

Town of Westford



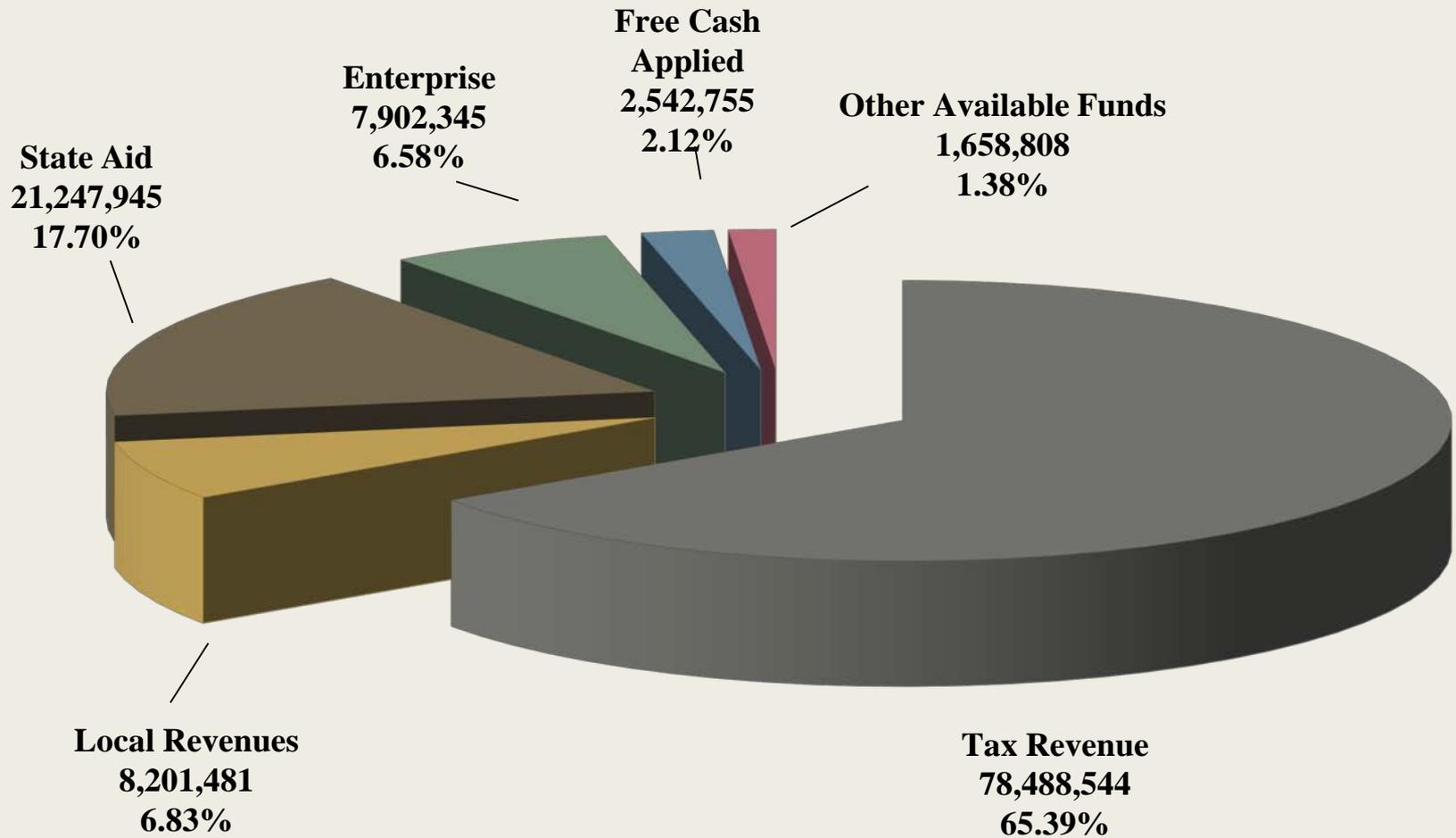
Fiscal Year 2019 Budget Message

Jodi Ross
Town Manager
November 28, 2017

FY19 Projected Revenues

Tax Revenue	\$78,488,544
Local Revenue	8,201,481
State Aid	21,247,945
Enterprise Revenue	7,902,345
Reserves Applied	0
Other Available Funds	1,658,808
Free Cash – Capital, perch., snow & ice	2,542,755
Total	\$120,041,878

