920	4,860
Other	725	2,506	6,245	15,932	31,864	24,482	24,748	2,538	2,131	2,131	93	2,184
Total	725	2,506	6,245	15,932	31,864	28,403	29,533	6,798	6,872	6,872	1,013	7,044

Licenses & Permits – The majority (67.1%) of revenues from licenses and permits comes from inspection services. The more construction being performed in town, the more inspection revenue received. Alcohol licenses are collected in December of each year. Dog licenses are due by March 31. The majority of fire department permits come from fire alarm and smoke detector permits. Examples of board of health permits includes food, pool, tobacco, hauler (septic), installer(septic), stabling (horses), piggery, and beach permits. The cemetery charges \$20 as a monument permit fee for any type of headstone. Lastly, fees associated with East Boston Camps are now deposited into a revolving fund.

FY16 Licenses & Permits Budget



Account	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 YTD	2017 Budget
Alcohol Licenses	83,868	87,475	94,325	93,800	92,450	92,450	60,925	
Dog Licenses	35,230	33,711	31,368	38,854	36,231	36,000	3,366	
Hunting/Fishing Licenses	275	65						
Other Town Clerk Licenses & Permits	11,640	13,265	13,165	12,280	16,020	15,620	6,800	
Fire Department Permits	25,530	26,540	33,313	29,360	26,400	26,250	14,450	
Building Permits	506,789	661,580	512,898	674,831	356,124	352,255	231,981	
Electrical Permits	123,845	121,060	131,642	106,584	78,036	76,000	47,360	
Plumbing Permits	70,186	51,715	67,190	68,945	55,320	50,000	25,335	
Gas Permits	40,395	41,795	42,305	41,620	40,060	30,000	17,300	
Other Inspection Revenue	7,292	19,123	102,760	48,815	25,185	23,200	16,648	
Cemetery Monument Permit Fee	1,055	640	440	520	520	400	360	
Board of Health Permits	78,651	87,565	95,334	101,450	100,829	75,000	59,459	
East Boston Camps License Fee	7,500	150						
Total	992,256	1,144,684	1,124,740	1,217,059	827,175	777,175	483,984	796,604

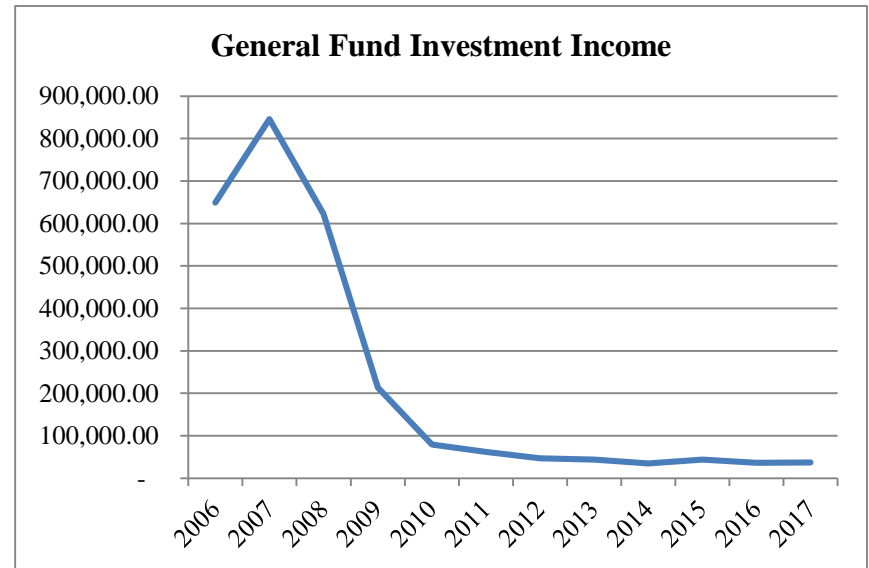
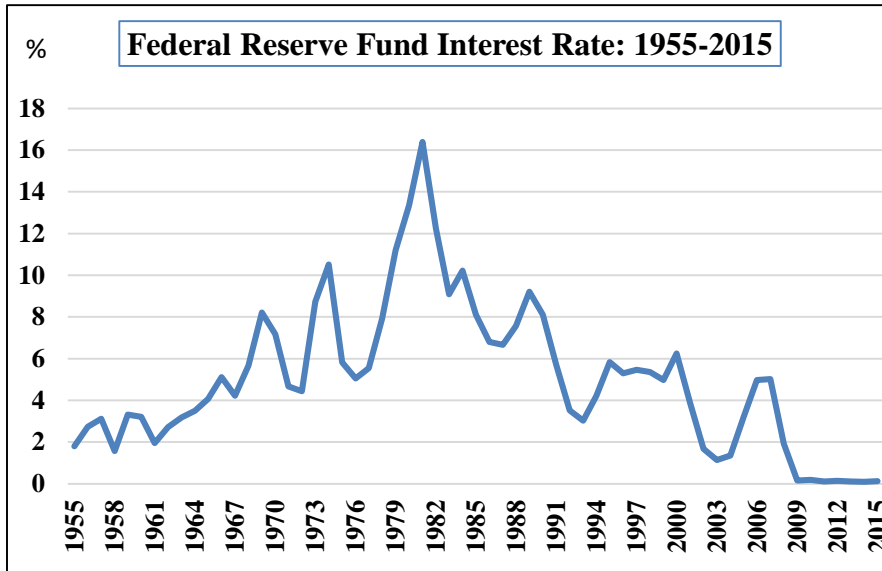
Special Assessments – Revenue collected from betterments and other projects through the tax collection process. Below is a table reviewing the history of special assessments collected.

