

Town of Westford



Fiscal Year 2016 Budget Message

Jodi Ross
Town Manager
November 18, 2014

FY2016 Budget Highlights

- Adhered to BoS FY16 Budget Direction Policy
- Maintained reserves above minimum recommended levels to prepare for pending contractual obligations and anticipated capital needs
- School department received a 4.45% increase and other town departments received a 3.13% increase
- Health Insurance budget increased by \$10,060 over FY15
- Funded \$4,200,000 in capital projects

FY2016 Budget Highlights

- Increased OPEB funding to \$712,425 up from \$500,000 in FY15
- Funded perchlorate remediation at \$220,000 to address annual DEP required actions
- Transferred wastewater treatment plant operations funding from the School Department and 440 Sewage Collection to 442 Wastewater Treatment Plants

FY2016 Budget Highlights

- Added two employees to be shared between the 650 Parks and Grounds Department and the 421 Highway Department at a cost of \$94,153. Care and maintenance of East Boston Camps was transferred to Parks and Grounds with an offset of \$14,000 from the Land Management 660
- Created a non-union Deputy Fire Chief position from an existing Firefighter/EMT position, with an incremental cost of \$40,000

FY2016 Budget Highlights

- Police overtime budget increased by \$36,332 for contractual increases and to assist with funding additional shifts
- Added \$25,000 to 199 Public Buildings and Properties Maintenance to assist with town facility preventative maintenance, and \$7,830 for using staff to provide Owner's Project Manager services

FY2016 Budget Highlights

- Increased \$7,000 in 152 Human Resources Professional Development to cover education expenses for town employees
- Increased hours of the shared administrative assistant in the Assessors and Treasurer/Collector's offices by 4 hours a week (to 37.5 hours total per week) at a cost of \$4,992 due to the Assessor's additional personal property work performed in-house.

FY2016 Budget Highlights

- Added a stipend to the Assistant Planner to produce minutes for the Planning Board (\$4,400) and Board of Appeals (\$2,100) outside of her regular 24 hours per week in response to work load requirements
- Refinancing the Highway Garage construction bond to save an estimate \$400,000 over the next ten years – as this is debt excluded, the savings will go directly to our tax payers

Health Insurance Overview

- Enrollment as of Nov 1, 2011 964
 - Enrollment as of Nov 1, 2012 997
 - Enrollment as of Nov 1, 2013 1,016
 - Enrollment as of Nov 1, 2014 1,011
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- Approximately 59% of eligible employees on town's plan
 - Increased co-pays, plan design changes – Nov 1, 2012
 - Switched to Blue Cross Blue Shield – Nov 1, 2013
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- FY11 Actual (14.3% increase) \$7,378,422
 - FY12 Actual (8.9% increase) \$7,724,048
 - FY13 Actual (12.7% rate increase 11-1-12) \$8,166,078
 - FY14 Budget (7.4% increase) \$8,141,183
 - FY15 Budget (estimated closeout of 1.1M) \$9,489,940
 - FY16 Budget allows for an 8% increase on 11-1-15 \$9,500,000

\$500,000 in Health Insurance Stabilization Fund

Health Insurance

- In FY15 we budgeted for an 8% increase – negotiated a 5.1% increase for non-Medicare, 4.1% increase in Medicare supplemented plans
- \$500,000 in Health Insurance Stabilization Fund
- FY16 budget reflects \$10,060 increase from FY15
- Expected closeouts in FY15 of \$1,100,000

Other Post Employment Benefits

- The current liability decreased from \$72M to \$50M with the 36.5% decrease to Medex Plan in FY14
- New actuarial study to occur in FY16
- Proposed new OPEB policy – annually fund “normal costs” – accrued liability for every employee hired after 1/1/12
- OPEB Trust Fund current balance \$1,418,267

Public Facilities

- Town-wide facility condition assessment presented in September 2014
- Comprehensive review of 28 buildings – identified \$21M in needed repairs
- Center Fire Station, Town Farm & Farm Storage Building need major reconstruction
- Funded \$400,000 to begin addressing needs

Capital Investment

- Capital Planning Committee
 - \$58M in requests from FY16 to FY20
- FY16 Recommendation - \$4.2 million
 - \$3.5 funded from Free Cash (includes \$1M for fire station design)
 - \$440,977 from prior appropriations for capital
 - Approximately \$256,023 from Capital Stabilization
 - Capital Stabilization current balance is \$1,127,710

Budget Impacts from FYs 14 & 15

- Settled 4 of 6 town collective bargaining agreements – CWA, OPEIU, WPA and WPWA for FYs14-16
- Schools settled Unit A teachers, Unit C school nurses, Unit E teacher assistants, school custodians
- Negotiated 5.1% non-Medicare health insurance, 4.1% Medicare supplemented plan
- Local Receipts over projections by \$937,620
- New Growth \$1,808,449
- .84% increase in State Aid – add'l \$153,431

