

Town of Westford



Fiscal Year 2026 Budget Message

Kristen Las
Town Manager
December 10, 2024

Presentation Overview

- Budget Objectives – Including Draft Strategic Outcome Areas
- Review FY25 Service Cuts
- Review of projected gap between FY25 and FY26
- FY26 Budget Overview including Capital and Debt Service
- Timeline of FY26 Budget Process
- How the Public can stay involved

FY26 Town Budget Overview

- Strive to adhere to Select Board [FY26 Budget Policy Direction](#)
- Continue to incorporate recommendations from the [Budget Task Force Final Report](#)
- Use the [draft Strategic Plan](#) as a guide
- We heard from the voters that there is no appetite for an override
- We continue to face a structural deficit – costs are increasing faster than revenue (Proposition 2 ½ constraints)

Review of FY25 Service Cuts - Summary

- Town departments reduced by \$119,302 or 0.42% decrease
 - Reduction in public safety, sustainability coordinator, finance and accounting, road repairs/maintenance and snow & ice operations, library hours, administrative support, building permit and inspection review, and the Healthy Lakes and Ponds initiative
 - 2 police officers, 2 firefighters, 1 dispatcher, 1 sustainability coordinator, 1 heavy equipment operator, 0.9 FTE part-time library worker, 0.5 Finance/Accounting Admin, 0.4 FTE DPW business manager, interns for the Land Use Management Department, and Building Department inspector coverage
- Allocating schools additional \$1,695,791 or 2.57% increase
 - Net Reduction of 51.6 FTE's. 30.2 FTE's would have been reduced with the override budget, including 8.2 classroom teachers due to lower enrollment and 18 SpEd Van Drivers due to outsourcing, 1.0 admin due to merge of duties, and 3.0 Administrative Staff
 - 21.4 FTE's were reduced because the override did not pass, including 3.0 Elem. Literacy Specialists, 2.0 MS Reading Teachers, 9.4 WA Classroom Teacher, 4.0 MS Interventionists, 2.0 Elem Classroom Teacher, 1.0 WA Library Media Specialist

FY26 Budget Challenges

- Absorbing FY25 Cuts
- Presenting a balanced budget to set the tax rate
- Large labor, energy and services contracts are increasing
- Commitment for recruitment and retention of quality employees
 - Competitive pay for employees
 - Providing competitive health insurance coverage while controlling expenses
 - Commitment to professional development and training
- Prop 2 ½ presents real constraints that will continue to drive service cuts
 - Structural deficit where costs are increasing faster than revenue
 - Using one time funds (ARPA, revolving) to plug the gap
- New revenue opportunities are limited and will take some time
 - MBTA multifamily zoning has significant new growth potential in future years beyond FY26
 - FY24/25 Contracting with Economic Development consultant

FY26 Forecast Changes

Last year we forecasted a shortfall of **\$4.08m** for FY26. The combined effect of **forecasted updates, use of one-time fund, underinvestment, and efficiency gains** bring us to balance.

- **Favorable changes in forecast (revenues) \$1.09m**

- Permits and Fees due to MBTA Zoning
- Investment Income
- Motor Vehicle Excise
- State Aid – Chapter 70 allocation higher than anticipated

We do not expect the volatile cost drivers to remain low in future years and believe there is substantial risk to continued underinvestment.

