State of the Town
Fiscal Year 2013
Jodi Ross
Town Manager
March 24, 2012
WSO, WPA, OPEIU, WPWA, and School Custodians signed 2 year contracts
- 0% COLA in FY12 & FY13
- No step increases in FY12
Switched to Tufts Health Insurance on Nov. 1
- Estimated $551,072 town cost avoidance
Local Options Excise exceeding estimate of $350,000
Mitigation funding new call fire station in Parker Village
Mutual Aid Agreements with Public Works & Public Safety
Highlights

- New field completed at WA and two fields under construction on Nutting Road
- FEMA reimbursement for Irene and October snowstorm
- Conducted Annual Strategic Planning Retreat
- Sign bylaw revisions under way – public input sought
- Wireless bylaw adopted at Oct 17, 2011 STM
- Unaccepted Roads Com. prepared final recommendations
- Bond rating remains Aa2 for Moody’s and AA+ for S&P
- Budget Solutions Task Force meeting regularly
Board of Selectmen/Town Manager
2012 Goals - Financial

- Develop FY14 budget with two requests
  - Level services budget
  - Budget to remain above minimum recommended reserves
- Develop a bundled capital plan that includes a debt exclusion for Town Meeting/ballot vote
- Negotiate health plan design changes
## FY13 Projected Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>FY13 Budget</th>
<th>% inc/(dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westford Public Schools</td>
<td>$47,611,283</td>
<td>2.89%</td>
</tr>
<tr>
<td>Community Preservation</td>
<td>891,266</td>
<td>0.03%</td>
</tr>
<tr>
<td>Other Town Departments</td>
<td>18,485,305</td>
<td>1.10%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>7,460,456</td>
<td>0.01%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>5,866,057</td>
<td>3.33%</td>
</tr>
<tr>
<td>Unclassified</td>
<td>13,577,007</td>
<td>3.60%</td>
</tr>
<tr>
<td>N.V.T.H.S.</td>
<td>624,656</td>
<td>(10.35%)</td>
</tr>
<tr>
<td>FY12 Supplemental</td>
<td>272,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Amounts to be Raised</td>
<td>3,901,043</td>
<td>(20.59%)</td>
</tr>
<tr>
<td>Total</td>
<td>98,689,073</td>
<td>1.54%</td>
</tr>
</tbody>
</table>

State of the Town Presentation to Annual Town Meeting 3/24/2012
FY2013 Budget Summary

- Total cash reserves $4,671,517 (5.22% of budget)
- School budget increased by 2.89%
- Town budgets increased by 0.67%
  - Increase of 1.93% with Enterprise Subsidies - $157,066 for Recreation and $346,214 for Ambulance
- 5 union contracts with 0% COLA and step in FY13
- $1,313,500 in capital with $315,000 to be bonded
- Chapter 90 funding expected level at $886,045
- $50,000 to OPEB Stabilization Fund
- Nashoba Tech H.S. assessment lower due to decreased enrollment
Decreases in Assessor’s, Treasurer/Collector’s, and Technology budgets due to efficiencies

Shared personnel in Town Clerk & Town Mgr’s

Cont’d savings from re-org of Finance Dept

Received over $100k in insurance proceeds

Last payment for SAFER grant in June 2012

No offset for Animal Control

Reduction of $114,660 in excluded debt

Overall tax impact of 2.10%
FY 2013 Budget Summary

- Increased funding for public safety staff & equipment
  - Funded fire fighters originally hired under federal SAFER grant
  - $50,000 additional funding for Fire OT
  - Protective clothing and radios budgeted in Fire budget
  - 1 police officer to be hired mid-year
  - Bullet-proof vests budgeted in police budget
- Proposed $250,000 reserve fund for Water Enterprise under custody of Finance Committee
- Perchlorate expenses to be funded through Perchlorate Stabilization
## Capital Appropriations

Capital Planning Committee reviewed, prioritized and recommended town-wide capital budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise &amp; Appropriate</td>
<td>$826,972.00</td>
</tr>
<tr>
<td>Bonding</td>
<td>315,000.00</td>
</tr>
<tr>
<td>Approp. to Capital Stab.</td>
<td>171,528.00</td>
</tr>
<tr>
<td>Water Enterprise Free Cash</td>
<td>145,364.00</td>
</tr>
<tr>
<td>Water Completed Projects</td>
<td>180,990.56</td>
</tr>
<tr>
<td>Water Ent. Bonding</td>
<td>1,300,000.00</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$2,939,854.56</strong></td>
</tr>
</tbody>
</table>
## Debt Service

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Excluded Debt</td>
<td>8,418,851</td>
<td>8,972,048</td>
<td>7,655,384</td>
<td>6,589,850</td>
<td>6,475,190</td>
<td>6,221,314</td>
<td>5,921,358</td>
<td>5,973,133</td>
</tr>
<tr>
<td>Non-Excluded Debt*</td>
<td>815,923</td>
<td>741,006</td>
<td>800,620</td>
<td>869,753</td>
<td>983,266</td>
<td>858,107</td>
<td>682,819</td>
<td>472,004</td>
</tr>
<tr>
<td>Enterprise Debt</td>
<td>626,759</td>
<td>781,060</td>
<td>788,327</td>
<td>852,253</td>
<td>847,727</td>
<td>833,235</td>
<td>834,440</td>
<td>900,745</td>
</tr>
<tr>
<td>CPC Debt</td>
<td>788,269</td>
<td>789,369</td>
<td>880,035</td>
<td>875,970</td>
<td>876,266</td>
<td>874,861</td>
<td>872,022</td>
<td>870,610</td>
</tr>
<tr>
<td>WA Bleachers*</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>52,813</td>
<td>51,500</td>
<td>50,188</td>
<td>48,875</td>
<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,649,802</strong></td>
<td><strong>11,283,483</strong></td>
<td><strong>10,124,366</strong></td>
<td><strong>9,187,826</strong></td>
<td><strong>9,235,261</strong></td>
<td><strong>8,839,017</strong></td>
<td><strong>8,360,827</strong></td>
<td><strong>8,265,367</strong></td>
</tr>
</tbody>
</table>