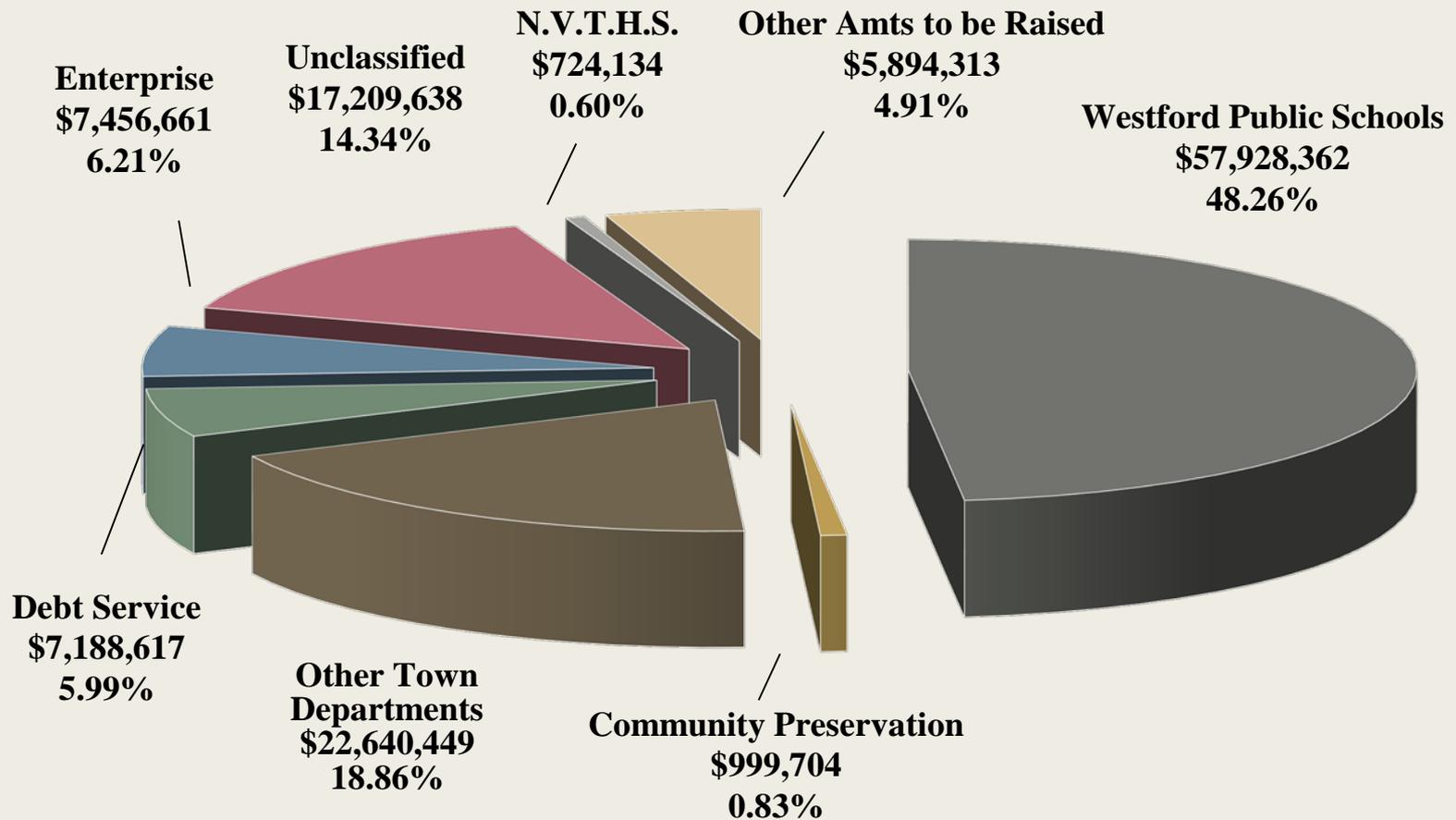
FY19 Projected Revenues



FY19 Projected Expenditures

Westford Public Schools	\$57,928,362
Other Town Departments	22,640,449
Community Preservation	999,704
Debt Service	7,188,617
Enterprise	7,456,661
Unclassified	17,209,638
N.V.T.H.S.	724,134
Other Amounts to be Raised	5,894,313
Total	\$120,041,878

FY19 Projected Expenditures



FY2019 Budget Highlights

- Adhered to BoS FY19 Budget Direction Policy
- Recommending a balanced budget
- Maintaining level of service – sustaining town assets
- New growth estimated at \$750,000
- Projecting 0% increase in State Aid
- Cash Reserves are \$8,596,633 or 7.35% of operating budget
- Schools allocated additional \$1,372,844 or 2.43% increase –
1.50% increase plus additional \$530,000 from the override for
teacher contract
- Town depts allocated additional \$558,474 or 2.46% increase

Collective Bargaining Agreements

- All Town agreements settled: CWA, WPA, WSO, WPWA, OPEIU, settled through FY19, IAFF settled through FY20
- Teachers, Coordinators, Nurses, and Reading & Math Interventionists settled through FY17
- School Office Professionals, Central Office Support, Food Service Workers settled through FY18
- Teaching Assistants and School Custodians settled through FY19

FY2019 Town Budget Highlights

- Two additional firefighter/paramedics to be hired in July 2018
- Two additional police patrol officers to be hired – one in October 2018 and one in April 2019
- Creation of new Town/School Director of Facilities and Office Manager – funded 25% Town and 75% Schools
- New full time Assistant Building Commissioner
- Assistant Planner increased from 24 hrs per week to 37.5
