



1/26/2017

TOWN OF
WESTFORD

JANUARY 26, 2017 REVENUE OVERVIEW

Updated 3/17/17

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 2015 to Fiscal Year 2018.

Revenue Source	FY2015 Actual	FY2016 Actual	FY2017 Budget	FY2017 Actual 12-31-16	FY2018 Projected	Budget Increase \$\$	Budget Increase %
Property Taxes*	67,843,888	69,902,371	72,459,010	34,783,902	75,009,936	2,550,925	3.52%
Local Revenue	8,476,766	8,817,554	7,903,253	2,487,119	8,065,016	161,763	2.05%
State Aid	20,343,323	20,505,057	20,903,252	485,364	21,102,773	199,521	0.95%
Approp. From Free Cash**	4,134,165	5,412,973	2,148,927	2,148,927	3,211,304	1,062,377	49.44%
Free Cash Applied**	149,339	-	-	-	-	-	
Total General Fund	100,947,482	104,637,954	103,414,442	39,905,312	107,389,028	3,974,586	3.84%
Enterprise Revenue	6,269,044	6,853,854	8,181,338	3,521,045	6,504,251	(1,677,087)	-20.50%
Other Available Funds**	2,065,401	2,524,475	2,083,686	2,083,686	1,903,964	(179,722)	-8.63%
Total Revenue	109,281,926	114,016,284	113,679,466	45,510,043	115,797,243	2,117,777	1.86%

* 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

	FY2014	FY2015	2016	2017	2018	FY18 vs FY17	
General Fund	Actual	Actual	Actual	Budget	Projected	Budget Inc. \$	% Inc.
Property Taxes*	64,828,935	67,843,888	69,902,371	72,459,010	75,009,936	2,550,925	3.52%
Local Revenue	8,515,185	8,476,766	8,817,554	7,903,253	8,065,016	161,763	2.05%
Motor Vehicle Excise	3,359,008	3,342,941	3,511,958	3,391,700	3,459,137	67,437	1.99%
Other Excise (Local Options)	1,066,166	1,126,516	1,199,286	1,150,000	1,178,750	28,750	2.50%
Penalties & Interest	152,714	194,908	195,860	190,000	194,750	4,750	2.50%
Payments in Lieu of Taxes	7,256	99,554	55,136	55,000	56,375	1,375	2.50%
Fees	281,343	265,846	285,916	270,000	276,750	6,750	2.50%
Dept. Revenue - Cemeteries	28,750	30,900	34,775	32,000	32,800	800	2.50%
Other Dept. Revenue	6,796	6,872	1,598	1,500	1,538	38	2.50%
Licenses and Permits	1,217,059	827,175	946,680	850,000	871,250	21,250	2.50%
Special Assessments	38,868	21,816	11,076	10,657	10,924	266	2.50%
Fines and Forfeits	113,232	90,119	84,352	80,000	82,000	2,000	2.50%
Investment Income	35,117	43,556	53,574	45,000	46,125	1,125	2.50%
Miscellaneous Recurring	1,873,443	1,871,369	1,914,446	1,827,396	1,854,617	27,222	1.49%
Miscellaneous Non-Recurring	335,433	555,194	522,896			0	
State Aid	\$20,121,931	\$20,343,323	\$20,505,057	\$20,903,252	\$21,102,773	601,771	2.96%
General Government Aid	1,872,193	1,914,057	1,968,329	2,082,057	2,132,306	50,249	2.41%
School Aid	16,189,875	16,313,850	16,436,625	16,706,565	16,804,225	97,660	0.58%
School Construction Aid	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	0	0.00%
Tax Abatement Aid	123,772	132,152	136,190	115,088	111,360	(3,728)	-3.24%
Offset Aid	379,065	426,238	406,887	442,516	497,856	55,340	12.51%
Approp. From Free Cash**	\$769,934	\$4,134,165	\$5,412,973	\$2,148,927	\$3,211,304	1,062,377	49.44%
Free Cash Applied**	\$1,995,414	\$149,339	\$0	\$0	\$0	\$0	0.00%
TOTAL GENERAL FUND REVENUE	\$96,231,400	\$100,947,482	\$104,637,954	\$103,414,442	\$107,389,028	\$4,376,836	4.23%
Enterprise Revenue/Free Cash	\$6,536,862	\$6,269,044	\$6,853,854	\$8,181,338	\$6,504,251	(\$1,677,087)	-20.50%
Water Enterprise	4,517,803	4,185,227	4,594,562	6,087,093	4,332,509	(1,754,584)	-28.82%
Recreation Enterprise	1,137,042	1,247,594	1,295,860	1,264,205	1,278,742	14,537	1.15%
Ambulance Enterprise	882,017	836,223	963,432	830,040	893,000	62,960	7.59%
Other Available Funds**	\$2,960,492	\$2,065,401	\$2,524,475	\$2,083,686	\$1,903,964	(\$179,722)	-8.63%
Premium on BANS/Bonds Non-Exempt	627	192	4,262	2,800	2,190	(610)	-21.78%
Premium on BANS/Bonds Exempt	32,167	22,061	32,401	24,107	20,811	(3,296)	-13.67%
Capital Stabilization Fund	31,000	0	0			0	
Overlay Surplus	0	0	0			0	
Community Preservation Funds	2,271,095	1,897,954	1,981,444	1,989,488	1,860,284	(129,204)	-6.49%
Other Available Funds	625,603	145,194	506,369	67,291	20,679	(46,612)	-69.27%
TOTAL ENTERPRISE / OTHER FUNDS	\$9,497,354	\$8,334,445	\$9,378,330	\$10,265,024	\$8,408,215	(\$1,856,809)	-18.09%
TOTAL REVENUES / AVAIL. FUNDS	\$105,728,753	\$109,281,926	\$114,016,284	\$113,679,466	\$115,797,243	\$2,520,027	2.22%