*Short Term Debt is Estimated
Debt Service

State of the Town Presentation to Annual Town Meeting 3/24/2012
FY13 Projected Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue</td>
<td>$61,624,357</td>
</tr>
<tr>
<td>Local Revenue</td>
<td>6,966,626</td>
</tr>
<tr>
<td>State Aid</td>
<td>19,537,069</td>
</tr>
<tr>
<td>Enterprise Revenue</td>
<td>5,362,777</td>
</tr>
<tr>
<td>Reserves Applied</td>
<td>2,795,731</td>
</tr>
<tr>
<td>Other Available Funds</td>
<td>2,402,513</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98,689,073</strong></td>
</tr>
</tbody>
</table>
FY 2013 Projected Revenue

- Reserves of $4.67 million
- New Growth projection of $900,000
- Lease revenue from East Boston Camps & Roudenbush
- Local options revenue tracking higher than expected after two payments
- Decrease in State Aid
- Local Revenue estimated 2.5% increase in FY13
- Expecting FEMA reimbursements
FY13 Estimated Revenue

- Tax Revenue: 61,624,173 (62.93%)
- Other Available Funds: 1,309,513 (1.34%)
- Reserves: 2,928,354 (2.99%)
- Enterprise: 5,659,042 (5.78%)
- Local Revenues: 6,864,126 (7.01%)
- State Aid: 19,542,399 (19.95%)
Free Cash Applied to Balance the Budget

Free Cash Applied

State of the Town Presentation to Annual Town Meeting 3/24/2012
Health Insurance average 15% annual increase over past 5 years, including 0% in Nov. 2011
Middlesex Retirement Assessment increased 7.4% each year from FY08 to FY13
Gasoline - $266,705 in FY09 to $304,085 in FY13
State Aid essentially level since FY10
Investment earnings 8% of total from FY07
Motor Vehicle Excise down $150,000 from FY06
Health Insurance Overview

- FY13 Budget (17.3% increase) $9,438,000
- FY12 Projected Expense (8.9% increase) $8,040,000
- FY11 Actual (14.3% increase) $7,378,422
- FY10 Actual Expense $6,455,172

- Only 67% of eligible employees are enrolled in town’s plan
- Town contributes 65% for HMO and 60% for PPO
- Average 15% budget increase over past five years
- Health plan design changes being bargained this spring

- Enrollment as of Mar 1, 2012 985
- Enrollment as of Oct 1, 2010 961
- Enrollment as of July 1, 2009 892
State Aid

![Bar chart showing State Aid for FY07 to FY13](image)

- **Res for Direct Expenditure**
- **School Construction**
- **Revenue**

State of the Town Presentation to Annual Town Meeting 3/24/2012
- 5.25% in Sept 2007 down to .25% in Dec 2008
- The projected income for FY13 is $66,625
  - Down from $846,064 in FY07

General Fund Investment Income

State of the Town Presentation to Annual Town Meeting 3/24/2012
Motor Vehicle Excise Tax - FY06 to FY13
Sample of Efficiencies

- Bid gasoline, utilities, town counsel, insurance, health insurance, town maintenance contracts, all highway contracts
- Reduced staffing through attrition
- Restricted the use of town vehicles
- Finance, facilities, GIS, animal control, and other department reorganizations and efficiencies
- Streamlined procurement
- Negotiated lower tipping fees with trash collectors
Initiatives to Generate New Revenue

- Sold Tax Possession Sale Committee properties
- Entered leases with Roudenbush & GuardUP
- Sold surplus vehicles & equipment
- Sold permitting software program to other communities
- Re-established fees for Sealer of Weights & Measures inspections
- Increased fees for bulk item disposal
FY13 Budget Challenges

- Uncertainties
  - Labor contracts (5 of 12 settled thru FY13)
  - FY13 Health insurance enrollment and premiums
  - Litigation
  - Perchlorate expenditures
  - Waste water treatment plant operations
  - Snow and ice deficit
  - Severe storms, town’s response and recovery costs
FY13 Budget Challenges

- Increased debt inside the levy limit due to bonding for capital (est. $99,734)
- Federal Education Jobs Bill Funds unavailable (funded 25 school staff)
- Special Education mandates
- SAFER grant program ended (funded 8 FFs)
- Retirement assessment
- Rising gasoline costs
- Maintaining buildings
$3.4M projected deficit for FY14

Assumptions:
- 2.5% increase for schools
- 1.0% increase for town
- 1.75% for Nashoba Tech H.S assessment
- 20% increase for health insurance
- 10% increase for Middlesex Retirement
- $1.5M in operational budget for capital
- Level state aid
- 2.5% increase for local revenue
- New growth estimated at $900,000
- $1M free cash generated
Future Challenges – FY14 and Beyond

- Capital Planning Committee looking at long-term capital needs and recommendation to “bundle” and bond
- No union contracts are settled for FY14
- Health insurance
- Facility-related capital requests and building maintenance needs
- Fluctuations in fuel prices
- Projected revenues are not expected to increase at the same rate as expenditures
- Budget Solutions Task Force looking at all opportunities
Conclusion

We are committed to working with our entire community to make this work.

Thank you to our board members, department heads, employees, volunteers, and residents at large for your creativity, collaboration, countless contributions, and most of all, for your unwavering dedication and commitment to our community.