- Reduced Cemetery/Recreation admin from 24 hr benefitted position to Cemetery/Veterans 18 hr non-benefitted position

Recreation Enterprise

- Creating additional expense and revenue accounts
- Improving transparency and providing programming cost analysis
- 630 Recreation general fund budget has been removed
- % of Director, Asst. Director, and Office Manager's salaries are offset in the direct and indirect costs
- New Recreation Director to begin working in January
- General fund subsidy is recommended at \$95,395
- Expect future changes to budget as we work in collaboration with Recreation Commission, new Director and existing staff

FY2019 Town Budget Highlights

- Unclassified (insurances/Medicare/retirement) increasing by 3.42%
 - Budgeting for 12% increase in health insurance over FY18 projected actual +\$128,515 to total \$10.51M
 - Middlesex Retirement Assessment +\$282,787 to \$4.9M
 - Funding OPEB through budget \$995,587
 - Unfavorable claims/loss ratio for property insurance and worker's compensation +\$44,470
 - Medicare appropriation increasing +\$35,000

Health Insurance Budget

- In FY18 we budgeted an 8% increase – received a 13% increase for non-Medicare plan
- Employees agreed to stay with Fallon and adopt Plan Design changes resulting in 2.74% increase for FY18
 - Co-pays, prescriptions costs, and hospital visits were increased
- FY19 budget reflects \$128,515 increase from FY18 totaling \$10,513,038
- Health Insurance Stabilization Fund balance \$529,171 - recommending transferring additional \$100,000 into fund

Health Insurance Overview

Enrollment as of Oct 1, 2014	1,003
Enrollment as of Oct 1, 2015	1,032
Enrollment as of Oct 1, 2016	1,033
Enrollment as of Oct 1, 2017	1,094