Special Assessments – Fiscal Year 2007 to Fiscal Year 2017											
2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	FY16 Actual 12-31-15	2017 Budget
15,760	11,014	10,609	9,190	41,172	16,983	18,410	38,868	21,816	15,373	0	14,815

Fines & Forfeits – A majority of the fines collected are due to police involvement. Court fines are reimbursed from Ayer district court. In addition, Motor Vehicle Infractions were reclassified to Fines & Forfeits in FY13.

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 YTD	2017 Budget
Health & Smoking Fines	1,895				300		200	100	-	-	-	
Civil Substance Possession Fine			1,600	4,050	7,200	6,200	3,100	4,600	3,325	3,019	1,100	
Conservation Fines							500	1,000	-	-	-	
Motor Vehicle Infractions							71,558	90,045	72,800	73,000	42,669	
Parking Violations	2,651	5,555	4,455	4,825	6,480	11,280	13,981	11,571	7,544	7,600	6,516	
Court Fines	18,389	16,215	10,640	14,517	8,441	7,847	9,516	5,401	5,943	6,000	4,658	
Animal Fines	5,810	1,175	1,130	545	1,075	985	430	515	508	500	425	
Total	28,745	22,945	17,825	23,937	23,496	26,312	99,284	113,232	90,119	90,119	55,367	92,372

Investment Income – The estimate for investment income in Fiscal Year 2016 is \$36,521. This revenue source has been steadily declining since the Federal Reserve began lowering interest rates from a high of 5.25% on September 18, 2007. Over the following 14 months, the interest rate was lowered 14 times to a low of 0% to .25% in December of 2008.



The projected budget for Fiscal Year 2017 is \$37,434, or about 4.4% of the total investment income generated in our most lucrative year of Fiscal Year 2007 when the Town earned \$846,064. The loss of investment income has produced a strain on the budget, as we now fund a higher percentage of our budget using property tax revenues.

The Town’s money market accounts are currently ranging from .10% to .50% as of December 2015.

Town of Westford, MA

General Fund Revenue

Miscellaneous Recurring Revenue – The largest portion of this revenue is an advanced refunding from the Massachusetts School Building Authority that has paid for a portion of the Crisafulli, Miller, and Stony Brook Schools. \$19,266,355 in principal was transferred to the Town in order to pay down the corresponding share of debt service for the three school projects that had a total cost of \$41,000,000. Each year, a portion of the principal is used to offset the debt payment for the schools, thus lowering the amount collected through debt exclusions until 2023 when the debt is paid off. Below is a chart that displays the payment schedule.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Principal							
Middle School	501,595.00	521,658.00	547,455.00	573,251.00	596,181.00	624,843.00	653,507.00
Elementary Schools	465,751.00	488,656.00	509,017.00	531,923.00	557,374.00	580,280.00	608,275.00
Total - Offset to DE1	967,346.00	1,010,314.00	1,056,472.00	1,105,174.00	1,153,555.00	1,205,123.00	1,261,782.00
Interest	657,813.00	626,568.00	591,611.00	553,155.80	511,490.74	466,617.46	418,412.54

In addition to the MSBA reimbursements, the Town receives annual payments from the federal government as a Medicaid reimbursement. In FY15, the Town also participated in a new federal program that allows Towns that provide ambulance services to receive additional Medicaid funds. Lastly, the Town assesses the Nashoba Valley Technical High School for the salary and fringe benefits of the school resource officer. The chart below the miscellaneous recurring revenue from Fiscal Year 2007 to Fiscal Year 2016.

Miscellaneous Recurring Revenue – Fiscal Year 2007 to Fiscal Year 2017												
	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Actual – 12-31-15	2017 Budget
Medicaid Receipts	85,951	222,390	218,883	104,861	107,979	154,003	57,279	71,694	87,977	40,000	56,952	40,000
Medicaid Reimb - Ambulance									34,692	34,692		34,692
NVTHS SRO							54,068	77,119	75,104	77,201		77,201
Total	85,951	222,390	218,883	104,861	107,979	154,003	111,347	148,813	197,773	151,893	56,952	151,893

Miscellaneous Non-Recurring Revenue – This is a category of local revenue that allows us to properly account for and classify one-time revenues that are unexpected, unplanned, or non-recurring. Since this revenue is not budgeted, any revenue in this category will help our free cash situation at the end of the fiscal year.

