



1/31/2019

TOWN OF
WESTFORD

JANUARY 31, 2019 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 2017 to Fiscal Year 2020.

Revenue Source	FY2017 Actual	FY2018 Actual	FY2019 Budget	FY2019 Actual 12-31-18	FY2020 Projected	Budget Increase \$\$	Budget Increase %
Property Taxes*	72,459,010	75,011,644	78,279,346	36,796,319	81,881,657	3,602,311	4.60%
Local Revenue	9,228,600	9,549,801	8,280,007	2,692,796	8,437,915	157,909	1.91%
State Aid	20,887,169	21,265,266	21,433,600	9,743,367	21,651,841	218,241	1.02%
Approp. From Free Cash**	2,148,927	3,343,554	2,915,912	2,915,912	2,706,368	(209,544)	-7.19%
Free Cash Applied**	-	241,143	-	-	-	-	
Total General Fund	104,723,707	109,411,408	110,908,865	52,148,394	114,677,781	3,768,917	3.40%
Enterprise Revenue	6,252,878	6,181,072	8,018,813	4,170,661	7,107,136	(911,677)	-11.37%
Other Available Funds**	2,083,686	2,478,964	5,661,970	5,661,970	1,382,096	(4,279,875)	-75.59%
Total Revenue	113,060,272	118,071,443	124,589,648	61,981,025	123,167,013	(1,422,635)	-1.14%

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

**Amounts included are as appropriated at Town Meeting.

Town of Westford, MA

Overall Summary

DETAILED REVENUE SUMMARY						
	FY2017	FY2018	FY2019	FY2020	FY20 vs FY19	
General Fund	Actual	Actual	Budget	Projected	Budget Inc. \$	% Inc.
Property Taxes*	72,459,010	75,011,644	78,279,346	81,881,657	3,602,311	4.60%
Local Revenue	9,228,600	9,549,801	8,280,007	8,437,915	157,909	1.91%
Motor Vehicle Excise	3,755,588	3,861,840	3,626,450	3,761,750	135,300	3.73%
Other Excise (Local Options)	1,168,284	1,197,073	1,170,000	1,199,250	29,250	2.50%
Penalties & Interest	203,018	171,672	170,000	174,250	4,250	2.50%
Payments in Lieu of Taxes	64,131	65,345	65,000	66,625	1,625	2.50%
Fees	348,874	284,450	280,000	287,000	7,000	2.50%
Dept. Revenue - Cemeteries	30,950	27,825	25,000	25,625	625	2.50%
Other Dept. Revenue	356	-	-	-	-	-
Licenses and Permits	960,556	1,307,018	875,000	896,875	21,875	2.50%
Special Assessments	26,200	19,936	12,756	12,400	(356)	-2.79%
Fines and Forfeits	53,111	40,664	40,000	41,000	1,000	2.50%
Investment Income	65,674	126,200	120,000	120,000	-	0.00%
Miscellaneous Recurring	1,943,762	1,963,507	1,895,801	1,853,140	(42,661)	-2.25%
Miscellaneous Non-Recurring	608,097	484,270	-	-	-	-
State Aid	20,887,169	21,265,266	21,433,600	21,651,841	218,241	1.02%
General Government Aid	2,062,060	2,165,983	2,213,577	2,289,621	76,044	3.44%
School Aid	16,706,565	16,853,055	16,998,615	17,095,695	97,080	0.57%
School Construction Aid	1,557,026	1,557,026	1,557,026	1,557,026	-	0.00%
Tax Abatement Aid	119,002	110,788	98,004	159,032	61,028	62.27%
Offset Aid	442,516	578,414	566,378	550,467	(15,911)	-2.81%
Approp. From Free Cash**	2,148,927	3,343,554	2,915,912	2,706,368	(209,544)	-7.19%
Free Cash Applied**	-	241,143	-	-	-	-
TOTAL GENERAL FUND REVENUE	104,723,707	109,411,408	110,908,865	114,677,781	3,768,917	3.40%
Enterprise Revenue/Free Cash	6,252,878	6,181,072	8,018,813	7,107,136	(911,677)	-11.37%
Water Enterprise	4,108,474	4,047,383	5,294,163	4,774,882	(519,281)	-9.81%
Recreation Enterprise	1,190,628	1,217,826	1,527,748	1,405,000	(122,748)	-8.03%
Ambulance Enterprise	953,777	915,862	1,196,902	927,254	(269,648)	-22.53%
Other Available Funds**	2,083,686	2,478,964	5,661,970	1,382,096	(4,279,875)	-75.59%
Premium on BANS/Bonds Non-Exempt	2,800	2,190	1,784	1,377	(406)	-22.79%
Premium on BANS/Bonds Exempt	24,107	20,811	17,846	14,263	(3,583)	-20.08%
Capital Stabilization Fund	-	375,000	700,000	-	(700,000)	-100.00%
Overlay Surplus	-	200,000	-	83,500	83,500	-
Community Preservation Funds	1,989,488	1,860,284	4,404,325	837,443	(3,566,882)	-80.99%
Other Available Funds	67,291	20,679	538,016	445,513	(92,503)	-17.19%
TOTAL ENTERPRISE / OTHER FUNDS	8,336,564	8,660,035	13,680,783	8,489,232	(5,191,552)	-37.95%
TOTAL REVENUES / AVAIL. FUNDS	113,060,272	118,071,443	124,589,648	123,167,013	(1,422,635)	-1.14%

PROPERTY TAX

Property Tax is the primary source of revenue for the Town of Westford, which accounts for approximately 73% of general fund revenue. Property taxes are levied on real property (land and buildings) and personal property (equipment). Previously, state law mandates that communities update their property values every three years. However, the Municipal Modernization Law signed into law by Governor Baker in November of 2016 changed this requirement to every five years. A town-wide revaluation was most recently completed in Fiscal Year 2017. The next scheduled revaluation is for Fiscal Year 2021, and every five years thereafter.

