Town of Westford

Fiscal Year 2012 Budget Message

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Town Manager
October 26, 2010
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 YEARS

Revenue
Expenditures

($)

2.07M
3.47M
1.77M
2.42M
4.34M
3.25M
3.17M
2.05M
1.79M
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.