Fiscal Year 2014 Budget Message

Jodi Ross
Town Manager
November 27, 2012
Goals for FY2014 Budget

- Introduce a new budget format
  - Mission statements, organization charts, narrative
  - Includes public from beginning of process

- Maintain current level of services
  - Address police and permitting dept staffing levels
  - Create centralized building maintenance budget

- Sustain town assets through capital investment and preventive maintenance

- Contribute to OPEB account

- Maintain reserves above minimum recommended levels to prepare for pending contractual obligations in FY15
Budget Impacts from FY 2012

- Switched from MIAA to Tufts (saved $524,000)

- Settled 11 of 12 contracts for 0% COLA - froze steps in FY12 and/or FY13

- Adopted Meals & Hotel Excise tax – additional $427,145
  - $265,698 in meals and $533,470 in hotel tax - add’l $372,024

- Local Revenues increased by $722,318

- State Aid level in FY12

- New Growth $1,210,815 - $310,815 over projections
FY2013 Budget Highlights

- Town budgets decreased by 0.40%, school budget increased by 2.50%
- School resource officers for N.V.T.H.S. & WA
- 11 union contracts with 0% COLA and no step/health insurance plan design changes
- Bonded $315,000 for FY13 capital
- State aid increased by $369,029
- Total cash reserves $7,583,838 (8.5% of budget)
Health Insurance Overview

- Enrollment as of Nov 1, 2010: 967
- Enrollment as of Nov 1, 2011: 964
- Enrollment as of Nov 1, 2012: 997

- Approximately 67% of eligible employees on town’s plan
- Switched to Tufts Health Plan – Nov 1, 2011
- Increased co-pays, plan design changes – Nov 1, 2012

- FY10 Actual Expense: $6,455,172
- FY11 Actual (14.3% increase): $7,378,422
- FY12 Actual (8.9% increase): $7,724,048
- FY13 Budget (12.7% rate increase 11-1-12): $9,438,000
- FY14 Budget (7.4% increase): $10,131,521

- FY14 Budget allows for a 15% increase on 11-1-13 (less conservative)
FY 2014 Budget Guidelines

- Requested a “level-services” budget for town departments
- Schools received 2.50% and towns a net 2.04% increase
- Funded $1,500,000 in Capital Appropriations
- Planned conservatively for state aid (level funded)
- Planned for $900,000 new growth
- Projected 2 ½% increase in local revenues
# FY14 Projected Revenues

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Tax Revenue</td>
<td>$64,047,118</td>
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<tr>
<td>Local Revenue</td>
<td>7,249,552</td>
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<tr>
<td>State Aid</td>
<td>19,862,504</td>
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<tr>
<td>Enterprise Revenue</td>
<td>5,663,668</td>
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<tr>
<td>Reserves Applied</td>
<td>2,985,431</td>
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<tr>
<td>Other Available Funds</td>
<td>1,268,381</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$101,088,654</strong></td>
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</tbody>
</table>

Fiscal Year 2014 Budget Message - Jodi Ross, Town Manager
Projected Reserves of $5.63 million (6.1%)

New Growth opportunities with Cornerstone, Red Hat, Graniteville Woods, & Tadmuck Meadows
- $900,000 new growth estimate

Local Revenue projected increases of 2.5%
- Motor vehicle excise
- Local options excise
- Licenses & permits

Level State Aid projection
 Fiscal Year 2014 Estimated Revenues

- Tax Revenue: 64,047,118 (63.36%)
- Local Revenues: 7,249,552 (7.17%)
- Enterprise: 5,663,668 (5.60%)
- Reserves: 2,985,431
- Other Available Funds: 1,280,381 (1.25%)
- State Aid: 19,862,504 (19.65%)
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Westford Public Schools</td>
<td>$48,801,566</td>
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<tr>
<td>Community Preservation</td>
<td>889,861</td>
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<tr>
<td>Other Town Departments</td>
<td>19,232,813</td>
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<tr>
<td>Debt Service</td>
<td>7,230,564</td>
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<td>Enterprise</td>
<td>6,054,491</td>
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<td>Unclassified</td>
<td>14,704,802</td>
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<td>N.V.T.H.S.</td>
<td>680,000</td>
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<tr>
<td>Other Amounts to be Raised</td>
<td>3,494,557</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101,088,654</strong></td>
</tr>
</tbody>
</table>
FY2014 Operating Budget

- Westford Public Schools: $48,801,566 (50.00%)
- N.V.T.H.S.: $680,000 (0.70%)
- Unclassified (Incl. insurances, pension, Medicare): $14,704,802
- Enterprise: $6,054,491 (6.20%)
- Debt Service: $7,230,564 (7.41%)
- Other Town Departments: $19,232,813 (19.71%)
- Community Preservation: $889,861 (0.91%)
FY 2014 Budget Highlights

- Westford Public Schools – additional $1,210,895
- Employees benefits & general insurance - $1,120,895
- Additional police personnel - $193,260
  - 2 Patrolmen & N.V.T.H.S. School Resource Officer
    - N.V.T.H.S. reimbursement is general fund revenue
- Reallocated police cruisers from capital to operating budget - $88,424
- Increased funding for OPEB – add’l - $50,000
- Increased Veterans’ Services Expenses - $48,469
  - 75% reimbursement from state
FY 2014 Budget Highlights

- Increased staffing hours in building and permitting - $46,287
- Created Public Bldgs. & Property Maint. Budget - $10,000
  - 50% Facilities Technician from 410 Engineering
  - 20% Maintenance Worker from 192 Town Hall
  - $5,500 in expenses from 123 Town Manager
- Emergency Mgmt. Shelter Supplies trailer - $7,500
- Recreation Enterprise applying $1,100,500 to balance budget
- Ambulance Enterprise applying $650,000 to balance budget
Capital Planning Committee
- Documents 1-5 year capital requests
- $20M+ in requests from FY14 to FY18

FY14 Recommendation - $2.4 million
- $1.5 million budgeted for “pay as you go”
- Will recommend to borrow for the larger capital items
- Debt Service budget allows for $139,812 in additional borrowing for FY14
- CPC official recommendation will occur on December 7
- Capital Stabilization balance is $189,288
199 Public Buildings & Property Maintenance budget created to centralize & address town-wide facility issues

Permanent Town Building Committee presented preliminary recommendations for existing town facilities

- Broadway fire station, Technology building, 35 Town Farm Rd.

Requesting BOS support for capital funding of town-wide facility condition assessment
Budget Variables

- Health Insurance
- FY year-end tax rate recap
- Collective bargaining agreements
  - Only teachers settled in FY14
  - IAFF in arbitration
- State aid (level budgeted for FY14)
- Middlesex Retirement
- N.V.T.H.S. Assessment
Budget Variables

- OPEB funding
- Litigation – Newport Materials
- Ongoing perchlorate remediation expenses
- Storm response & cleanup expenses
- Snow & ice deficits
- Municipal and school sewage treatment plants
- Stormwater regulations
- New Growth – Cornerstone, Red Hat, Graniteville Woods, Tadmuck Meadows
Budget Solutions Task Force

- Installation of cell tower antennas on town property
- Reduce costs of solid waste collection
- Debt Exclusion Possibilities
- Override Scenarios
Future Challenges

- Health insurance
- Collective bargaining agreements
  - Double step for teachers to impact FY15 budget
  - Fire Fighters (IAFF) arbitration
- Infrastructure and facility-related capital requests and building maintenance needs
- Fluctuations in fuel prices
- OPEB
Thank you to our board members, department heads, employees, and volunteers for your creativity, collaboration, countless contributions, and most of all, for your unwavering dedication and commitment to our community.