Budget Impacts from FYs 14 & 15

- Total Cash reserves \$8,530,709 or 9.4% of operating budget as of June 2014
- FY15 Budget balanced with \$149,339 of Free Cash
 - \$1,846,000 less than in FY14
- Closest to balanced budget since year 2000
- Standard and Poors increased our bond rating from AA+ to AAA

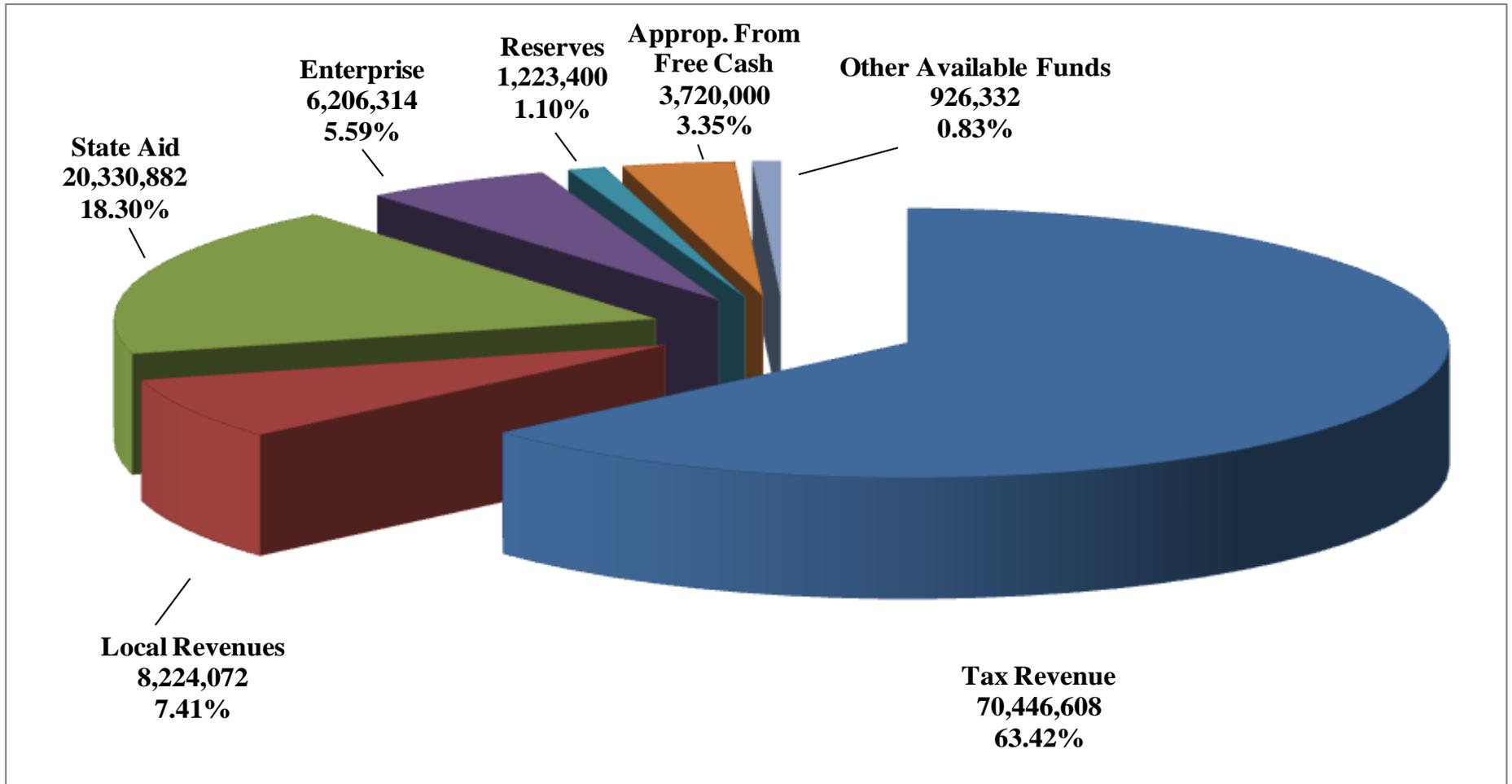
FY16 Projected Revenues

Tax Revenue	\$70,446,608
Local Revenue	8,224,072
State Aid	20,330,882
Enterprise Revenue	6,206,314
Reserves Applied	1,223,400
Other Available Funds	926,232
Free Cash	3,720,000
Total	\$111,077,508

FY16 Projected Revenues

- Current Reserves of \$8,981,086 reduced to \$5.3M (5.5%)
- Examples of appropriations from Free Cash include:
 - \$220,000 to fund perchlorate
 - \$3.5M in Capital “pay-as-you-go”
- Local Revenue projected increases of 2.5%
- \$1M new growth estimate
- Level State Aid projection
- FY15 Closeout at \$1.5M