- **Less Favorable changes in forecast (expenses) (\$510k)**

- Increased enrollment at Nashoba Tech, other general expenses

- **Not sustainable or best practice \$1.11m**

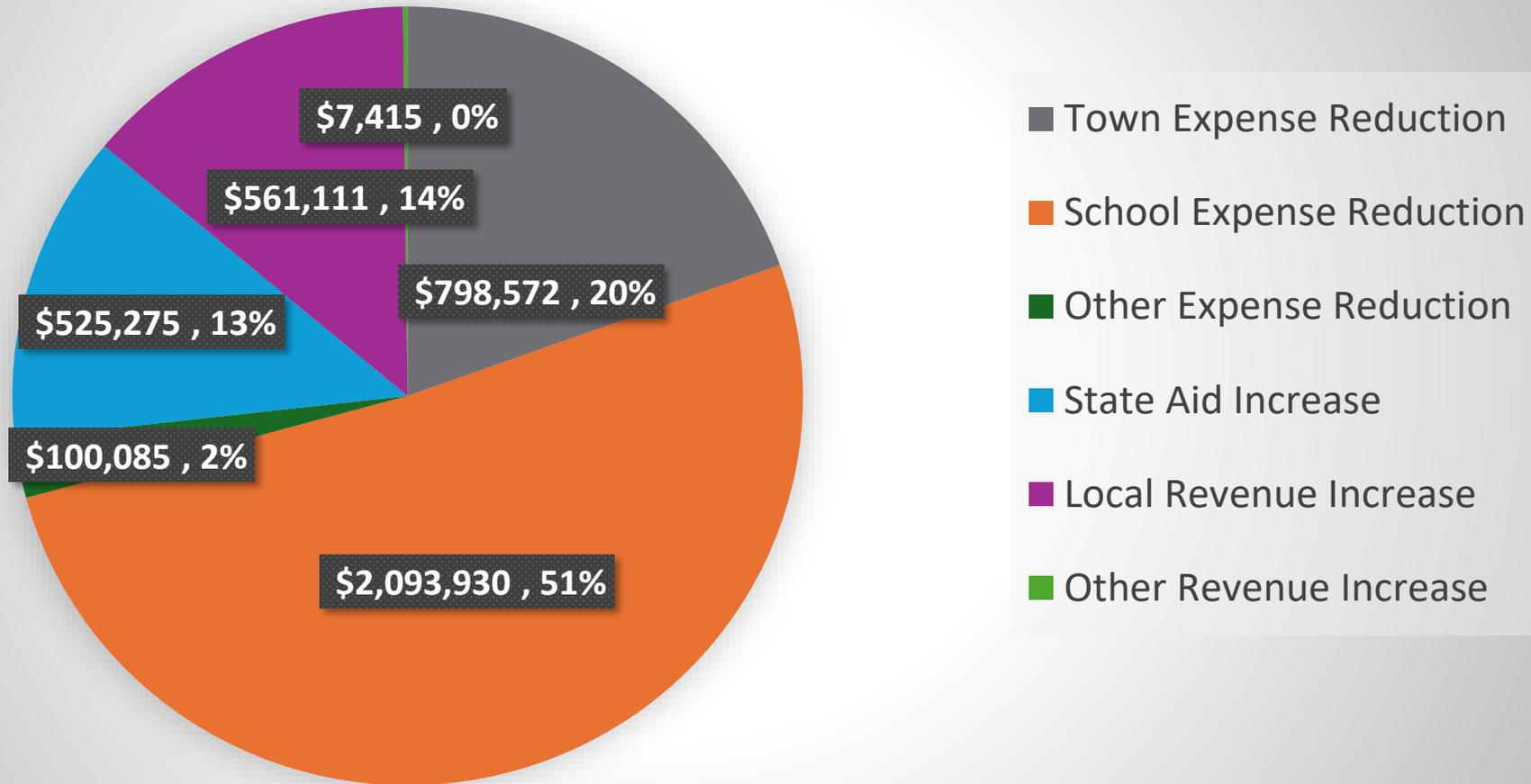
- Contributing 60% of scheduled amount to OPEB Trust – Continuing to Underfund
- Use of School Reserve Funds – Planned Drawdown over 3 to 4 years
- Increase Amount of School Circuit Breaker Funds – Varies year to year based on claims
- Use of ARPA funding to plug operating and capital costs.

FY26 Forecast Changes – Cont.