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 FY20 projected levy limit:

FY19 LEVY LIMIT	75,930,116
PROP. 2 1/2 INCREASE	1,898,253
NEW GROWTH ESTIMATE	1,000,000
DEBT EXCLUSIONS	3,053,288
EXCESS LEVY CAPACITY	-
TOTAL FY20 TAX LEVY	<u>81,881,657</u>

Below is a table showing the tax levy calculation from Fiscal Years 2014 to 2019

TAX REVENUE:	FY2014 TAX LEVY	FY2015 TAX LEVY	FY2016 TAX LEVY	FY2017 TAX LEVY	FY2018 TAX LEVY	FY2019 TAX LEVY
Prior Year Base Tax Levy	58,166,632.28	61,349,475.00	64,692,572.00	67,215,666.82	69,606,943.00	73,355,974.00
Prop. 2 1/2 Increase	1,454,165.81	1,533,759.00	1,617,419.82	1,680,391.67	1,740,174.00	1,833,899.00
New Growth	1,728,677.00	1,808,449.00	901,454.00	707,422.00	408,857.00	740,243.00
Overrides	-	-	-	-	1,600,000.00	-
Debt Exclusions	3,522,918.00	3,186,316.00	3,113,477.00	2,891,595.00	2,741,369.00	2,887,409.00
Capital Outlay/Ammended Growth	-	889.00	4,221.00	-	-	-
Excess Levy Capacity	(43,457.53)	(34,999.80)	(8,131.69)	(36,065.17)	(1,085,699.01)	(538,178.77)
Total Property Tax Levy	<u>64,828,935.56</u>	<u>67,843,888.20</u>	<u>70,321,012.13</u>	<u>72,459,010.32</u>	<u>75,011,643.99</u>	<u>78,279,346.23</u>

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 Bulk Curbside Pickup Fees.

Dept. Revenue – Cemeteries – Grave openings.

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

Licenses & Permits – Inspection permits made up 76.7% of the FY18 Actual Permit Revenue. Licenses and Permits are heavily dependent upon new growth.

Special Assessments – Street and sidewalk betterments. Budget amount coincides with assessments due for FY20.

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

Investment Income – Rates have been increasing and the impact captured in the projection for FY20. The Town received \$126,200 in FY18 and has received \$97,669 halfway through FY19. However, this is still far below the \$846,064 earned in FY07.

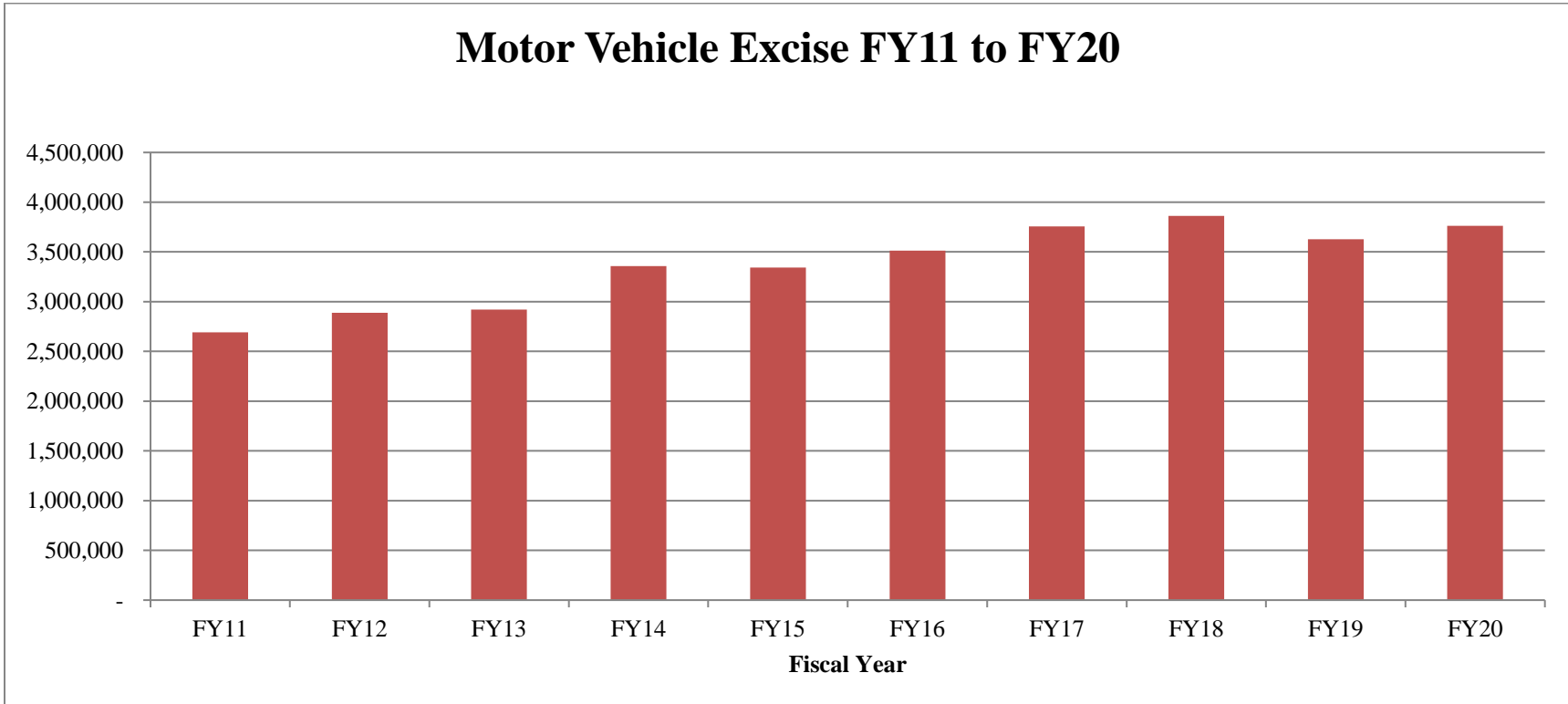
Miscellaneous Recurring – Mass School Building Authority's advanced refunding for Stony Brook, Rita Miller, and Crisafulli schools. Lump sum payment from the MSBA held in a separate account and a portion of principal and interest (earning 4+%) are transferred to the general fund each year. Also includes 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, FEMA/MEMA reimbursements, and other revenue. These funds cannot be used to balance the following years' budget.

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 2019 will be billed in February. In FY17, the town had 25,950 bills for a total commitment of \$3,829,855. In FY18, the town issued 25,948 bills for a total of \$3,944,819. This figure represents a decrease of two bills and an increased commitment of \$114,964. The actual amounts collected vary from the commitment because not every amount due is collected in a timely manner.