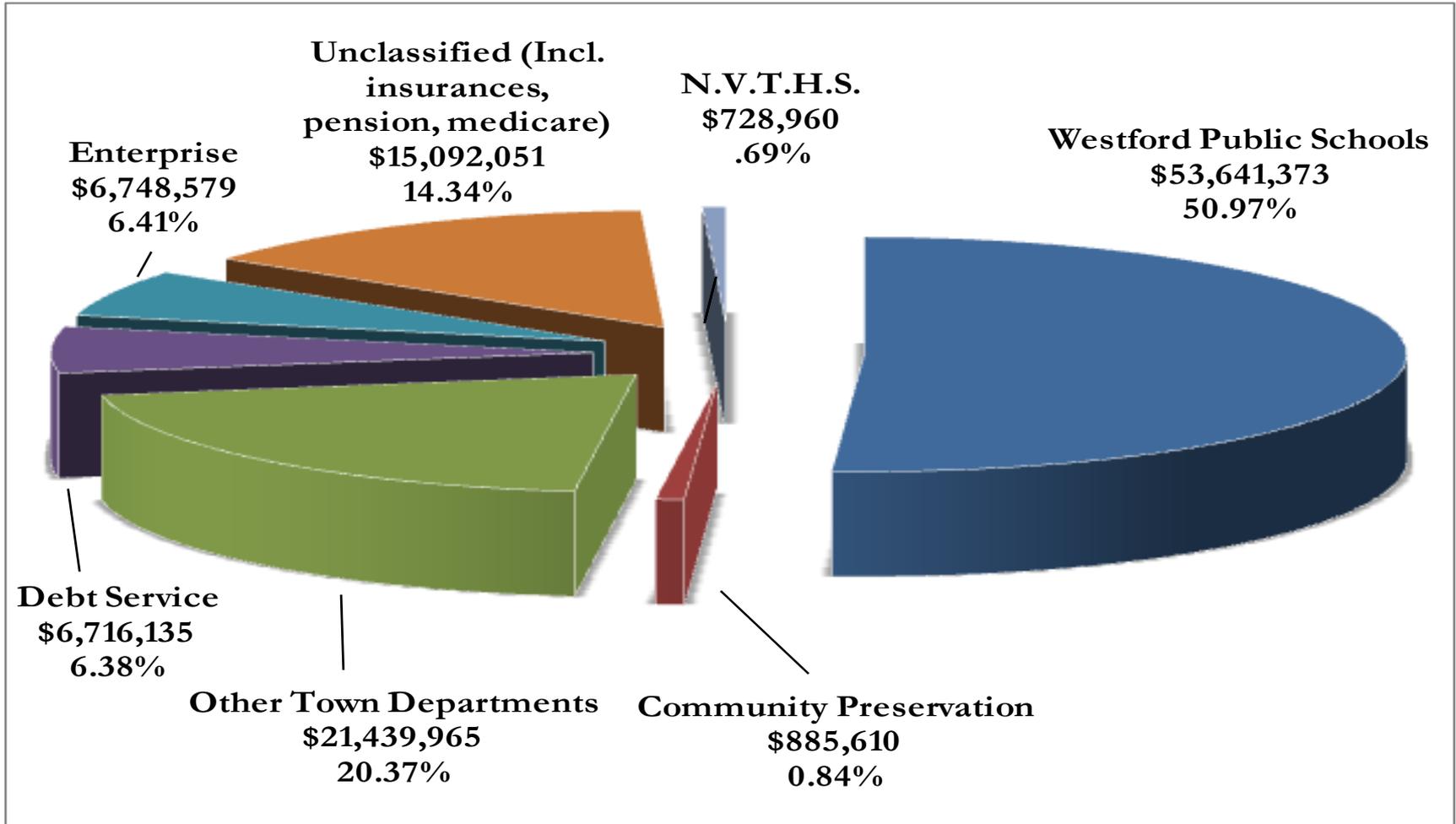
FY16 Estimated Revenues



FY16 Projected Expenditures

Westford Public Schools	\$53,641,373
Community Preservation	885,610
Other Town Departments	21,439,965
Debt Service	6,716,135
Enterprise	6,748,579
Unclassified	15,092,051
N.V.T.H.S.	728,960
Other Amounts to be Raised	5,824,835
Total	111,077,508

FY16 Operating Budget



Budget Variables

- Infrastructure and facility-related capital requests
- Health Insurance
- N.V.T.H.S. Assessment
- Collective bargaining agreements
- State aid (level budgeted for FY16)
- New Growth
- Middlesex Retirement Assessment

Budget Variables

- Litigation
- Energy costs
- Ongoing perchlorate remediation expenses
- 12 North Main Street – Westford Anodizing
- Storm response & cleanup expenses
- Snow & ice deficit
- Stormwater regulations

Conclusion

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.