- **Efficiency Gains \$1.06m**
 - Solid Waste and Recycling new vendor and policy enforcement including tonnage reduction
 - Restructure Debt – Proposal to Pay off three capital projects early
 - Centralized fleet fueling
 - Several energy efficiency projects to reduce future utility costs
 - No General Fund Subsidy for Recreation Ent. and Reduce Subsidy for Ambulance Ent.
- **Other Adjustments \$1.33m**
 - Westford Public Schools – Changes in Special Education Tuition – Other Reductions
 - Employee turnover has led to operational savings in DPW, Police, and Ambulance
 - Professional development cuts
 - Changes in Forecast to School Budget

FY26 Forecast Changes

Funding the FY26 Budget Gap: \$4,086,388



FY26 Budget - Increases

- Compensation Reserve in Human Resources budget - \$700,000 to cover six Town collective bargaining agreements.
- Legal labor expenses - \$10,000 to reflect actual expenditures.
- Planning Board budget - \$5,000 for planning studies for FY26. This is to match a portion of a state grant and may need to be supplemented if we do receive funding.
- Nashoba Tech Budget - is not final, but projecting a 20.80% increase as Westford's enrollment is increasing by 14 students in FY26.
- The Seasonal Staff position is being split between the Cemetery and Parks and Grounds budget.
- The Veteran's Tax Work Program was increased from \$4,500 to \$7,500 to allow five Veterans to work in the program.
- Utility costs increased due to contract obligations.
- Electricity budget for Street Lights increased - \$15,000 as the credit we received for switching to LED lights is expected to be used.

FY26 Budget - Decreases

- Centralized fueling at the DPW garage - estimated \$30,000 over the FY
- The Assessors office further reduced contracted services \$3,000 due to the expiration of the Patriot Properties contract. More work is being performed in-house.
- Waste Collection and Disposal budget - decreasing by \$29,347. The trash tonnage volume for solid waste disposal has decreased and blended value revenue for recyclable commodities have increased in FY25 after three months of collections.
- DPW and Public Facilities small capital projects proposal at Town Meeting to pay off early - \$242,148 budgetary savings.
- The Recreation Enterprise budget does not include a General Fund subsidy after having a subsidy of \$35,927 in FY25. Enrollment in programs increased.
- The part-time DPW Business Manager is being funded in the Water Enterprise budget. The position is shared between the Water Enterprise (65%), Stormwater Enterprise (30%), and general fund (5%).

FY26 Budget Overview – Other Changes

- The Community Wellness salary is offset with \$25,000 from the Opioid Settlement funds in the Town Manager budget (replacing ARPA funding)
- The Town Accountant sought quotes for a new audit firm, saving approximately \$19,000 over the next two years.
- The 405 Department of Public Works (DPW), 410 Engineering, and 421 Highway Department are all combined into one “DPW” budget.
- Library expenses have been reallocated to Books & Subscription for when the department moves offsite during building construction. The money from utilities moved to a new line.