PROPERTY TAX

Property Tax is the primary source of revenue for the Town of Westford, which accounts for approximately 72% 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 FY18 projected levy limit:

FY17 LEVY LIMIT	\$69,603,481
PROP. 2 ½ INCREASE	1,740,087
NEW GROWTH ESTIMATE	850,000
DEBT EXCLUSIONS	<u>2,816,368</u>
TOTAL FY18 TAX LEVY	<u>\$75,009,936</u>

Below is a table showing the tax levy calculation from Fiscal Years 2012 to 2017

TAX REVENUE:	FY2012 TAX LEVY	FY2013 TAX LEVY	FY2014 TAX LEVY	FY2015 TAX LEVY	FY2016 TAX LEVY	FY2017 TAX LEVY
Prior Year Base Tax Levy	53,198,056.00	55,520,678.00	58,166,632.28	61,349,475.00	64,692,572.00	67,215,666.82
Prop. 2 1/2 Increase	1,329,956.00	1,389,166.28	1,454,165.81	1,533,759.00	1,617,419.82	1,680,391.67
New Growth	992,490.00	1,210,815.00	1,728,677.00	1,808,449.00	901,454.00	707,422.00
Overrides	-	-	-	-	-	-
Debt Exclusions	3,968,758.00	3,818,892.00	3,522,918.00	3,186,316.00	3,113,477.00	2,891,595.00
Capital Outlay/Ammended Growth	176.00	45,973.00	-	889.00	4,221.00	-
Excess Levy Capacity	(14,685.03)	(56,240.77)	(43,457.53)	(34,999.80)	(8,131.69)	(36,065.17)
Total Property Tax Levy	59,474,750.97	61,929,283.51	64,828,935.56	67,843,888.20	70,321,012.13	72,459,010.32

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 70.7% of the FY16 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 FY18.

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 increased in the past few months. The Town received \$53,574 in FY16, which is a 23% increase from FY15. However, this is still far below the \$846,064 earned in FY07.

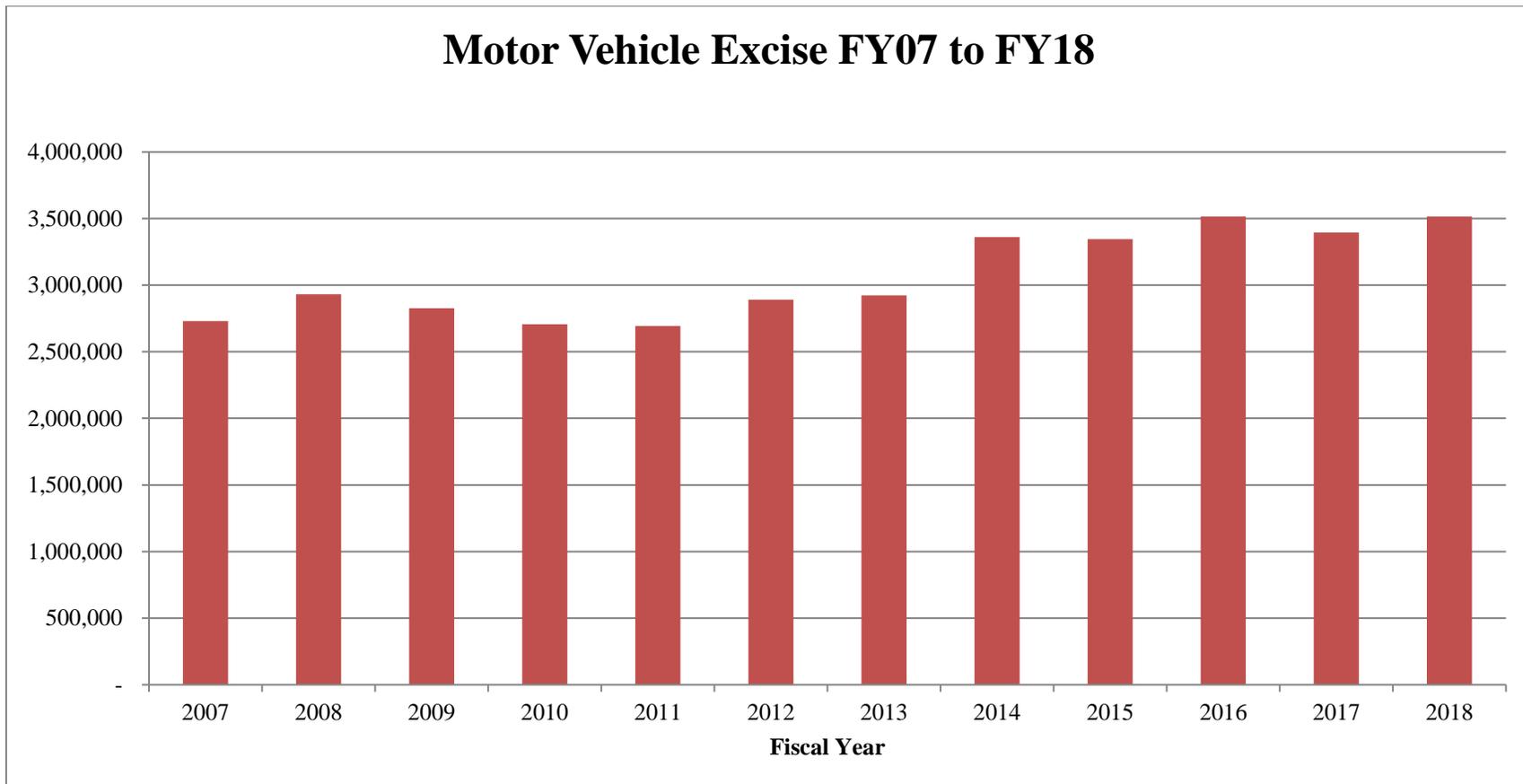
Miscellaneous Recurring – Mass School Building Authority's advanced refunding for Stony Brook, Rita Miller, and Crisafulli schools. Lump sum payment from the MSBA held in a separate account and a portion of principal and interest (earning 4+%) are transferred to the general fund each year. Also includes reimbursement for NVTSHS 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 2017 will be billed in February. In FY15, the town had 24,937 bills for a total commitment of \$3,472,612. In FY16, the town issued 25,585 bills for a total of \$3,680,486. This figure represents an increase of 648 bills for \$207,874. The actual amounts collected vary from the commitment because not every amount due is collected in a timely manner.

