

# Town of Westford



## Fiscal Year 2012 Budget Message

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Town Manager  
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# **BUDGET CONSIDERATIONS**

- **Economic factors**
- **Uncertainties**
  - **State aid for Fiscal Year 2012**
  - **New growth**
  - **Local receipts**
  - **Health Insurance**
  - **Litigation - Perchlorate, Newport Materials**
  - **Labor Contracts**
  - **Minot's Corner**
  - **Other Post Employment Benefits (OPEB)**

# **FISCAL YEARS 2010 & 2011**

- **Projected State Aid below FY 07 levels**
- **Slight increase in local receipts**
- **FY 11 town dept. budgets increased by .99%**
- **FY 11 WPS budget increased by 3.23%**
- **Bid most contracted services**
- **Reorganized departments**
- **Recreation Enterprise became self sufficient**
- **Established Advanced Life Support (ALS) Program**

# **FISCAL YEARS 2010 & 2011**

- **Sale of Tax Possessions Property \$369,000**
- **Sale of Permitting Software \$35,000+**
- **MWPAT low interest loan with Principal Forgiveness of \$495,614**
- **Early Retirement Savings of approximately \$244,000 over 2 ¼ years**

# Reductions to Expenditures FY10 & 11

- **Negotiated lower trash collect. & tipping fees** **\$207,000**
- **Recreation Enterprise became self supporting** **203,000**
- **Reduced computer replace costs (virtualization)** **150,000**
- **Reduced staffing levels** **123,000**
- **Delayed filling vacant positions** **50,000**
- **Internal hosting of financial systems (Munis)** **35,000**
- **Achieved utility savings** **26,000**
- **Reduced office supplies/printing costs** **10,000**
- **Installed solar panels (reduction in electricity)** **5,000**
- **Reduced gasoline usage/costs** **5,000**
  
- **Sample of savings** **\$814,000**

# Capital

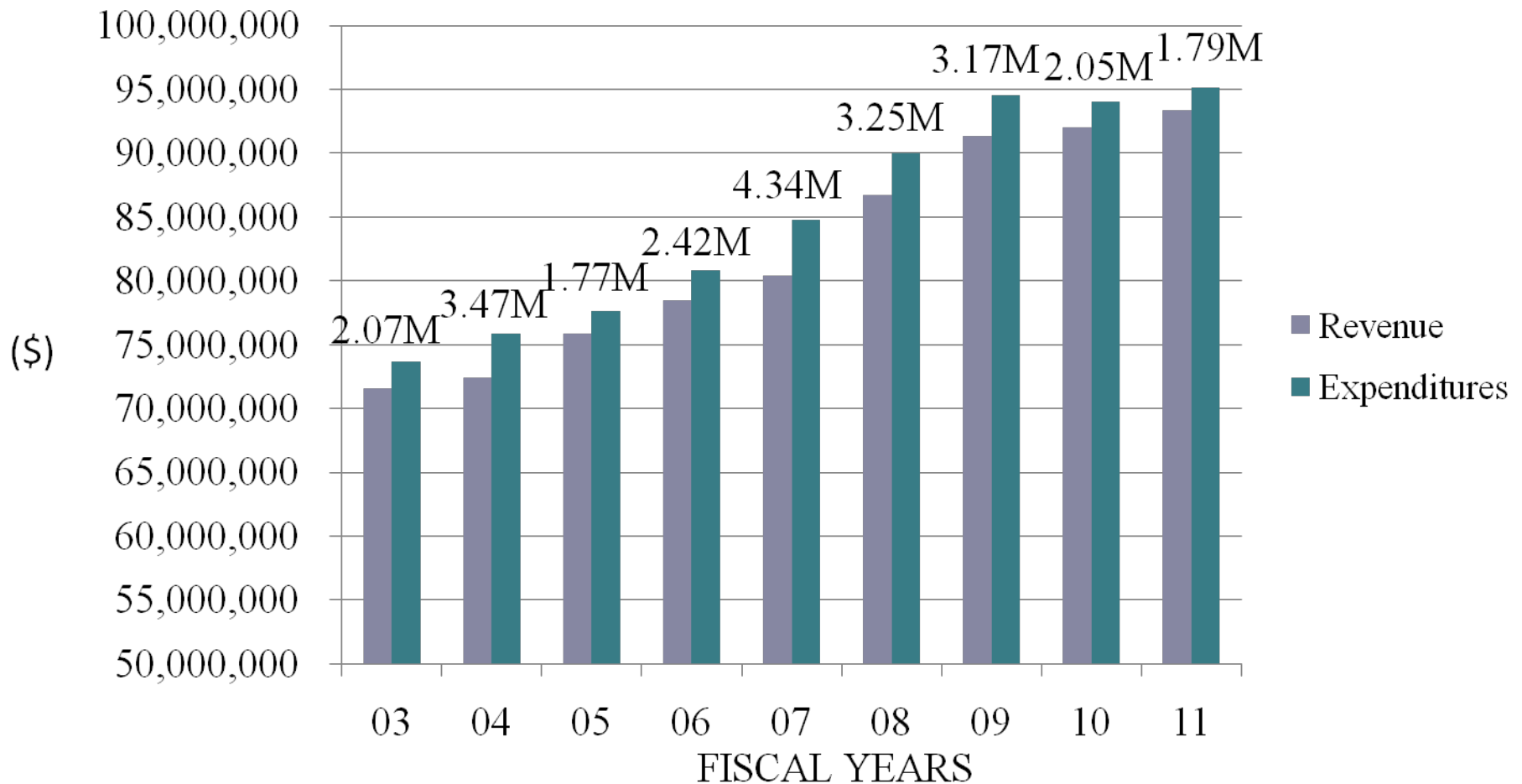
- **Capital Planning Committee**
  - **Document 1-5 year capital requests**
  - **Prioritize and recommend**
  - **FY10 town funded \$1.6 million**
  - **FY11 town funded \$2.0 million**
- **Capital Stabilization Fund**
  - **Balance after STM 10/18/10 action = \$767,125**
- **Town Hall renovations nearing completion**
- **Senior Center renovations completed – June 2010**
- **Nutting Road treatment plant nearing completion**