In Fiscal Year 2012, the Town has received \$1,184,429 in miscellaneous revenue. \$250,000 is from the MD&B settlement which will be used to pay for perchlorate costs. The Town also received \$375,000 in another perchlorate related settlement which also indemnified the Town from further legal action. There was also a Wheelabrator settlement of \$55,284. The retiree drug subsidy increased again to \$107,315, while FEMA and MEMA reimbursements netted \$123,730 and \$92,104 respectively.

In Fiscal Year 2013, the Town received a \$90,000 settlement as a final payment for its permitting software sale. It was also the final payment we will receive for the Retiree Drug Subsidy. This offset is now reflected in the reduced Medicare payments that the Town and retirees pay. FEMA & MEMA payments totaled \$178,671.

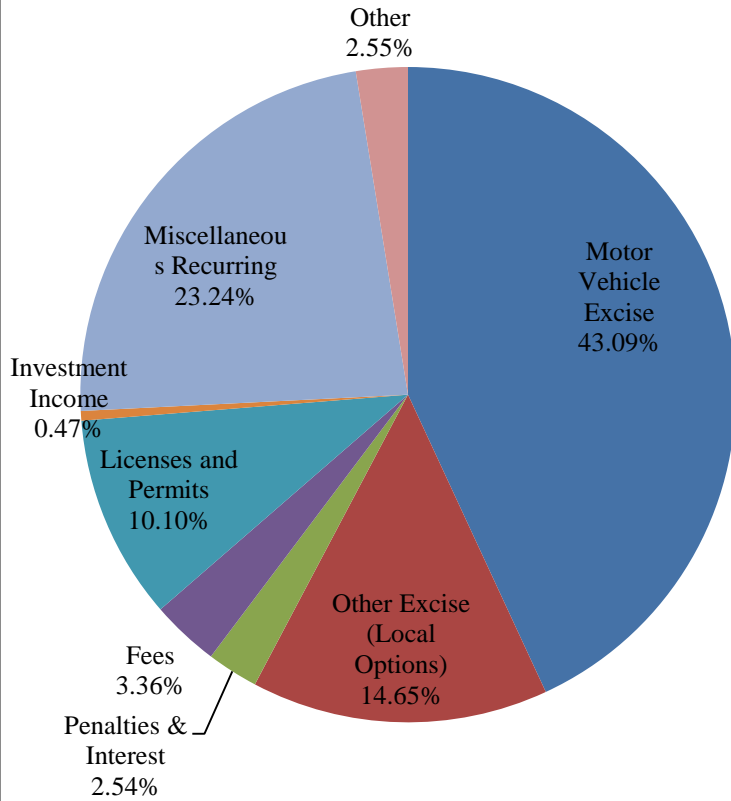
The largest receipt in FY14 was from FEMA in the amount of \$119,004. The Town Manager's office also held an auction which generated \$13,515 in revenue. The bookmobile was included in this auction, selling for \$11,900.

The Otherwise Unclassified account for FY15 of \$390,708 includes revenue for Tuition Reimbursement of \$23,000, Sale of Real Estate of \$94,944, Tailings of \$41,707, Health Programs of 12,307, Rebates of \$36,583, Premium on Bonds of \$31,957 and a reclassification of \$142,000 from the License to Carry Agency Fund to the General Fund.

Account	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 YTD
Tax Title	146,867	214,778	68,900	67,899	107,217	108,805	83,795
Workers Comp Insurance Recovery	17,631	60,130	89,645	49,221	34,166	24,293	11,530
Restitution	3,549		246	75		889	900
Sale of Tax Possessions	51,115	305,826	1,022			5,758	2,025
Sale of Vehicles, Equipment	12,600	7,451			13,515	6,447	4,563
Settlement Proceeds	1,268	300,000	680,284	90,000			
Retiree Drug Subsidy	90,359	99,309	107,315	109,489			
Retiree Health Reimbursement			1,839	3,276	11,885	18,294	
Otherwise Unclassified	21,444	10,806	88,244	68,017	49,645	390,708	136,460
FEMA Reimbursement	300,639	34,144	123,730	165,096	119,004		
MEMA Reimbursement	72,088	4,659	92,104	13,575			
Total	717,562	1,037,103	1,253,329	566,648	335,433	555,194	239,273

Local Revenue Summary

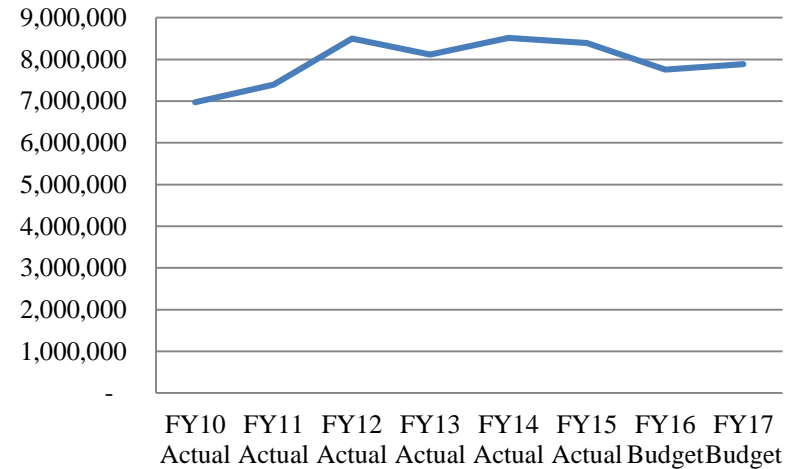
FY17 Projected Local Revenue



Fiscal Year 2017 Projected Local Revenue

Motor Vehicle Excise	3,397,050.39
Other Excise (Local Options)	1,154,678.90
Penalties & Interest	199,780.70
Fees	264,566.85
Licenses and Permits	796,604.38
Investment Income	37,434.28
Miscellaneous Recurring	1,832,087.54
Other	201,216.86
Total	7,883,419.88