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	3,511,958	3,391,700	3,512,177

Motor Vehicle Excise FY07 to FY18



Town of Westford, MA

General Fund Revenue

Local Options Excise – As of December 31, 2016, Westford has received Hotel excise of \$417,210 (1.4% decrease) and Meals excise of \$275,729 (2.3% increase) for a total of \$692,939. This amount is \$21 higher than the amount collected as of December 31, 2015. The budget for local options in FY17 is \$1,150,000. 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 Actual	2017 Budget	2017 Actual (12-31-16)	2018 Budget
Q1	73,857	79,400	108,560	93,290	98,723	122,544	170,123	178,592	200,685	212,599	700,000	211,029	717,500
Q2	82,061	97,470	109,925	99,469	110,037	160,293	157,208	187,116	205,966	210,681		206,180	
Q3	61,992	76,775	73,528	72,660	74,756	119,377	113,440	130,453	119,621	140,548			
Q4	64,184	75,718	84,467	81,446	88,507	131,255	143,144	141,134	147,654	159,983			
Total	282,094	329,363	376,480	346,865	372,024	533,470	583,915	637,295	673,926	723,811	700,000	417,210	717,500
Meals													
Q1						31,539	99,233	119,050	128,880	138,294	450,000	144,042	461,250
Q2						88,777	93,500	115,810	125,715	131,334		131,687	
Q3						71,219	91,309	95,036	98,653	103,523			
Q4						74,163	92,762	98,976	99,342	102,324			
Total	-	-	-	-	-	265,698	376,803	428,871	452,590	475,476	450,000	275,729	461,250
Total Excise	282,094	329,363	376,480	346,865	372,024	799,168	960,718	1,066,166	1,126,516	1,199,286	1,150,000	692,939	1,178,750

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 2018

2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	FY17 Actual 12-31-16	2018 Budget
128,797	128,285	117,159	145,875	157,159	131,295	133,543	152,714	194,908	195,860	190,000	60,929	194,750

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 2018

2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	FY17 Actual 12-31-16	2018 Budget
41,537	42,424	51,622	41,376	47,504	47,000	56,036	7,256	99,554	55,136	55,000	-	56,375

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, 2016, it appears that the fees collected are expected to exceed the budget of \$270,000.

Department	Description	FY10 Revenue	FY11 Revenue	FY12 Revenue	FY13 Revenue	FY14 Revenue	FY15 Revenue	FY16 Revenue	FY17 Budget	FY17 YTD	FY18 Projected
Tax Collector	ADD*TL FEES TAX TAKING	8,258	4,808	255	85	255	85	85	70	-	
Tax Collector	DEMAND FEES	59,085	46,395	47,690	45,865	48,001	54,939	50,109	50,000	15,950	
Tax Collector	REG MOTOR VEHICLE FEES	61,975	51,558	58,015	420	400	220	500	500	60	
BOS	CABLE FRANCHISE FEE	3,358	3,430	3,480	3,607	3,703	3,923	4,662	4,600	-	
Tax Collector	MUNICIPAL LIEN CERTIFICATE FE	23,477	54,103	53,600	56,051	33,150	35,850	38,450	35,000	21,900	
Town Clerk	LATE FEES	2,315	6,345	5,050	3,250	8,575	5,130	3,200	3,200	2,350	
Town Clerk	BUSINESS CERTIFICATES	5,070	4,520	4,010	3,954	4,590	4,520	3,770	3,700	1,500	
Town Clerk	PASSPORT FEES	7,950	4,575								
Town Clerk	BIRTH CERTIFICATES	4,120	3,450	3,620	3,980	3,762	4,105	3,664	3,500	1,771	
Town Clerk	DEATH CERTIFICATES	6,130	7,370	6,710	7,340	6,681	6,661	9,097	6,600	4,858	
Town Clerk	BULK CURBSIDE PICKUP	12,995	20,141	16,663	18,034	17,843	15,849	13,597	12,000	7,090	
Planning Board	DEPARTMENTAL FEES	74,852	29,456	36,010	69,026	22,036	26,025	49,100	46,000	6,356	
ZBA	DEPARTMENTAL FEES	8,350	7,400	14,300	7,500	6,320	6,200	11,000	7,000	8,800	
Police	INSURANCE REPORT FEES	4,013	3,540	2,815	2,853	4,606	4,914	4,909	4,900	2,237	
Police	DETAIL ADMINISTRATION FEES	47,834	44,319	34,588	43,227	46,438	32,712	26,071	28,000	23,436	
Fire	ALARM MONITORING FEES	31,400	30,400	30,100	33,550	35,800	36,200	36,037	36,200	34,600	
Board of Health	DEPARTMENTAL/OTHER FEES	24,413	46,721	1,510	1,532	2,706	2,847	884	1,000	969	
Town Wide	DEPARTMENTAL/OTHER FEES	24,227	22,793	34,618	28,934	36,479	25,666	30,781	27,730	17,248	
	Total	409,821	391,324	353,033	329,207	281,343	265,846	285,916	270,000	149,125	276,750