Fiscal Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
MV Excise	2,692,125	2,888,535	2,921,395	3,359,008	3,342,941	3,511,958	3,755,588	3,861,840	3,626,450	3,761,750

Motor Vehicle Excise FY11 to FY20



Town of Westford, MA

General Fund Revenue

Local Options Excise – As of December 31, 2018, Westford has received Hotel excise of \$429,739 (2.1% increase) and Meals excise of \$298,696 (5.1% increase) for a total of \$728,435. This amount is \$35,496 higher than the amount collected as of December 31, 2017. The budget for local options in FY19 is \$1,170,000. At this point, it looks as if the Town is projected to surpass the original estimate. The new growth along Route 110 has been the main reason for the increased meals excise over the year. Below is a table showing the history of hotel occupancy excise and meals excise revenue since Fiscal Year 2011.

Hotel	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Actual (12-31-18)	FY20 Budget
Q1	98,723	122,544	170,123	178,592	200,685	212,599	211,029	212,085	680,000	196,884	697,000
Q2	110,037	160,293	157,208	187,116	205,966	210,681	206,180	208,884		232,855	
Q3	74,756	119,377	113,440	130,453	119,621	140,548	126,198	130,118			
Q4	88,507	131,255	143,144	141,134	147,654	159,983	134,856	141,047			
Total	372,024	533,470	583,915	637,295	673,926	723,811	678,263	692,134	680,000	429,739	697,000
Meals											
Q1		31,539	99,233	119,050	128,880	138,294	144,042	148,057	490,000	156,170	502,250
Q2		88,777	93,500	115,810	125,715	131,334	131,687	136,032		142,526	
Q3		71,219	91,309	95,036	98,653	103,523	105,356	108,434			
Q4		74,163	92,762	98,976	99,342	102,324	108,936	112,415			
Total	-	265,698	376,803	428,871	452,590	475,476	490,021	504,939	490,000	298,696	502,250
Total Excise	372,024	799,168	960,718	1,066,166	1,126,516	1,199,286	1,168,284	1,197,073	1,170,000	728,435	1,199,250

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 2011 to Fiscal Year 2020										
FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Actual 12-31-18	2020 Budget
157,159	131,295	133,543	152,714	194,908	195,860	203,018	171,672	170,000	87,383	174,250

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). These payments are typically received in June.

Payment in Lieu of Taxes - Fiscal Year 2011 to Fiscal Year 2020										
FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Actual 12-31-18	2020 Budget
47,504	47,000	56,036	7,256	99,554	55,136	64,131	65,345	65,000	-	66,625

Fees – The table below shows a brief history of different types of fees charged by the Town of Westford. 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, 2018, it appears that the fees collected are expected to exceed the budget of \$280,000.

Department	Description	FY11 Revenue	FY12 Revenue	FY13 Revenue	FY14 Revenue	FY15 Revenue	FY16 Revenue	FY17 Revenue	FY18 Revenue	FY19 Budget	FY19 YTD	FY20 Projected
Tax Collector	ADD'TL FEES TAX TAKING	4,808	255	85	255	85	85	-	-			
Tax Collector	DEMAND FEES	46,395	47,690	45,865	48,001	54,939	50,109	48,145	47,165	47,000	20,267	
Tax Collector	REG MOTOR VEHICLE FEES	51,558	58,015	420	400	220	500	300	320	300	-	
BOS	CABLE FRANCHISE FEE	3,430	3,480	3,607	3,703	3,923	4,662	3,812	3,714	3,750	-	
Tax Collector	MUNICIPAL LIEN CERTIFICATE FE	54,103	53,600	56,051	33,150	35,850	38,450	39,200	30,550	30,550	14,554	
Town Clerk	LATE FEES	6,345	5,050	3,250	8,575	5,130	3,200	4,125	8,575	8,575	1,150	
Town Clerk	BUSINESS CERTIFICATES	4,520	4,010	3,954	4,590	4,520	3,770	3,230	4,870	4,870	2,800	
Town Clerk	PASSPORT FEES	4,575										
Town Clerk	BIRTH CERTIFICATES	3,450	3,620	3,980	3,762	4,105	3,664	3,821	4,166	4,100	2,216	
Town Clerk	DEATH CERTIFICATES	7,370	6,710	7,340	6,681	6,661	9,097	10,269	8,147	8,100	5,136	
Town Clerk	BULK CURBSIDE PICKUP	20,141	16,663	18,034	17,843	15,849	13,597	13,415	17,459	17,000	9,800	
Planning Board	DEPARTMENTAL FEES	29,456	36,010	69,026	22,036	26,025	49,100	72,156	28,358	28,000	13,040	
ZBA	DEPARTMENTAL FEES	7,400	14,300	7,500	6,320	6,200	11,000	19,075	7,000	7,000	3,300	
Police	INSURANCE REPORT FEES	3,540	2,815	2,853	4,606	4,914	4,909	3,510	1,009	1,000	-	
Police	DETAIL ADMINISTRATION FEES	44,319	34,588	43,227	46,438	32,712	26,071	45,074	41,935	42,000	19,898	
Fire	ALARM MONITORING FEES	30,400	30,100	33,550	35,800	36,200	36,037	34,800	34,800	35,000	32,400	
Board of Health	DEPARTMENTAL/OTHER FEES	46,721	1,510	1,532	2,706	2,847	884	1,659	2,085	2,100	608	
Town Wide	DEPARTMENTAL/OTHER FEES	22,793	34,618	28,934	36,479	25,666	30,781	46,283	44,297	40,655	23,202	
	Total	391,324	353,033	329,207	281,343	265,846	285,916	348,874	284,450	280,000	148,371	287,000

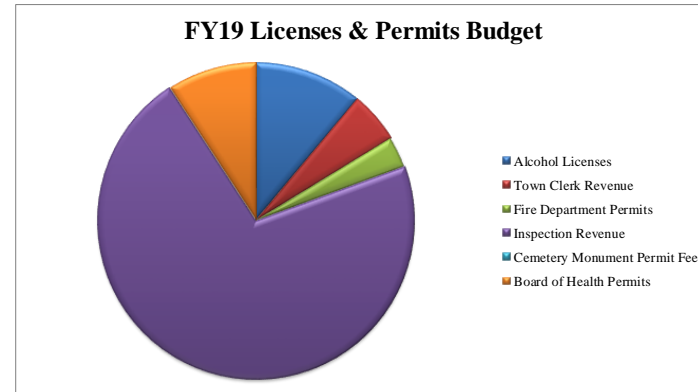
Departmental Revenue - Cemeteries – The cost of grave openings increased on January 1, 2012 from \$600 to \$800. The cost for purchasing a grave also increased to \$800. Of the \$800 for purchasing a lot, 60% goes to the perpetual care non-expendable trust and 40% goes to the cemetery “sale of the lots” receipts reserved account. Below is a table displaying the fees charged for grave openings beginning in Fiscal Year 2008.