Local Revenue: FY10-FY17



STATE AID - In Fiscal Year 2015, State Aid is projected to account for 20.80% of general fund revenues. Below is a brief description of each component of State Aid.

Chapter 70 –The Chapter 70 program is the major program of state aid to public elementary and secondary schools. The program also establishes minimum spending requirements for each municipality’s share of school costs. For the 4,908 student enrolled in the Westford Public School system, the minimum contribution for FY17 for the Town is \$50,483,011. Governor Baker had originally said that local aid would increase and decrease proportionally with state revenue (+4.3%). However, the average statewide increase was only 1.6%. Westford’s share was a 0.6% increase (+\$98,160). More information regarding Chapter 70 can be found at <http://www.doe.mass.edu/finance/chapter70/chapter-17p.html>.

Unrestricted Government Aid – In FY10, Lottery and Additional Assistance funding were combined into one line item by the State. Proceeds from the state lottery are distributed to communities with the intention of having an equalizing affect. Those communities with a lower Equalized Property Valuations (EQV) receive a higher share aid. Additional Assistance funding does not have a formula, and the funding is at the discretion of the Legislature. Governor Baker’s FY17 budget has an increase of 4.3% for Unrestricted Government Aid (+\$84,243).

Police Career Incentive – This program encourages officers to obtain degrees in criminal justice. Based on their level of education, they are eligible for base salary increases of 10% (Associates), 20% (Bachelors), or 25% (Masters). The funding by the state in FY12 decreased to zero.

Veterans Benefits – Under Chapter 115, Section 6 of Massachusetts General Laws (M.G.L. ch. 115), the Commonwealth provides a uniform program of financial and medical assistance for indigent veterans and their dependents. Qualifying veterans and their dependents receive necessary financial assistance for food, shelter, clothing, fuel, and medical care in accordance with a formula which takes into account the number of dependents and income from all sources. Benefits paid out in accordance with state guidelines are reimbursed 75%. Westford has experienced increased activity regarding these benefits, and the town expects to be reimbursed accordingly.

Tax Exemption Aid for Veterans, Blind Persons, Surviving Spouses and the Elderly – Chapter 59, Section 5 of M.G.L.s details the requirements for assistance. The town is partially reimbursed for these exemptions towards property taxes.

State Owned Land – Much like payment in lieu of taxes, the state pays the town an amount to make up for lost property tax revenue on state owned land.

Charter Tuition Reimbursement – Municipal and regional school districts pay tuition for resident pupils attending Commonwealth Charter Schools. Parents have a choice to send their children to charter schools and have the town pay the tuition. The state reimburses the town a portion of these costs.

School Construction – The state provides an offsetting revenue stream to pay for a portion of school building projects. The two projects recently reimbursed through this funding have been the Blanchard Middle School and Westford Academy addition. The note for the Blanchard M.S. was paid off in FY11. The town will continue to receive \$1,557,026 each year through fiscal year 2020 when the debt is fully paid.

Offset Items – These items are amounts that constitute categorical aid, i.e., funds that must be spent for specific municipal and regional school district programs. These items can be spent without an appropriation in the local budget.

Public Libraries – Public Libraries include three grants awards: The Library Incentive Grants (LIG) that encourage municipalities to maintain minimum levels of service, the Municipal Equalization Grant (MEG) to help compensate libraries with relatively less revenue, and the Nonresident Circulation Offset (NRC) that helps offset the cost of circulating materials to residents of other communities.