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 2018

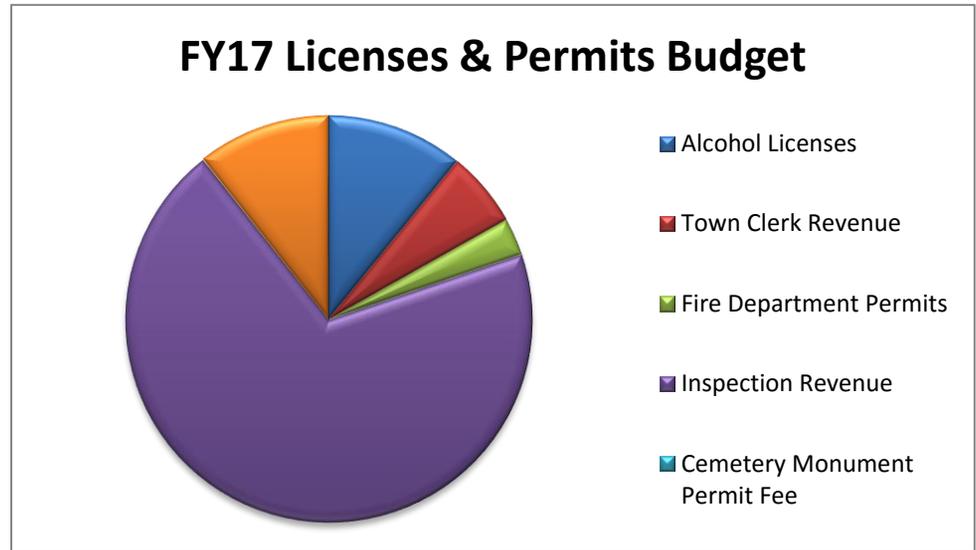
2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Budget	FY17 Actual 12-31-16	2018 Budget
13,050	18,400	20,550	27,425	26,245	35,300	20,625	28,750	30,900	30,900	32,000	16,200	32,800

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.

Other Departmental Revenue – Fiscal Year 2007 to Fiscal Year 2018

Account	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	FY17 Actual 12-31-16	2018 Budget
Rentals / Leases						3,921	4,785	4,260	4,741	920	900	0	923
Other	725	2,506	6,245	15,932	31,864	24,482	24,748	2,538	2,131	678	600	154	615
Total	725	2,506	6,245	15,932	31,864	28,403	29,533	6,798	6,872	1,598	1,500	154	1,538

Licenses & Permits – The majority (70.7%) 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.



Account	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 YTD	2018 Budget
Alcohol Licenses	83,125	83,868	87,475	94,325	93,800	92,450	93,750	92,400	75,350	
Dog Licenses	31,395	35,230	33,711	31,368	38,854	36,231	36,728	36,000	4,312	
Hunting/Fishing Licenses	293	275	65							
Other Town Clerk Licenses & Permits	13,812	11,640	13,265	13,165	12,280	16,020	13,770	14,885	8,900	
Fire Department Permits	27,099	25,530	26,540	33,313	29,360	26,400	25,917	25,000	14,065	
Building Permits	481,927	506,789	661,580	512,898	674,831	356,124	459,653	407,115	185,552	
Electrical Permits	63,569	123,845	121,060	131,642	106,584	78,036	93,760	80,000	38,833	
Plumbing Permits	39,905	70,186	51,715	67,190	68,945	55,320	47,805	47,000	22,063	
Gas Permits	27,790	40,395	41,795	42,305	41,620	40,060	32,810	30,000	19,138	
Other Inspection Revenue		7,292	19,123	102,760	48,815	25,185	35,371	27,200	12,842	
Cemetery Monument Permit Fee	500	1,055	640	440	520	520	540	400	240	
Board of Health Permits	78,286	78,651	87,565	95,334	101,450	100,829	106,575	90,000	59,315	
East Boston Camps License Fee	6,895	7,500	150							
Total	854,596	992,256	1,144,684	1,124,740	1,217,059	827,175	946,680	850,000	440,609	871,250