Departmental Revenue - Cemeteries – Fiscal Year 2011 to Fiscal Year 2020										
FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 Actual 12-31-18	2020 Budget
26,245	35,300	20,625	28,750	30,900	30,900	30,950	27,825	25,000	21,500	25,625

Other Departmental Revenue –The majority of the other revenue is from money collected for tax statements, tax files and the rental of town buildings. Since the March 2013 Annual Town Meeting approved the BOH Clinical Services revolving fund, receipts for flu vaccine are no longer deposited into the general fund. There has been no revenue collected in these accounts for the past year and a half.

Other Departmental Revenue – Fiscal Year 2009 to Fiscal Year 2020											
Account	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 YTD	2020 Budget
Rentals / Leases		3,921	4,785	4,260	4,741	920	200	0	0	0	0
Other	31,864	24,482	24,748	2,538	2,131	678	156	0	0	0	0
Total	31,864	28,403	29,533	6,798	6,872	1,598	356	0	0	0	0

Licenses & Permits – The majority (76.7% in FY18) 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 deposited into a revolving fund.



Account	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 YTD	FY20 Budget
Alcohol Licenses	83,868	87,475	94,325	93,800	92,450	93,750	95,175	96,550	96,550	71,850	
Dog Licenses	35,230	33,711	31,368	38,854	36,231	36,728	35,627	38,598	35,000	2,725	
Hunting/Fishing Licenses	275	65									
Other Town Clerk Licenses & Permits	11,640	13,265	13,165	12,280	16,020	13,770	13,059	15,027	11,055	9,477	
Fire Department Permits	25,530	26,540	33,313	29,360	26,400	25,917	24,940	28,560	27,500	16,950	
Building Permits	506,789	661,580	512,898	674,831	356,124	459,653	503,599	793,861	448,095	176,557	
Electrical Permits	123,845	121,060	131,642	106,584	78,036	93,760	75,471	92,060	75,000	69,300	
Plumbing Permits	70,186	51,715	67,190	68,945	55,320	47,805	43,063	55,505	43,000	36,900	
Gas Permits	40,395	41,795	42,305	41,620	40,060	32,810	31,853	33,210	31,000	34,115	
Other Inspection Revenue	7,292	19,123	102,760	48,815	25,185	35,371	34,410	27,587	27,400	17,243	
Cemetery Monument Permit Fee	1,055	640	440	520	520	540	460	600	400	160	
Board of Health Permits	78,651	87,565	95,334	101,450	100,829	106,575	102,900	125,460	80,000	72,746	
East Boston Camps License Fee	7,500	150									
Total	992,256	1,144,684	1,124,740	1,217,059	827,175	946,680	960,556	1,307,018	875,000	508,023	896,875

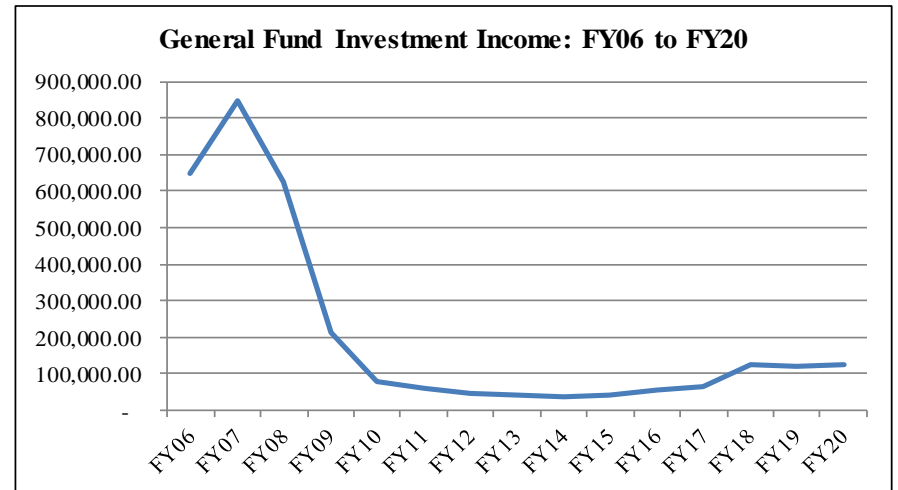
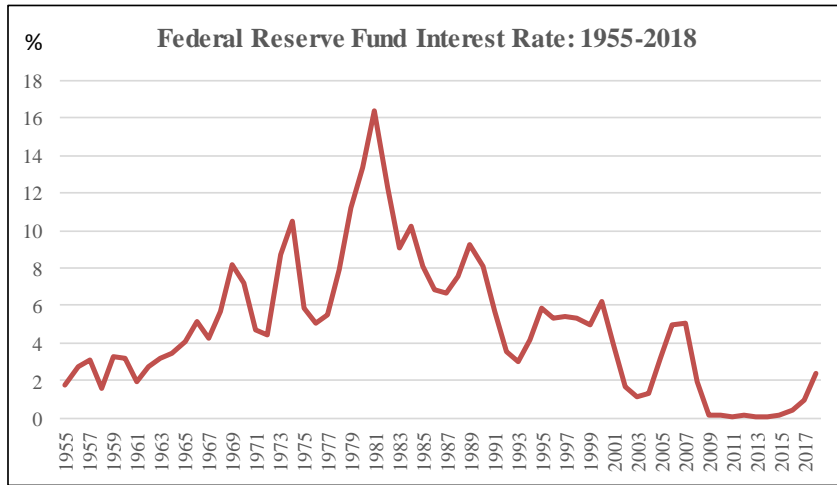
Special Assessments – Revenue collected from betterments and other projects through the tax collection process. Below is a table reviewing the history of special assessments collected.

Special Assessments – Fiscal Year 2011 to Fiscal Year 2020										
FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 YTD	FY20 Budget
41,172	16,983	18,410	38,868	21,816	11,076	26,200	19,936	12,756	204	12,400

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.