# **Fiscal Years 2010 & 2011**

- **Local receipts over projections \$54,789 in FY10**
- **Appropriation closeouts met expectations**
- **Total cash reserves \$5,611,653**
  - **6.65% of operating budget**
- **Reduced Free Cash to balance budget**
  - **\$265,536 less than FY10**

# Revenue versus Expenditure Comparison





# **Fiscal Year 2012 Revenue**

- **Uncertain economy**
- **Possible further state aid reductions**
- **Slight increases planned in motor vehicle excise**
- **New growth opportunities**
- **Recreation Enterprise continues w/ no subsidy**
- **Ambulance Enterprise to increase revenues due to ALS - projected no subsidy in FY14**
- **Reserves of \$5.6 million**



# **Fiscal Year 2012 Expenses**

- **Health insurance costs are up significantly due to increased enrollment and higher utilization**
- **Abbot Oil Spill cleanup complete**
- **General insurance increase due to reassessment of town properties**

# Health Insurance Overview

- **Enrollment as of July 1, 2009** **892**
- **Enrollment as of Oct 1, 2010** **961**
  
- **Increase of 69 employees enrolling**
- **Earned 23% increase – we are subsidized by MIAA Health Benefits Trust – therefore 13% increase beginning 11-1-10.**
  
- **FY10 Actual Expense** **\$6,455,172**
- **FY11 Projected (17% increase)** **\$7,550,000**
- **FY12 Budget (19% increase)** **\$8,894,500**
  
- **Open Enrollment ends 10-29-10 after which we will have an updated projection based on the number of additional plans.**



# **Fiscal Year 2012 Budget Guidelines**

- **Level fund all town & school budgets until State Aid finalized**
- **Fund \$767,125K capital from Capital Stabilization Fund**
- **Transfer \$171,261 from prior capital appropriations**
- **FY12 Budget \$222,941 under recommended reserves**



# Goals for Fiscal Year 2012

- **Maintain reserves at minimum recommended levels for bond ratings**
- **Maintain current service levels if possible**
- **Streamline procurement across town departments**
- **Reorganize staff/job responsibilities where needed**



# Summary

- **Facing an uncertain economy, with possible significant cuts to state aid, we were conservative while formulating our FY12 budget.**
- **Our goal is to continue to provide the excellent level of services that our town has been fortunate to expect and receive.**
- **Our hope is that the state aid will not be reduced, so we may review budgetary needs across all town departments.**