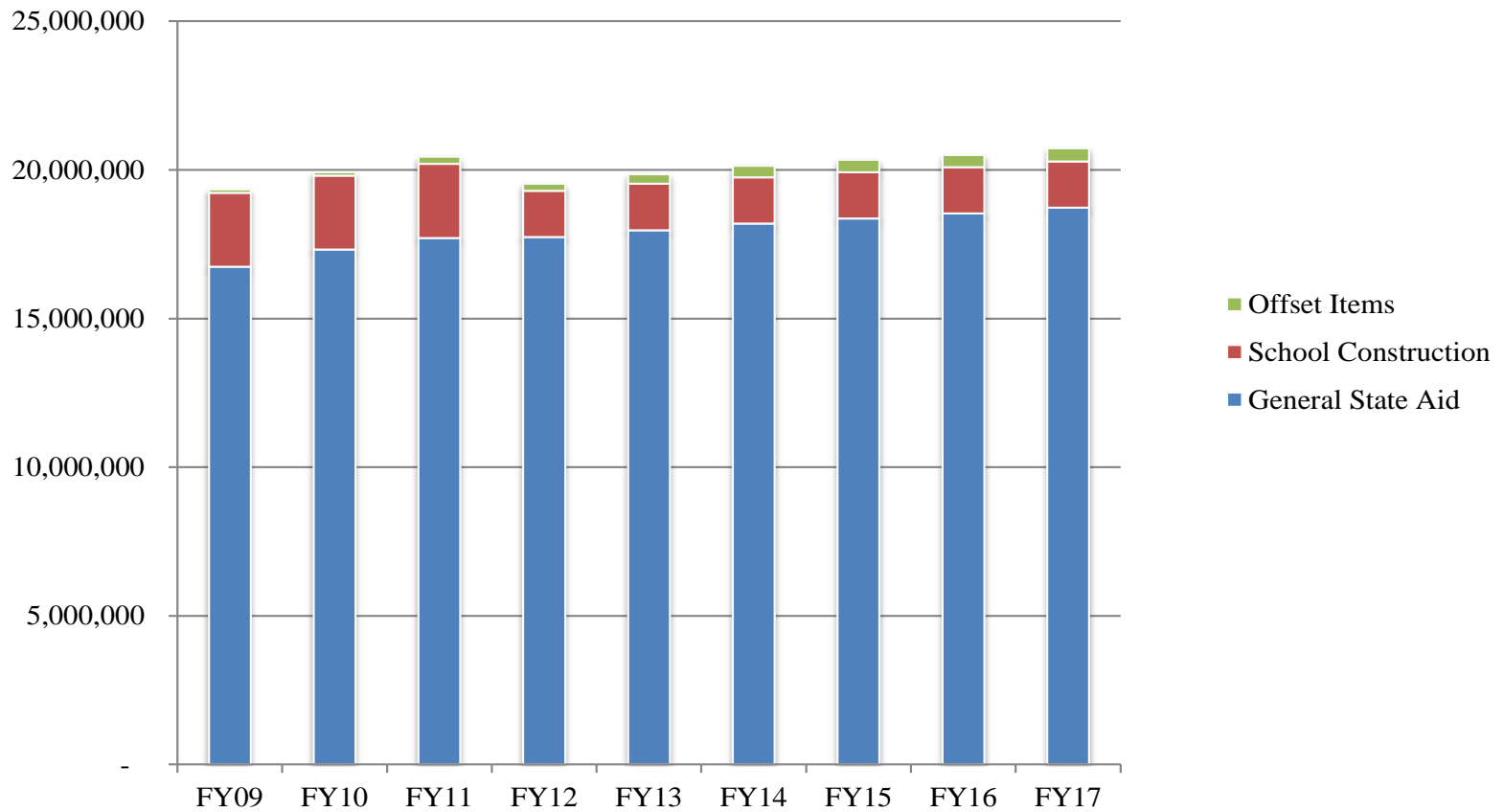
School Choice – To provide funding to school districts for accepting pupils from other districts.

The following table displays the history of state aid revenue from Fiscal Year 2009 to Fiscal Year 2016. The amounts listed for FY17 are Governor Baker's budget proposal. The figures in Fiscal Year 2017 are subject to change.

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Revenue									
Chapter 70	13,986,752	15,317,915	15,776,704	15,861,400	16,064,000	16,189,875	16,313,850	16,436,625	16,534,785
Lottery, Beano & Charity Games	1,579,004								
Unrestricted Aid		1,872,441	1,797,543	1,797,543	1,797,543	1,840,033	1,891,061	1,959,139	2,043,382
Additional Assistance	808,250								
Police Career Incentive (Quinn Bill)	159,869	29,381	16,178						
Veterans' Benefits	1,453		4,107	7,073	28,981	50,919	58,907	58,027	58,027
Exempt: Vets, Blind, Surv Spouses	74,468	32,630	70,504	67,405	67,020	72,853	73,245	73,245	71,697
Exemptions: Elderly	31,124								
State-Owned Land	235	212	191	198	198	202	230	230	228
Charter Tuition Reimbursement	95,727	63,370	45,647	8,807	15,414	31,958	22,766	9,823	15,113
Charter School Capital Facility Reimb.									
Subtotal	16,736,882	17,315,949	17,710,874	17,742,426	17,973,156	18,185,840	18,360,059	18,537,089	18,723,232
School Construction	2,494,007	2,494,007	2,494,010	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026
Subtotal	2,494,007	2,494,007	2,494,010	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026
Offset Items - Reserve for Direct Expenditure									
Public Libraries	27,736	19,611	20,078	19,623	18,612	18,384	25,464	25,512	26,132
School Lunch Programs	25,116	27,721	26,389	27,322	26,533	23,040	22,033	-	-
School Choice Receiving Tuition	53,830	64,672	188,454	188,454	271,300	337,641	378,741	381,375	416,298
Subtotal	106,682	112,004	234,921	235,399	316,445	379,065	426,238	406,887	442,430
Total State Aid	19,337,571	19,921,960	20,439,805	19,534,851	19,846,627	20,121,931	20,343,323	20,501,002	20,722,688

STATE AID - In FY17, Westford is projected to receive an additional \$98,160 in Chapter 70 funding, along with an increase of \$84,243 in Unrestricted Government Aid. School choice revenue has also increased by \$34,923. The Town will most likely know the final state aid budget for FY17 at some point in July of 2016.