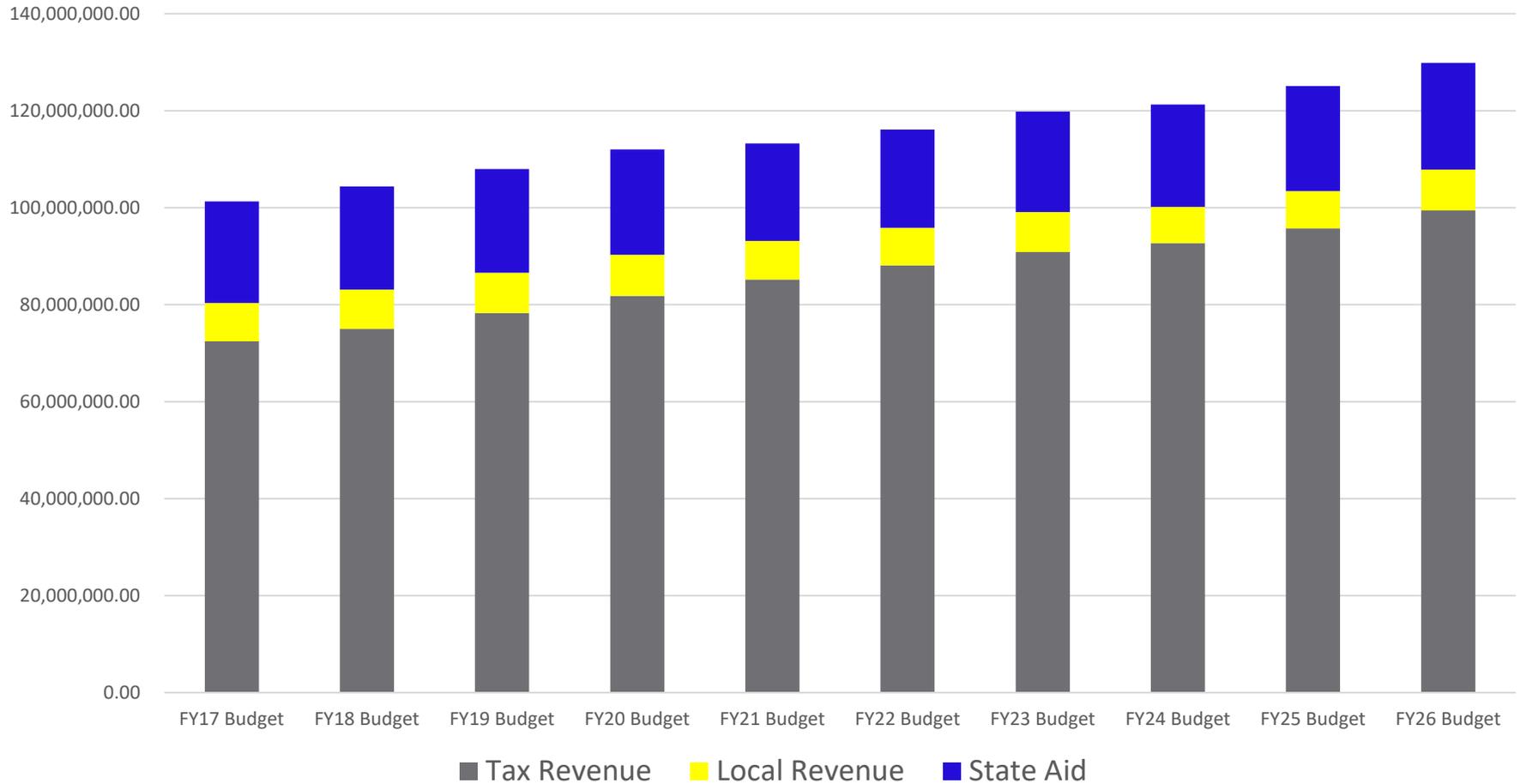
Ongoing Efforts for Operating Efficiencies / Revenue Opportunities

- Aligning our goals and efforts to the draft Strategic Plan
- Pursuing energy efficiency projects and exploring new funding mechanisms
- Continuing to monitor and examine health insurance opportunities
- Comprehensive Long-Term Capital Planning Efforts
 - Town Space Needs Study alongside School Space Needs
 - Revamped capital database
 - Centralized fleet management opportunities
- Technology integration
- Shared service agreements both internal and external
- Reviewing Fees for Services
 - Examples include Ambulance, Permitting, Recreation, Solid Waste, etc.
- Strengthening Economic Development outreach and capacity

FY25 vs. FY26 Projected General Fund Revenue

Revenue	FY25	FY26	Variance
Tax Revenue	\$95,710,863	\$99,419,048	3,708,185
Proposition 2 ½ Override	0	0	0
Local Revenue	7,717,769	8,412,580	694,811
State Aid	21,675,207	22,005,071	329,864
Total	\$125,103,839	\$129,836,699	\$4,732,860