- Approximately 56.7% of eligible employees on town's plan

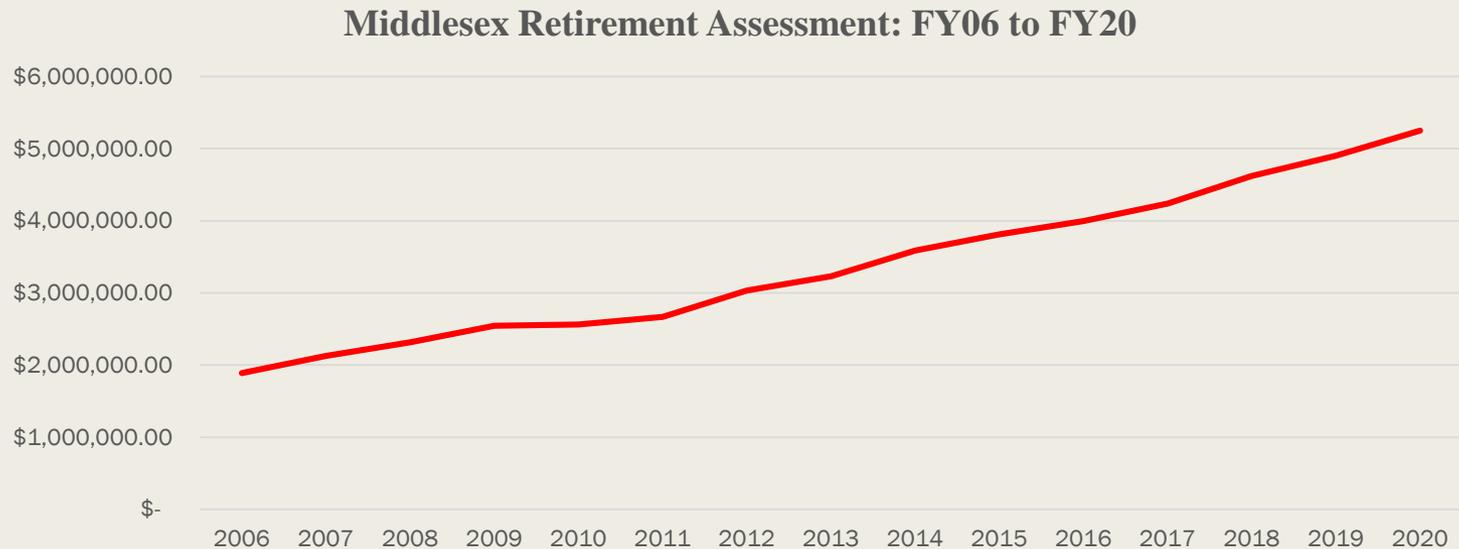
		Employees % Inc.	Medicare % Inc.
FY15 Actual	\$8.18M	5.10%	4.11%
FY16 Actual	\$9.29M	7.83%	7.88%
FY17 Actual	\$9.05M	5.50%	10.00%
FY18 Budget	\$10.38M	2.74%	5.77%
FY19 Budget	\$10.51M	12.00%	12.00%

Other Post Employment Benefits

- The current liability is \$65.9M as of July 1, 2016 – new actuarial studies to occur each year
- Our OPEB policy – annually fund “normal costs” – accrued liability for employees hired after Jan 1, 2012
- Funding OPEB at \$935,164 within the operating budget and \$60,423 from Free Cash for a total of \$995,587
- OPEB Trust Fund current balance \$4,318,124 – after this appropriation = \$5,313,711

Middlesex Retirement

- Middlesex Retirement assessment will continue to increase to meet goal of fully funding:
 - FY18 \$4,619,903 +8.99%
 - FY19 \$4,902,690 +6.12%
 - FY20 \$5,251,264 +7.11%