	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY19 YTD	FY20 Budget
Health & Smoking Fines	300		200	100				2,100	2,100	1,800	
Civil Substance Possession Fine	7,200	6,200	3,100	4,600	3,325	2,000	2,300	2,100	2,100	200	
Conservation Fines			500	1,000				100	100	-	
Motor Vehicle Infractions			71,558	90,045	72,800	62,908	40,273	25,465	25,000	15,012	
Parking Violations	6,480	11,280	13,981	11,571	7,544	9,483	5,671	5,267	5,150	4,759	
Court Fines	8,441	7,847	9,516	5,401	5,943	8,462	4,867	5,583	5,500	1,555	
Animal Fines	1,075	985	430	515	508	1,500	-	50	50	-	
Total	23,496	26,312	99,284	113,232	90,119	84,352	53,111	40,664	40,000	23,326	40,000

Investment Income – The budget for investment income in Fiscal Year 2019 is \$120,000. Through December 31, 2018, we have collected \$97,669. After years of steady decline since the Federal Reserve began lowering interest rates from a high of 5.25% on September 18, 2007, rates have steadily increased the past few years as shown in the charts below.



The projected budget for Fiscal Year 2020 is \$120,000, or about 14.2% 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 and cd’s are currently ranging from .10% to 2.00% as of December 2018.

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	FY 2018	FY 2019	FY 2020
Principal										
Middle School	501,595.00	521,658.00	547,455.00	573,251.00	596,181.00	624,843.00	653,507.00	682,169.00	713,698.00	745,227.00
Elementary Schools	465,751.00	488,656.00	509,017.00	531,923.00	557,374.00	580,280.00	608,275.00	636,271.00	664,267.00	692,263.00
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	1,318,440.00	1,377,965.00	1,437,490.00
Interest	657,813.00	626,568.00	591,611.00	553,155.80	511,490.74	466,617.46	418,412.54	366,427.12	311,052.64	251,800.14

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. Also, the Town assesses the Nashoba Valley Technical High School for the salary and fringe benefits of the school resource officer. The contracted agreement is the settlement the Town reached with the developer of Cornerstone Square. The town will receive five annual payments of \$40,000 each, which are earmarked to reimburse the capital stabilization fund. An appropriation was made in July 2017 from the Capital Stabilization Fund to fund a portion of the new joint dispatch center. Lastly, the Senior Center Refinancing is a one-time entry as recommended by the Department of Revenue. In FY18, the town refinanced the Senior Center debt excluded bond payment, and this is the mechanism to record the excess tax revenue raised that year. The chart below the miscellaneous recurring revenue from Fiscal Year 2011 to Fiscal Year 2020.

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Actual 12-31-18	2020 Budget
Medicaid Receipts	107,979	154,003	57,279	71,694	87,977	115,570	112,235	115,357	40,000	82,661	40,000
Medicaid Reimb - Ambulance					34,692	49,127	32,833	36,865	36,250	-	34,692
NVTHS SRO			54,068	77,119	75,104	77,421	83,500	86,418	86,983	-	89,158
Contracted Agreement								40,000		40,000	
Senior Center Refinancing									43,550		
Total	107,979	154,003	111,347	148,813	197,773	242,118	228,568	238,640	163,233	82,661	163,850

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.

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.

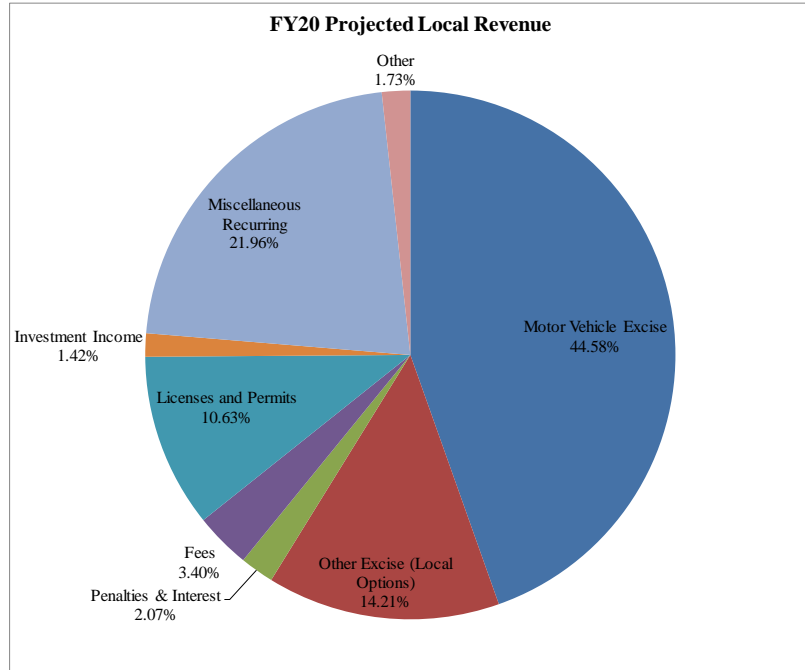
In FY16, the Town received a FEMA reimbursement from the 2015 blizzards that produced over 40 inches of snow in a seven-day period.

In FY17, the town received it’s first of four bi-annual payments from Newport Materials, with \$137,500 going towards the Settlement Proceeds account.

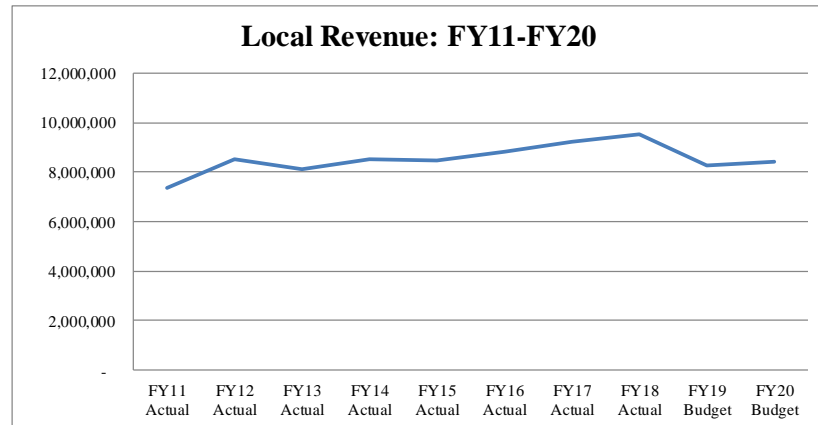
FY18 included the second and third payments from Newport Materials, totaling \$275,000. In FY19, we received the final payment of \$137,500 from Newport Materials. Tax title revenue has increased in FY19 partially due to a lender foreclosing on four development properties under the same owner and paying off the tax titles in August 2018.