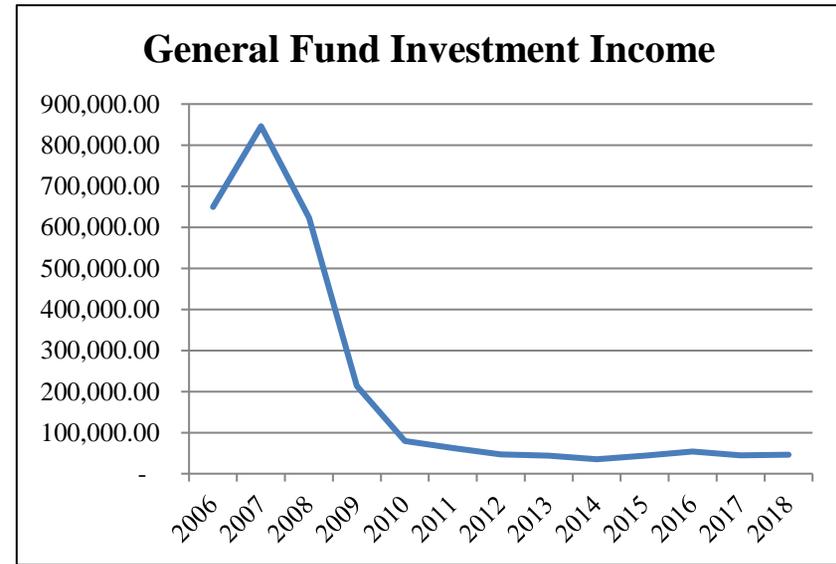
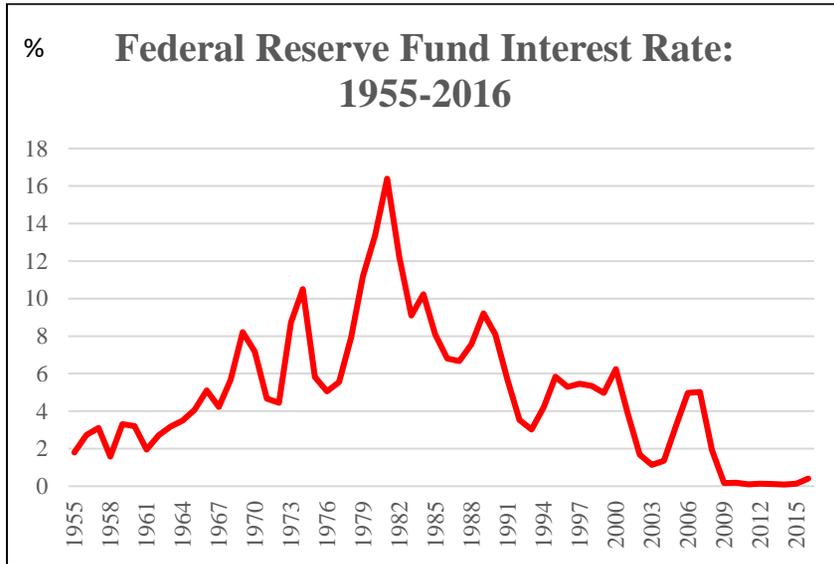
Special Assessments – Revenue collected from betterments and other projects through the tax collection process. Below is a table reviewing the history of special assessments collected.

Special Assessments – Fiscal Year 2007 to Fiscal Year 2018												
2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	FY17 Actual 12-31-16	2018 Budget
15,760	11,014	10,609	9,190	41,172	16,983	18,410	38,868	21,816	11,076	10,657	15,740	10,924

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 Actual	2017 Budget	2017 YTD	2018 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	2,000	1,400	1,700	
Conservation Fines							500	1,000					
Motor Vehicle Infractions							71,558	90,045	72,800	62,908	61,000	22,338	
Parking Violations	2,651	5,555	4,455	4,825	6,480	11,280	13,981	11,571	7,544	9,483	9,000	3,556	
Court Fines	18,389	16,215	10,640	14,517	8,441	7,847	9,516	5,401	5,943	8,462	8,000	1,867	
Animal Fines	5,810	1,175	1,130	545	1,075	985	430	515	508	1,500	600	-	
Total	28,745	22,945	17,825	23,937	23,496	26,312	99,284	113,232	90,119	84,352	80,000	29,460	82,000

Investment Income – The estimate for investment income in Fiscal Year 2017 is \$45,000. 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 2018 is \$46,125, or about 5.5% 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 .05% to .85% as of December 2016.

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
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
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
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
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

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 2017.

	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 Actual	2017 Budget	2017 Actual – 12-31-16	2018 Budget
Medicaid Receipts	85,951	222,390	218,883	104,861	107,979	154,003	57,279	71,694	87,977	115,570	40,000	74,355	40,000
Medicaid Reimb - Ambulance									34,692	49,127	34,692	-	30,750
NVTHS SRO							54,068	77,119	75,104	77,421	77,201	-	99,000
Total	85,951	222,390	218,883	104,861	107,979	154,003	111,347	148,813	197,773	242,118	151,893	74,355	169,750

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 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.

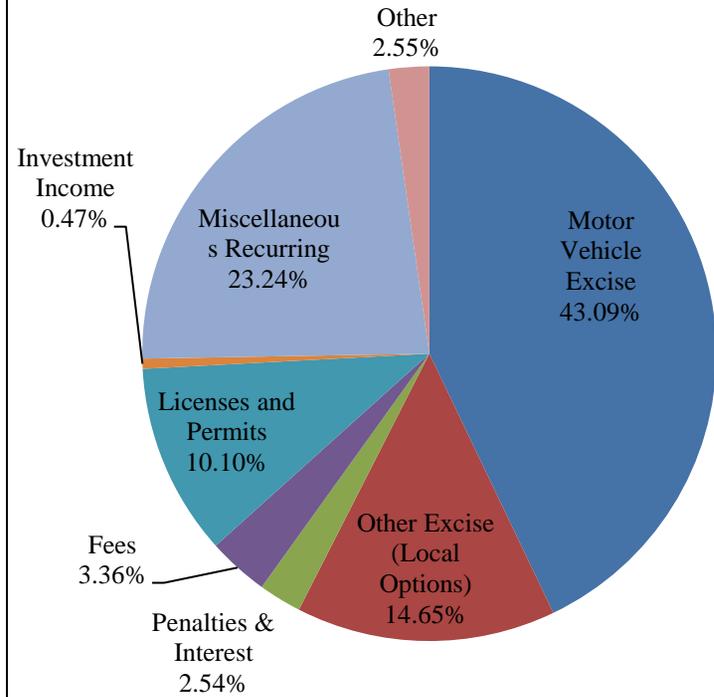
The Otherwise Unclassified account for FY15 of \$390,708 includes revenue for Tuition Reimbursement of \$23,000, Sale of Real Estate of \$94,944, Tailings of \$41,707, Health Programs of 12,307, Rebates of \$36,583, Premium on Bonds of \$31,957 and a reclassification of \$142,000 from the License to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