State Aid - FY09 to FY17



Town of Westford, MA

Enterprise Fund Revenue

Enterprise Revenue – Enterprise Funds are authorized under Massachusetts General Laws, Ch. 44, Sec. 53F1/2. Westford currently has three enterprise funds: Water, Ambulance, and Recreation. The Recreation Enterprise was the latest one established in Fiscal Year 2009. Below is a summary of Enterprise Revenue from FY09 to FY17.

Enterprise	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16 Budget	FY16 YTD	FY17 Budget
Water	3,183,500.90	3,641,299.76	4,383,454.32	4,138,032.79	4,284,616.01	4,517,803.01	4,185,226.53	3,852,438.00	2,769,932.50	3,930,288.00
Recreation	1,073,658.81	986,052.58	984,367.73	1,124,248.53	1,139,675.35	1,137,041.80	1,247,593.95	1,139,000.00	609,653.91	1,189,205.00
Ambulance	495,502.97	581,338.55	501,757.57	619,740.01	688,505.79	882,017.05	836,223.19	750,000.00	456,113.77	775,000.00
Total	4,752,662.68	5,208,690.89	5,869,579.62	5,882,021.33	6,112,797.15	6,536,861.86	6,269,043.67	5,741,438.00	3,835,700.18	5,894,493.00

Enterprises can either be self-supporting, or receive financial assistance from the city or town. Below is a table displaying the general fund subsidies provided to the various enterprises from FY09 to FY17. The Water Enterprise is applying \$282,439 in retained earnings towards their FY17 budget. The Recreation Enterprise is also applying \$75,000 to help reduce their FY17 general fund subsidy. After using most their retained earnings to purchase an ambulance in FY15, the Ambulance Enterprise applied an additional \$50,000 from its retained earnings to reduce the general fund subsidy at the October 2015 Special Town Meeting after FY15 revenue exceeded projections.

Enterprise General Fund Subsidies: Fiscal Year 2009 to Fiscal Year 2017

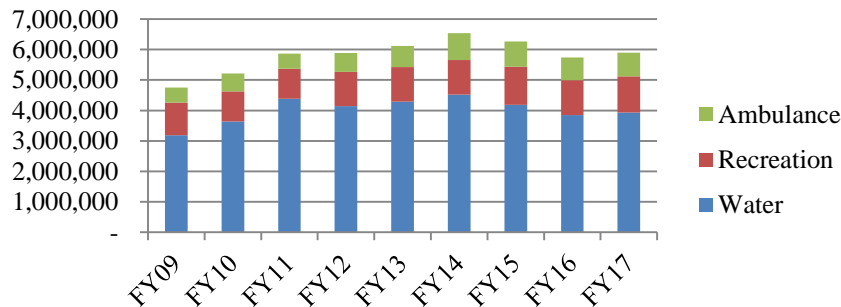
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Water									
Recreation	324,042	199,852		85,000	157,066	117,224	99,060	173,431	110,969
Ambulance	404,239	394,586	409,334	306,130	346,214	403,441	382,023	401,848	427,533
Total	728,281	594,438	409,334	391,130	503,280	520,665	481,083	575,279	538,502

Water Enterprise – The Water Enterprise submitted a five year plan during this year’s budget process. The plan included a detailed operating budget and revenue projections. The Water Enterprise continues to be self-sustaining and there are no plans to increase water rates in the near future

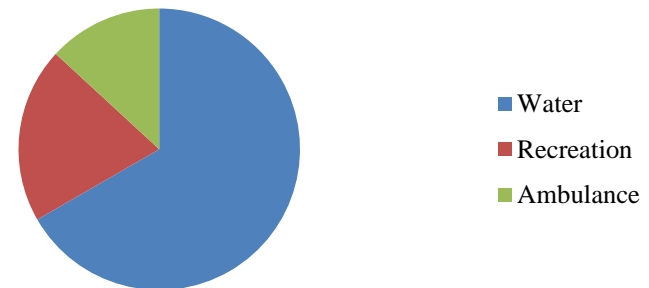
Recreation Enterprise – Due to a downturn in the economy, the recreation enterprise saw their revenues fall nearly \$88,000 from Fiscal Year 2009 to 2010. The Fiscal Year 2011 budget was supplemented with \$150,000 in Recreation Free cash. The Fiscal Year 2012 budget was supplemented with \$40,000 in Recreation Free Cash and \$85,000 in General Fund Free Cash, which essentially exhausted their retained earnings. Revenues climbed to \$1,139,675 in FY13. In Fiscal Year 2015, \$35,000 in Recreation Retained Earnings was applied to the budget in order to reduce the general fund subsidy to \$99,060. Due to contractual increases, the minimum wage increasing to \$9.00 per hour on January 1, 2015, and an increase in retirement and health insurance assessments, the general fund subsidy is increasing to \$173,431 in Fiscal Year 2016. The subsidy is decreasing to \$110,969 in FY17 in spite of the increase in minimum wage to \$10.00 an hour on January 1, 2016.