Account	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19 YTD
Tax Title	214,778	68,900	67,899	107,217	108,805	113,396	290,091	69,729	164,346
Workers Comp Insurance Recovery	60,130	89,645	49,221	34,166	24,293	56,019	65,650	81,949	27,868
Restitution		246	75		889	1,300	1,400	1,000	600
Sale of Tax Possessions	305,826	1,022			5,758	2,025		4,765	
Sale of Vehicles, Equipment	7,451			13,515	6,447	4,563		250	
Settlement Proceeds	300,000	680,284	90,000			507	144,661	275,000	145,527
Retiree Drug Subsidy	99,309	107,315	109,489						
Health Program Reimbursement		1,839	3,276	11,885	18,294	11,689	2,034	6,792	
Otherwise Unclassified	10,806	88,244	68,017	49,645	390,708	163,545	104,078	43,973	7,644
FEMA Reimbursement	34,144	123,730	165,096	119,004		169,852	184	813	
MEMA Reimbursement	4,659	92,104	13,575						
Total	1,037,103	1,253,329	566,648	335,433	555,194	522,896	608,097	484,270	345,985

Local Revenue Summary



Fiscal Year 2020 Projected Local Revenue	
Motor Vehicle Excise	3,761,750
Other Excise (Local Options)	1,199,250
Penalties & Interest	174,250
Fees	287,000
Licenses and Permits	896,875
Investment Income	120,000
Miscellaneous Recurring	1,853,140
Other	145,650
Total	8,437,915



STATE AID - In Fiscal Year 2020, State Aid is projected to account for 19.34% of general fund revenues.

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. Chapter 70 revenue increased by \$145,560, or 0.86%, in FY19. For FY20, the Governor’s Chapter 70 budget includes an additional \$97,080, or a 0.57% increase. More information regarding Chapter 70 can be found at <http://www.doe.mass.edu/finance/chapter70>.

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. The FY19 budget increased our Unrestricted Government Aid by 3.50% (+\$74,308). The Governor’s Budget for FY20 has a \$59,329 or 2.70% increase.

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%. The amounts Westford has received over the past few years has leveled off as our Veteran’s Service Officer continues to get our Veterans the proper support from other agencies.

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.

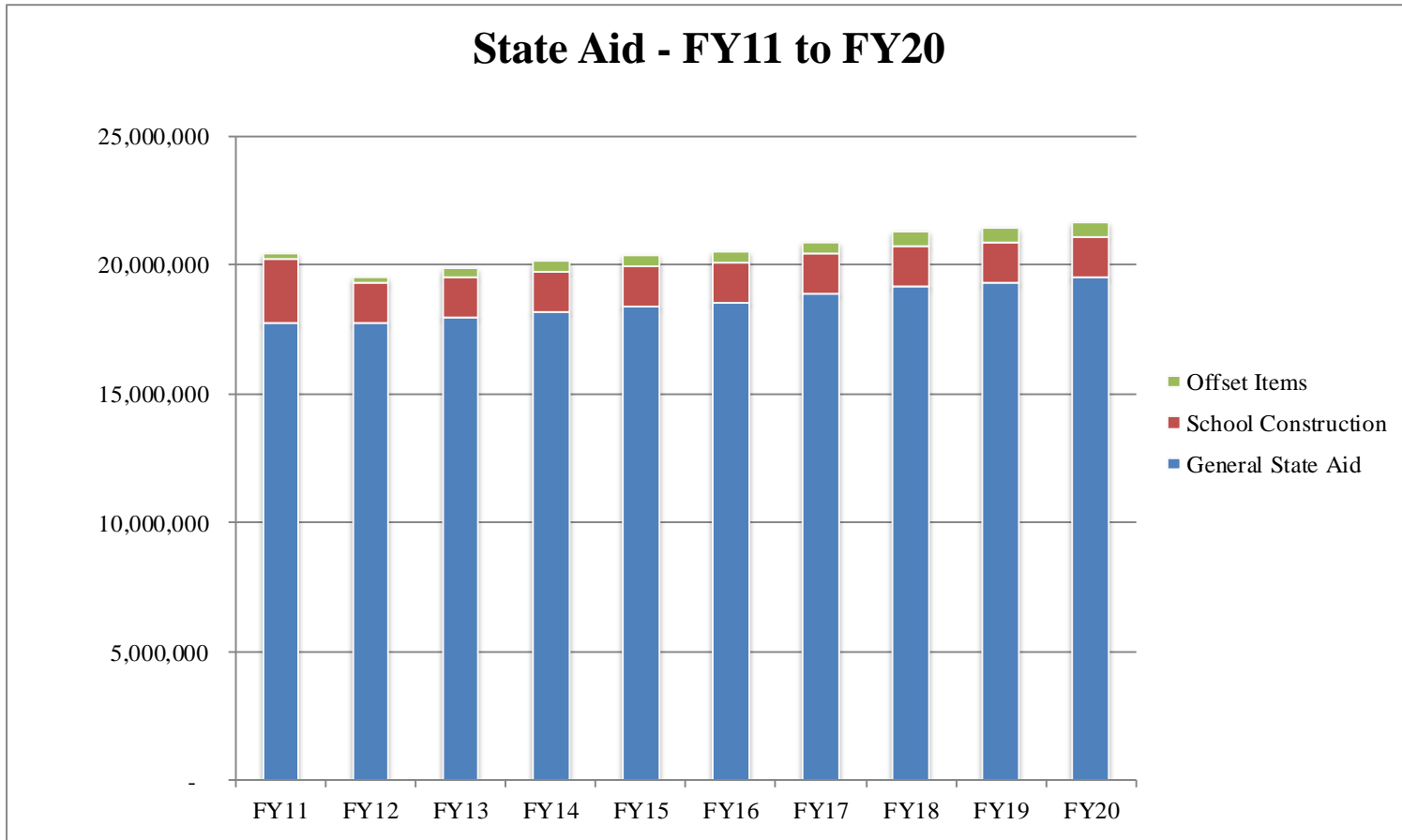
Public Libraries – Public Libraries include three grants awards: The Library Incentive Grants (LIG) that encourage municipalities to maintain minimum levels of service, the Municipal Equalization Grant (MEG) to help compensate libraries with relatively less revenue, and the Nonresident Circulation Offset (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 2010 to Fiscal Year 2020. The amounts listed for FY20 is Governor Baker's budget proposal that was released on January 23rd, 2019. The figures in Fiscal Year 2020 are subject to change as the state budget works its way through the legislature.