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

Account	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 YTD
Tax Title	146,867	214,778	68,900	67,899	107,217	108,805	113,396	147,999
Workers Comp Insurance Recovery	17,631	60,130	89,645	49,221	34,166	24,293	56,019	41,631
Restitution	3,549		246	75		889	1,300	400
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			507	7,161
Retiree Drug Subsidy	90,359	99,309	107,315	109,489				
Retiree Health Reimbursement			1,839	3,276	11,885	18,294	11,689	2,034
Otherwise Unclassified	21,444	10,806	88,244	68,017	49,645	390,708	163,545	53,059
FEMA Reimbursement	300,639	34,144	123,730	165,096	119,004		169,852	
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	522,896	252,284

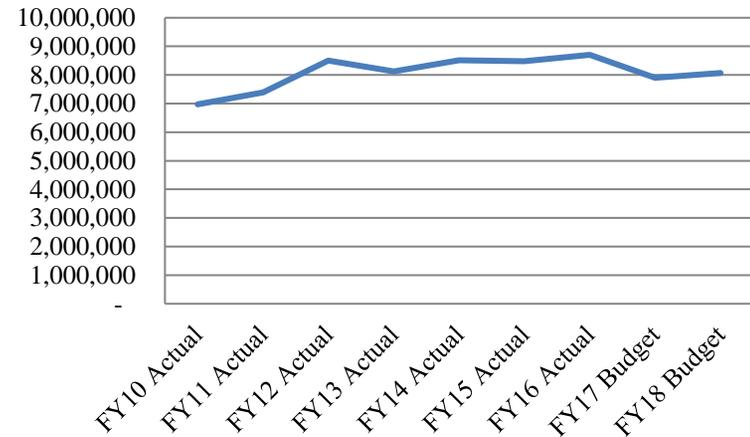
Local Revenue Summary

FY18 Projected Local Revenue



Fiscal Year 2018 Projected Local Revenue	
Motor Vehicle Excise	3,459,137.45
Other Excise (Local Options)	1,178,750.00
Penalties & Interest	194,750.00
Fees	276,750.00
Licenses and Permits	871,250.00
Investment Income	46,125.00
Miscellaneous Recurring	1,854,617.12
Other	183,636.09
Total	8,065,015.66

Local Revenue: FY10-FY18



STATE AID - In Fiscal Year 2017, State Aid is projected to account for 20.23% 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 \$269,940, or 1.64%, in FY17. For FY18, the Governor’s budget includes an increase of \$20 per student, which is a \$97,660 or 0.58% increase. 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. The FY17 budget increased our Unrestricted Government Aid by 4.30% (+\$84,243). The Governor’s Budget for FY18 has a \$79,692 or 3.9% 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%. 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.

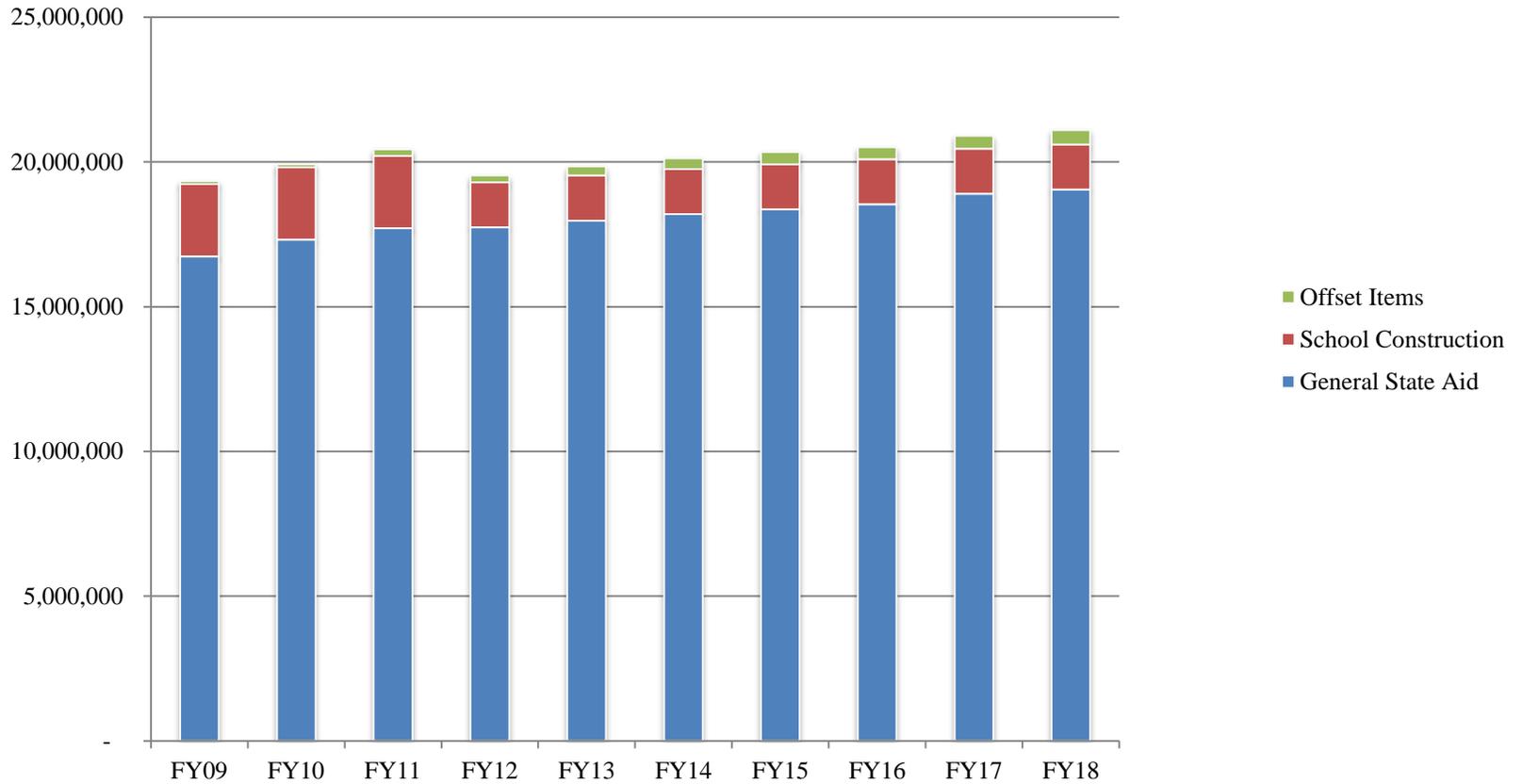
School Choice – To provide funding to school districts for accepting pupils from other districts.