Saving \$92,348 by paying entire assessment on July 1, 2018

Perchlorate Remediation

- Continue to work with DEP on remediation efforts related to the release of perchlorate during the Highway Garage construction
- In August 2017, the DEP authorized the town to bypass the Nutting Road Treatment Facility, resulting in annual savings of \$80,000
- DEP approved reduced water sampling, saving \$8,000 annually
- Town's contract with LSP expected to decrease by \$10,000 due to decreased assignments and responsibilities
- Requesting \$99,537 to fund perchlorate costs through FY19

FY19 Capital Investment

Capital Planning Committee recommendation:
\$9,315,697

Free Cash	\$1,842,795
General Fund Bonds	\$3,452,000
Enterprise Bonds	\$2,320,000
Enterprise Retained Earnings	\$1,081,902
Other available funds	\$619,000

**Capital Stabilization current balance: \$807,189*

Public Works Projects

- Main St water main/reconstruction nearing completion – final layer of pavement in the spring
- Concord Rd, Plain Rd, Main St sidewalks completed
- Town center upgrades funded by Complete Streets grant are nearing completion
- Intersection at Tadmuck Rd and Rt. 110 under construction; to be finished in the spring
- MassDOT awarded contract for Oak Hill Rd and Groton Rd intersection light; construction to begin April 2018
- Prospect Hill Water Tank to begin construction in winter
- Chapter 90 estimate \$879,801 - seeking additional \$845,000 for road maintenance to be funded through a non-excluded bond

Public Facilities Projects

- \$205,590 remains of \$400,000 FY15 capital appropriation to address facility concerns from the town-wide facility assessment.
- Combined dispatch is open and fully functional as of November 8th
- Boston Rd fire station under construction and expected to be completed by Fall 2018 – under budget at this point
- Roudenbush building is under construction and should be completed in 15 to 18 months
- 35 Town Farm Road has been sold to Yule Development
- Proposal to purchase 12 North Main anodizing mill has been awarded, in negotiations for purchase and sale with Yule Development
- Requesting \$320,000 at Annual Town Meeting for design of new town center building

Reserves

- Free Cash balance: \$3,406,167
- Stabilization Fund balance: \$5,190,465

Description	Amount	Balance
Beginning Balance	\$8,596,632	\$8,596,632
Less: Reserve Minimum Balance (5%)	(\$5,362,135)	\$3,234,497
Less: Capital Appropriation	(\$1,842,795)	\$1,391,702
Less: Snow & Ice Deficit	(\$400,000)	\$991,702
Less: Perchlorate Appropriation	(\$99,537)	\$892,165
Less: Appropriation to OPEB Stabilization	(\$60,423)	\$831,742
Less: Appropriation to Health Insurance Stabilization	(\$100,000)	\$731,742
Less Appropriation to Capital Stabilization	(\$40,000)	\$691,742

- Remaining Free Cash to be used for unforeseen expenses or rolled to next fiscal year's Free Cash balance

Budget Impacts from FYs 17 & 18

- New Growth in FY17 - \$707,422
- Estimated \$850,000 of new growth in FY18 – Actual of \$408,857
- At Oct 2017 STM we supplemented \$200,000 from Assessors Overlay Surplus and \$241,143 from Free Cash
- Local revenues have increased in FY18
- FY 18 State Aid increased by 1.65% or \$344,693

Bond Rating

- Our most recent rating review was completed on October 31, 2017
 - Rated AAA which is considered the best investment quality.
 - Saving about \$600,000 taxpayer dollars over the life of the Fire Station loan
 - Report cited Westford's strong economy, strong management with good financial policies, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, very strong debt and contingent liability position, and strong institutional framework scores.

Budget Variables

- State Aid
- New Growth
- Health Insurance
- Infrastructure and facility-related capital requests
- New Center building
- 12 North Main Street
- NVTHS assessment
- Energy costs
- Storm response and cleanup expenses
- Snow and ice deficit

Conclusion

- We welcome your input and suggestions
- We are committed to examine each and every opportunity
- We strive to continue to provide high quality services for our residents