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Revenue										
Chapter 70	15,776,704	15,861,400	16,064,000	16,189,875	16,313,850	16,436,625	16,706,565	16,853,055	16,998,615	17,095,695
Lottery, Beano & Charity Games										
Unrestricted Aid	1,797,543	1,797,543	1,797,543	1,840,033	1,891,061	1,959,139	2,043,382	2,123,074	2,197,382	2,256,711
Additional Assistance										
Police Career Incentive (Quinn Bill)	16,178									
Veterans' Benefits	4,107	7,073	28,981	50,919	58,907	64,493	60,459	41,597	30,319	42,668
Exempt: Vets, Blind, Surv Spouses	70,504	67,405	67,020	72,853	73,245	71,697	58,543	69,191	67,685	116,364
Exemptions: Elderly										
State-Owned Land	191	198	198	202	230	230	227	227	227	231
Charter Tuition Reimbursement	45,647	8,807	15,414	31,958	22,766	8,960	18,451	42,682	15,968	32,679
Charter School Capital Facility Reimb.										
Subtotal	17,710,874	17,742,426	17,973,156	18,185,840	18,360,059	18,541,144	18,887,627	19,129,826	19,310,196	19,544,348
School Construction	2,494,010	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026
Subtotal	2,494,010	1,557,026	1,557,026	1,557,026	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	20,078	19,623	18,612	18,384	25,464	25,512	25,834	26,240	27,933	27,022
School Lunch Programs	26,389	27,322	26,533	23,040	22,033	-	-	-	-	-
School Choice Receiving Tuition	188,454	188,454	271,300	337,641	378,741	381,375	416,682	552,174	538,445	523,445
Subtotal	234,921	235,399	316,445	379,065	426,238	406,887	442,516	578,414	566,378	550,467
Total State Aid	20,439,805	19,534,851	19,846,627	20,121,931	20,343,323	20,505,057	20,887,169	21,265,266	21,433,600	21,651,841

STATE AID - In FY20, Westford is expected to receive an additional \$97,080 in Chapter 70 funding. This is \$48,480 less than the \$145,560 increase received the previous year. The town also expected to receive a \$59,329 increase in FY20 Unrestricted Government Aid, which is \$14,979 less than the \$74,308 increase received in FY19.



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 FY11 to FY20.

Enterprise Revenue: Fiscal Year 2011 to Fiscal Year 2020										
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Water	4,383,454	4,138,033	4,284,616	4,517,803	4,185,227	4,594,562	4,108,474	4,047,383	4,268,233	4,420,933
Recreation	984,368	1,124,249	1,139,675	1,137,042	1,247,594	1,295,860	1,190,628	1,217,826	1,416,748	1,330,000
Ambulance	501,758	619,740	688,506	882,017	836,223	963,432	953,777	915,862	825,000	850,000

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 FY11 to FY20. The Water Enterprise is not applying any retained earnings towards their FY20 budget because the revenue projection is expected to cover the proposed budget. The Recreation Enterprise is applying \$75,000 to help reduce their FY20 general fund subsidy. Lastly, the Ambulance Enterprise is using \$50,000 in retained earnings to balance their FY20 operating budget.

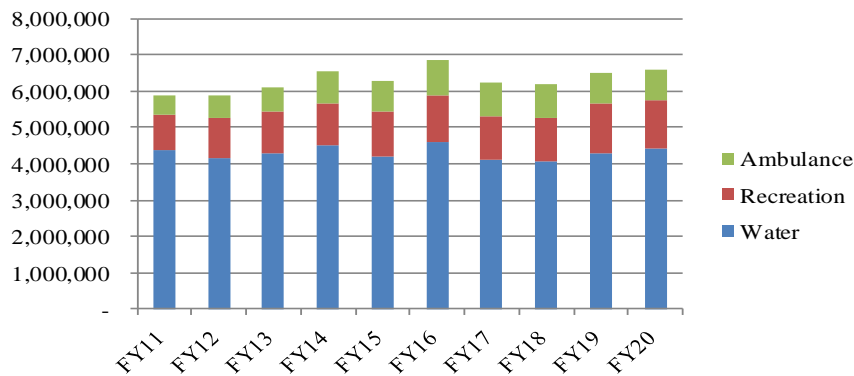
Enterprise General Fund Subsidies: Fiscal Year 2011 to Fiscal Year 2020										
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Water	0	0	0	0	0	0	0	0	0	0
Recreation	0	85,000	157,066	117,224	99,060	173,431	110,969	148,133	93,237	45,938
Ambulance	409,334	306,130	346,214	403,441	382,023	401,848	427,533	494,403	540,823	526,801
Total	409,334	391,130	503,280	520,665	481,083	575,279	538,502	642,536	634,060	572,739

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 as they continue to update the town’s infrastructure on an annual basis.

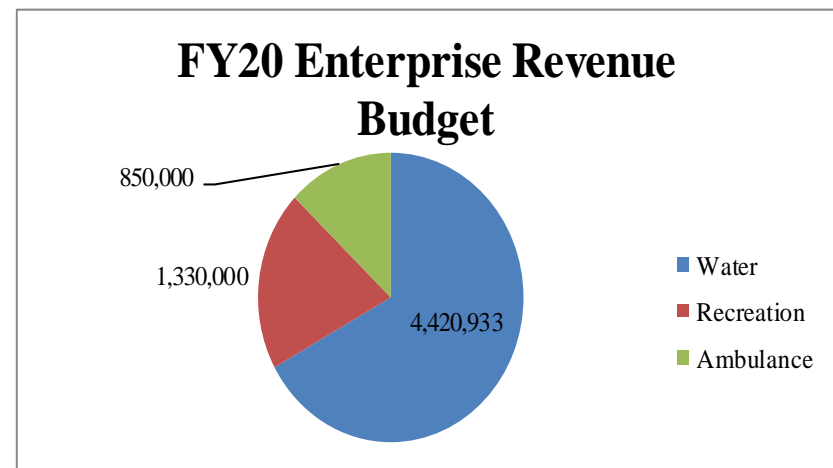
Recreation Enterprise – The Fiscal Year 2011 budget was supplemented with \$150,000 in Recreation Retained Earnings. The Fiscal Year 2012 budget was supplemented with \$40,000 in Recreation Retained Earnings and \$85,000 in General Fund Free Cash, which essentially exhausted their retained earnings. 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. The subsidy grew to \$152,092 in FY18 to account for the new minimum wage, increase in retirement and health insurance assessments, and the accounting for a portion of the lease expense at the Courier Building. Due to changes in programming and staffing levels, that subsidy is decreased to \$93,237 in FY19 with \$111,000 applied in Recreation Retained Earnings. There were also several positions that turned over in FY18, which resulted in a one-time credit to the direct and indirect costs in FY20. This is the main reason why the subsidy dropped from \$93,237 to \$45,938.