The following table displays the history of state aid revenue from Fiscal Year 2009 to Fiscal Year 2017. The amounts listed for FY18 is Governor Baker's budget proposal that was released on January 25th, 2017. The figures in Fiscal Year 2018 are subject to change.

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
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	16,706,565	16,804,225
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	2,123,074
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	64,493	43,391	42,056
Exempt: Vets, Blind, Surv Spouses	74,468	32,630	70,504	67,405	67,020	72,853	73,245	71,697	71,697	69,304
Exemptions: Elderly	31,124									
State-Owned Land	235	212	191	198	198	202	230	230	227	227
Charter Tuition Reimbursement	95,727	63,370	45,647	8,807	15,414	31,958	22,766	8,960	38,448	9,005
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	18,541,144	18,903,710	19,047,891
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	1,557,026
Subtotal	2,494,007	2,494,007	2,494,010	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	25,834	26,240
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	416,682	471,616
Subtotal	106,682	112,004	234,921	235,399	316,445	379,065	426,238	406,887	442,516	497,856
Total State Aid	19,337,571	19,921,960	20,439,805	19,534,851	19,846,627	20,121,931	20,343,323	20,505,057	20,903,252	21,102,773

STATE AID - In FY18, Westford received an additional \$97,660 in Chapter 70 funding. This is substantially less than \$269,940 increase received the previous year. The town received a \$79,692 increase in FY18 Unrestricted Government Aid, which is slightly less than the \$84,243 increase received in FY17.

State Aid - FY09 to FY18



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 FY18.

Enterprise General Fund Subsidies: Fiscal Year 2009 to Fiscal Year 2018										
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Water										
Recreation	324,042	199,852		85,000	157,066	117,224	99,060	173,431	110,969	152,092
Ambulance	404,239	394,586	409,334	306,130	346,214	403,441	382,023	401,848	427,533	494,403
Total	728,281	594,438	409,334	391,130	503,280	520,665	481,083	575,279	538,502	646,495

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 FY18. The Water Enterprise is applying \$285,994 in retained earnings towards their FY18 budget. The Recreation Enterprise is also applying \$75,000 to help reduce their FY18 general fund subsidy. Lastly, the Ambulance Enterprise is using \$57,000 in retained earnings to balance their FY18 operating budget.

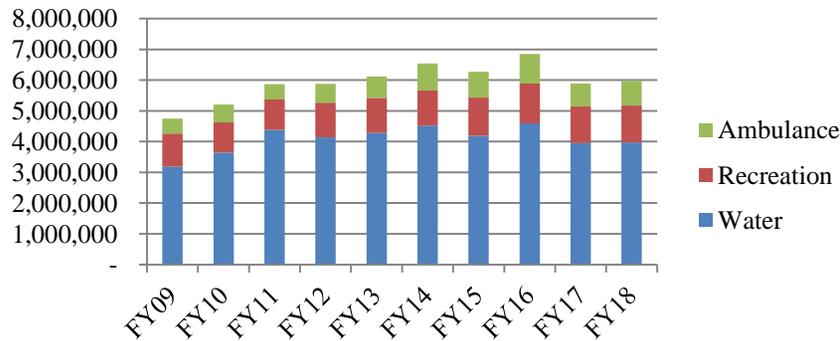
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Water	3,183,501	3,641,300	4,383,454	4,138,033	4,284,616	4,517,803	4,185,227	4,594,562	3,950,259	3,969,515
Recreation	1,073,659	986,053	984,368	1,124,249	1,139,675	1,137,042	1,247,594	1,295,860	1,189,205	1,203,742
Ambulance	495,503	581,339	501,758	619,740	688,506	882,017	836,223	963,432	750,000	800,000

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.

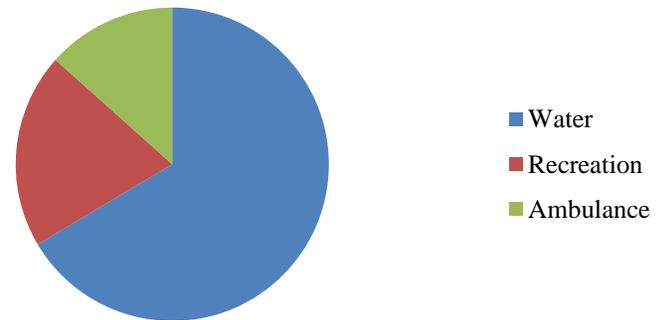
Recreation Enterprise – Due to a downturn in the economy, the recreation enterprise saw their revenues fall nearly \$88,000 from Fiscal Year 2009 to 2010. The Fiscal Year 2011 budget was supplemented with \$150,000 in Recreation Free cash. The Fiscal Year 2012 budget was supplemented with \$40,000 in 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. Despite the minimum wage increasing from \$8.00 per hour in 2014 to \$11.00 per hour in 2017, an increase in retirement and health insurance assessments, and incurring a portion of the lease expense at the Courier building, the general fund subsidy for FY18 is \$152,092.