Ambulance Enterprise – The Advanced Life Support program was implemented in August of 2010. Since that time, the Fire Department has been focused on developing the program by both training current employees and hiring paramedics when vacancies occur. The Ambulance Enterprise currently has a staff of 13 paramedics and is fully functional. Due to the increased number of calls for service, revenue has increased over the past few years to a high of \$882,017 in Fiscal Year 2014. The subsidy for Fiscal Year 2016 is expected to be \$427,533 without applying any retained earnings.

Enterprise Revenue - FY09 to FY17



FY17 Enterprise Revenue Budget



OTHER AVAILABLE FUNDS – A complete list of special revenue funds can be found in the annual town report.

Premium on Bonds (non-exempt and exempt debt) – Often times when bonds are sold by the Town, lenders offer premiums in order to make their offering price more attractive. Small premiums are used to offset closing costs. Large premiums are amortized over the life of the loan and reduce the Town’s cost for borrowing.

Capital Stabilization Fund - This fund was established at the October 20, 2008 Special Town Meeting and was funded with a \$100,000 appropriation. Since that time the fund was built up to \$784,266 in Fiscal Year 2011 until \$767,700 was appropriated at the Annual Town Meeting. Over the past few years, appropriations have been made to capital stabilization in an attempt to replenish the fund, including \$500,000 at the March 2014 Annual Town Meeting. The current balance is \$1,151,202.

Overlay Surplus – Overlay is an annual account to cover anticipated abatements and exemptions of committed real and personal property taxes for that fiscal year. The overlay amount is determined by the Board of Assessors and may be raised in the tax rate without appropriation. Remaining balances in the overlay accounts are needed for pending abatements or outstanding Appellate Tax Board decisions. Excess overlay is determined, certified and transferred by vote of the Board of Assessors to an Overlay Surplus Account. Overlay surplus may be appropriated for any lawful purpose or closed to the general fund at the end of the year.

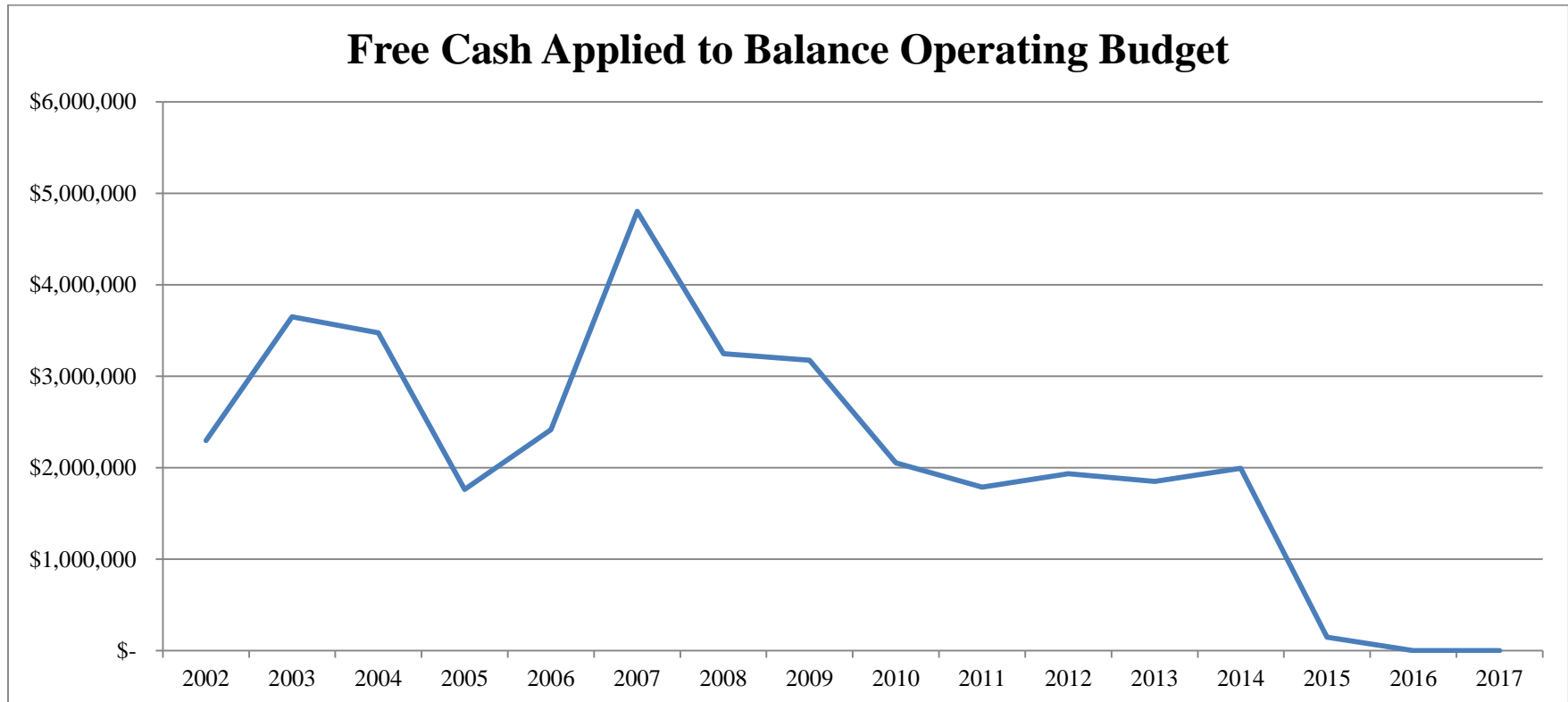
Other Available Funds – Misc. – See the below table for a *draft* list of FY17 appropriations:

Fund	Amount	Purpose
Wetlands Receipts Reserved	\$7,500	To offset 171 Conservation Budget
Parks & Grounds Revolving Fund	\$15,000	To offset the 650 Parks & Grounds Budget

Community Preservation Funds – The Community Preservation Act (CPA) allows Westford to preserve the community character in the areas of open space, community housing, historical resources, and land for recreational use. Westford residents currently pay a 3% property tax surcharge to fund such projects. The current amount listed under available funds for appropriation for the CPC include the debt payments due for both East Boston Camps and the Town Hall in Fiscal Year 2017, along with an appropriation of \$15,000 for administrative expenses. The CPC will be meeting in January and February to review applications for funding.

Revenue History					
Fiscal Year	Penalties / Interest	Other Taxes - CPA Surcharge	CPA - State Share	Earnings on Investments	Total
2003	1,395.53	927,877.35	815,485.00	32,765.41	1,777,523.29
2004	2,724.99	1,010,454.76	924,436.00	76,600.82	2,014,216.57
2005	1,820.31	1,077,557.22	1,005,454.00	120,934.60	2,205,766.13
2006	1,433.27	1,139,232.16	1,078,627.00	116,414.27	2,335,706.70
2007	1,978.27	1,188,066.11	1,137,231.00	197,197.75	2,524,473.13
2008	2,348.42	1,220,210.29	1,190,322.00	289,460.41	2,702,341.12
2009	2,204.36	1,250,223.28	885,461.00	228,229.44	2,366,118.08
2010	2,527.72	1,284,730.99	485,429.00	175,070.12	1,947,757.83
2011	2,929.67	1,303,521.74	386,547.00	144,429.70	1,837,428.11
2012	2,355.58	1,361,387.74	385,895.00	106,484.46	1,856,122.78
2013	2,488.53	1,407,988.61	402,455.00	41,425.07	1,854,357.21
2014	2,915.23	1,456,660.02	818,612.00	63,390.85	2,341,578.10
2015	3,840.41	1,568,218.57	514,377.00	72,906.91	2,159,342.89
2016 YTD	1,240.08	785,693.31	513,583.00	40,610.91	1,341,127.30
Total	32,202.37	16,981,822.15	10,543,914.00	1,705,920.72	29,263,859.24

FREE CASH – Free cash, which is certified as of July 1 each year by the Commonwealth’s Department of Revenue (DOR), represents the portion of General Fund surplus revenue that is unrestricted and available for appropriation. These funds, once certified, may be used to support supplemental Town Meeting appropriations during the year, or they may be used to fund a portion of the following year’s budget. Free cash is generated when the actual operating expenses are less than the amount budgeted, or when actual revenues exceed the original estimates. Below is a graph showing the amount of free cash used to balance the budget each year. In Fiscal Year 2015, the town used \$149,339.07 at the October 2014 Special Town Meeting to balance the budget. The Town has been successful the past two years in proposing a balanced budget that does not require an appropriation of Free Cash to close the gap.



REVENUES:	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Tax Revenue	57,247,754.11	59,474,750.97	61,929,283.51	64,828,935.56	67,843,888.20	70,321,012.13	72,643,620.49
Local Revenue	6,509,336.99	6,827,656.74	7,144,932.55	7,470,348.15	8,077,362.47	7,757,036.38	7,883,419.88
State Aid	20,401,423.00	19,412,429.00	19,862,504.00	20,130,278.00	20,330,882.00	20,501,002.00	20,722,688.00
Free Cash - Appropriations	-	808,000.00	697,000.00	769,934.16	4,134,165.00	5,412,972.63	1,945,257.00
Free Cash - Offset Tax Rate	1,788,877.64	1,935,538.79	1,851,115.73	1,995,414.45	149,339.07	0.00	0.00
Available Funds	3,844,405.74	3,191,894.85	3,262,512.89	2,960,492.00	2,065,400.85	2,524,475.34	933,934.63
Enterprise Revenue	5,288,064.00	5,541,028.00	5,727,231.56	6,455,501.00	7,273,936.43	6,749,673.00	6,816,784.00
TOTAL REVENUE	95,079,861.48	97,191,298.35	100,474,580.24	104,610,903.32	109,874,974.02	113,266,171.48	110,945,704.00

FY2017 Projected Revenue