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. Due to the increased number of calls for service, revenue has increased over the past few years to a high of \$963,432 in Fiscal Year 2016. Halfway through FY19, the Ambulance Enterprise has earned \$501,450 in revenue, which would surpass the FY16 total if the trend continues. The subsidy for Fiscal Year 2019 is \$526,801 with applying \$50,000 in retained earnings to offset the budget.

Enterprise Revenue - FY11 to FY20



FY20 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. The balance grew to \$1,179,413 at the start of FY18. At the July 10, 2017 Special Town Meeting, it was voted to appropriate \$375,000 from the capital stabilization fund to pay for the remaining costs associated with the combined dispatch center (\$325,000) and the schematic design for the Abbot Roof MSBA project (\$50,000). The Town plans to appropriate the Cornerstone Square mitigation funding of \$40,000 per year for the next five years back to the capital stabilization fund. At the October 15, 2018 Special Town Meeting, the Town voted to appropriate \$700,000 from this fund to purchase 63 Main Street. During the proposal, it was suggested that the Town would appropriate \$230,000 each year from Free Cash back to Capital Stabilization. The current balance as of December 31, 2018 is \$170,543.

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. For FY20, we are recommending to appropriate \$83,500 to pay for the Assessors property revaluation which occurs every five years.

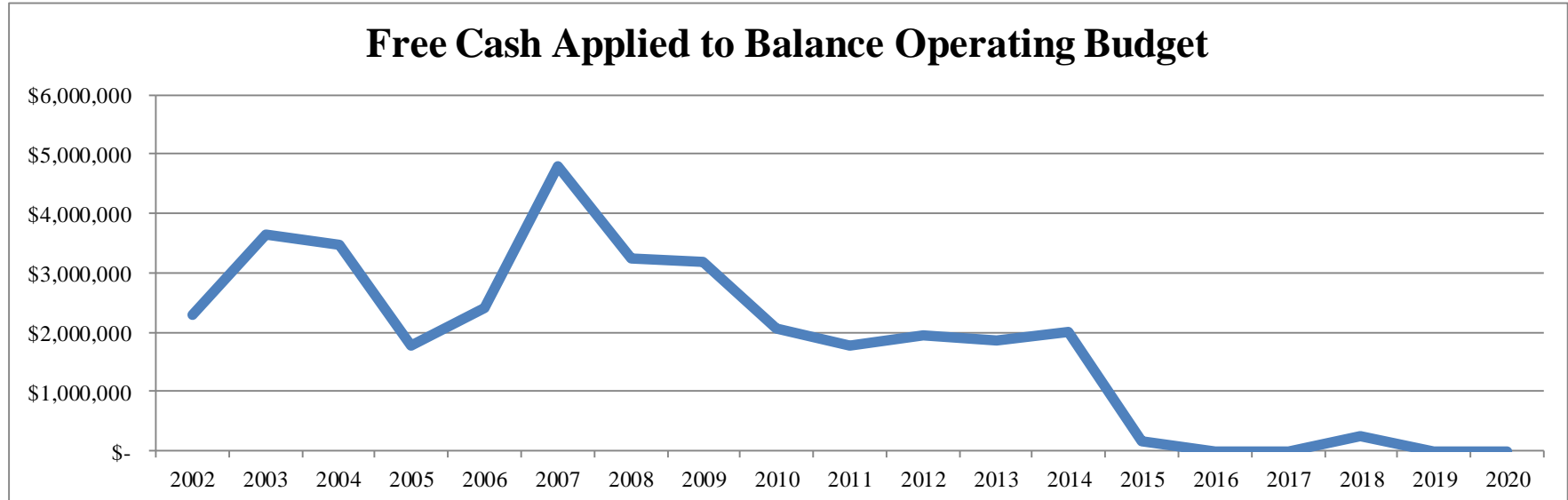
Other Available Funds – Misc. – See the below table for a *draft* list of FY20 appropriations:

Fund	Amount	Purpose
Senior Center Fitness Revolving	\$3,000	To offset 541 Council on Aging Budget
Reappropriate Water Ent. Project Funds	\$221,081	To offset the Emerson and Jonas Roads Water Main Project
Reappropriate Unused Premium – Capital	\$202,846	To fund the complete street project for Abbot School and Acton Road

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 the Town Hall, Roudenbush rehabilitation, and purchase of the Adams property in Fiscal Year 2020, along with an appropriation of \$15,000 for administrative expenses.

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	4,048.90	1,644,891.63	513,583.00	96,236.22	2,258,759.75
2017	3,933.95	1,702,514.48	373,932.00	106,405.88	2,186,786.31
2018	4,115.34	1,755,479.40	324,179.00	146,892.05	2,230,665.79
2019 YTD	1,980.65	886,383.70	381,872.00	75,036.23	1,345,272.58
Total	45,041.13	22,185,398.05	11,623,897.00	2,089,880.19	35,944,216.37

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 was successful in FY16 and FY17 in not applying Free Cash, but in FY18 we appropriated \$241,143 to close a funding gap that was caused from a large drop off in new growth. For FY20, we are proposing a balanced budget without the use of Free Cash.



REVENUES:	Fiscal Year 2011 Budget	Fiscal Year 2012 Budget	Fiscal Year 2013 Budget	Fiscal Year 2014 Budget	Fiscal Year 2015 Budget	Fiscal Year 2016 Budget	Fiscal Year 2017 Budget	Fiscal Year 2018 Budget	Fiscal Year 2019 Budget	Fiscal Year 2020 Budget
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	72,459,010.32	75,011,643.99	78,279,346.23	81,881,656.89
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	7,903,252.70	8,102,955.43	8,280,006.64	8,437,915.18
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	20,903,252.00	21,247,945.00	21,433,600.00	21,651,841.00
Free Cash - Appropriations	-	808,000.00	697,000.00	769,934.16	4,134,165.00	5,412,972.63	2,148,927.18	3,343,553.62	2,915,912.00	2,706,368.40
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	241,143.00	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	2,083,685.87	2,478,963.84	5,661,970.47	1,382,095.79
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	8,181,338.05	6,505,176.23	8,018,813.00	7,107,136.00
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	113,679,466.12	116,931,381.11	124,589,648.34	123,167,013.26