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 2018 is \$494,403 with applying \$57,000 in retained earnings to offset the budget.

Enterprise Revenue - FY09 to FY18



FY18 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 \$1,168,132.

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.

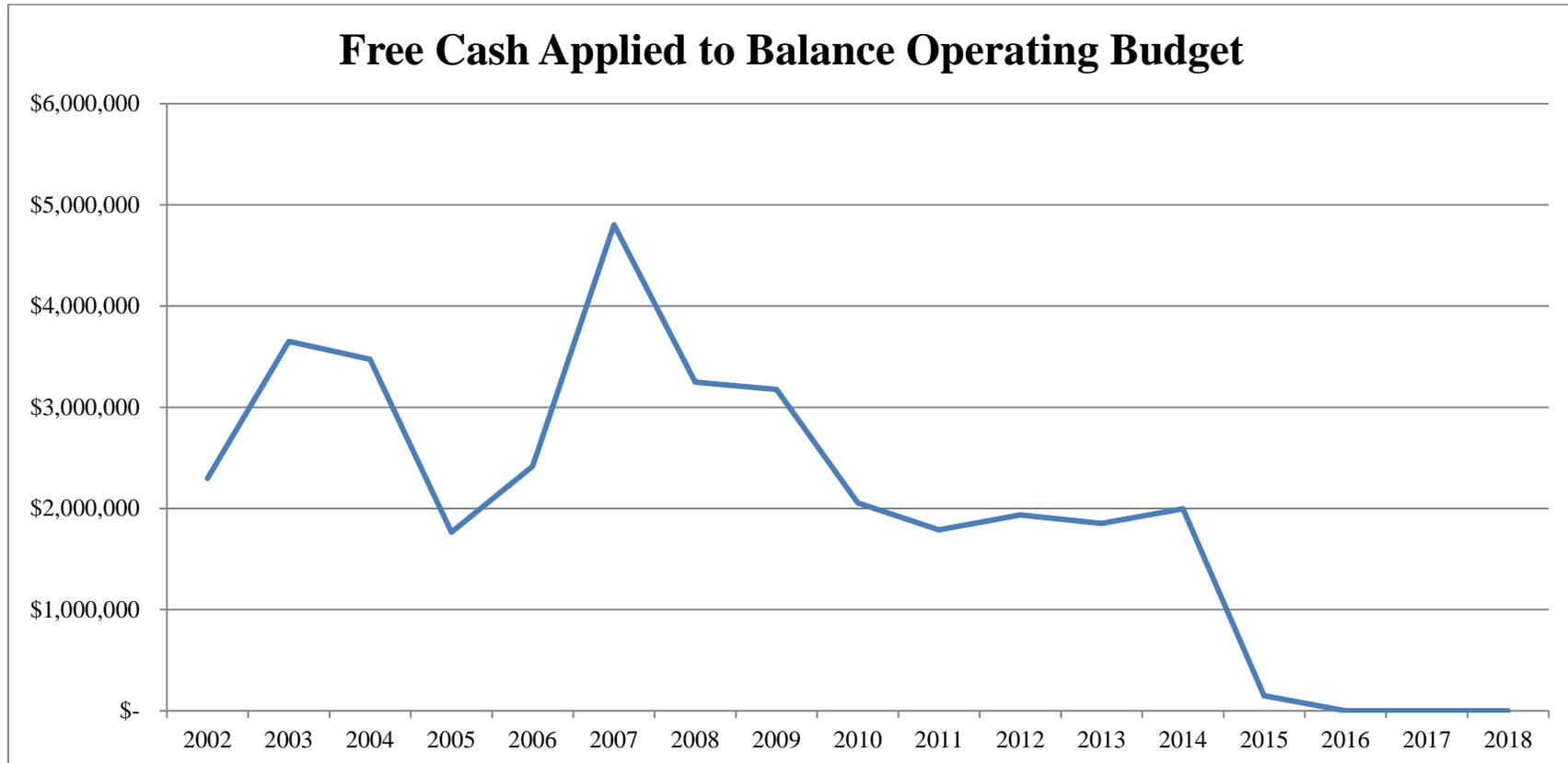
Other Available Funds – Misc. – See the below table for a *draft* list of FY17 appropriations:

Fund	Amount	Purpose
Senior Center Fitness Revolving	\$3,414	To offset 540 Senior Center 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 2018, 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	4,048.90	1,644,891.63	513,583.00	96,236.22	2,258,759.75
2017 YTD	1,169.63	820,574.35	373,932.00	30,709.98	1,226,385.96
Total	36,180.82	18,661,594.82	10,917,846.00	1,792,256.01	31,407,877.65

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 three years in proposing a balanced budget that does not require an appropriation of Free Cash to close the gap.



Town of Westford, MA

Summary

REVENUES:	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
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	75,009,935.50
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	8,065,015.66
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	21,102,773.00
Free Cash - Appropriations	-	808,000.00	697,000.00	769,934.16	4,134,165.00	5,412,972.63	2,148,927.18	3,211,304.00
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	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	1,903,963.84
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	6,504,251.00
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	115,797,243.00

FY2018 Projected Revenue