General Fund Revenue FY17 to FY26

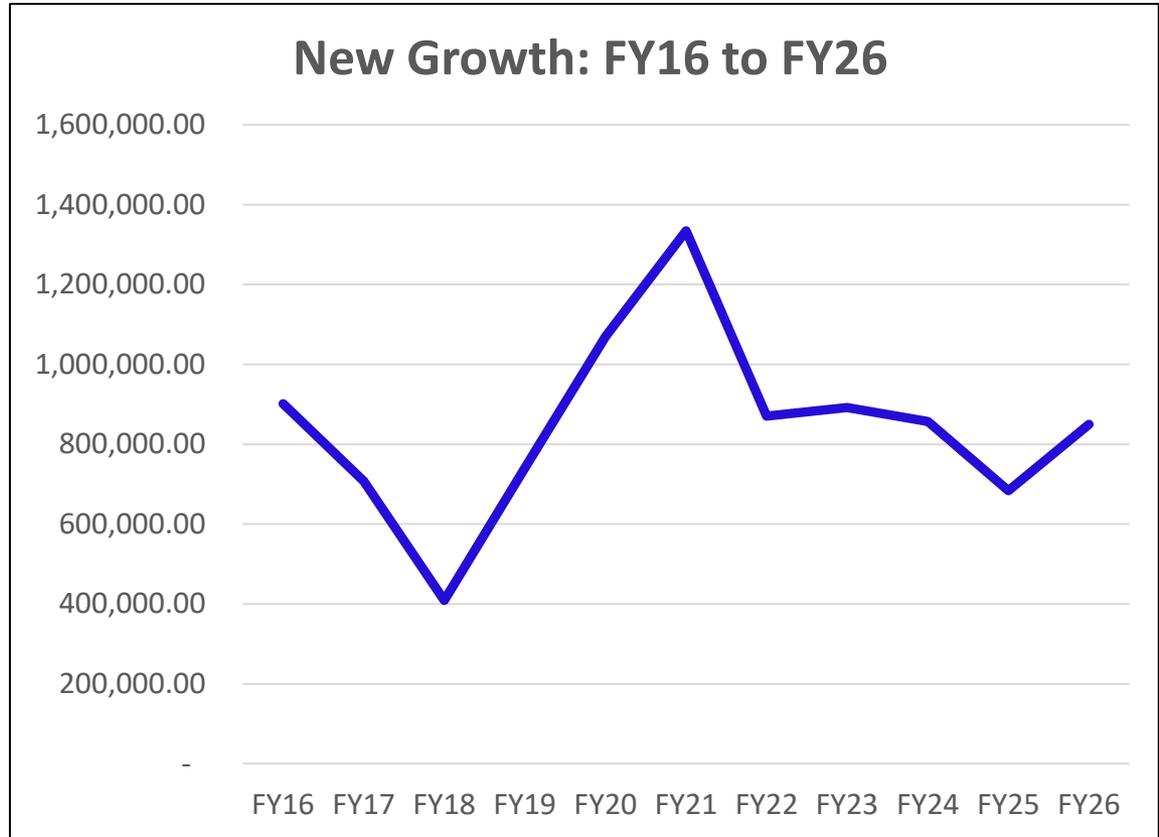


FY26 State Aid Assumptions

- Governor's budget not due until January 22, 2025
- Assumptions include:
 - Additional \$60 per student in Chapter 70 funding, or 1.47% increase
 - 2% increase to Unrestricted Government Aid
 - 1% increase in all other revenue
 - 2.5% increase for State Assessments
- Nashoba Valley Technical High School assessment to be adjusted after Governor's budget released

New Growth Historical Data

Fiscal Year	New Growth
FY26*	\$850,000
FY25	\$684,063
FY24	\$856,873
FY23	\$892,263
FY22	\$870,884
FY21	\$1,234,704
FY20	\$1,069,837
FY19	\$740,243
FY18	\$408,857
FY17	\$707,422
FY16	\$901,454



*FY26 Estimated Growth

Projected Additional FY26 General Fund Revenue

New Revenue	FY26
Tax Revenue: Prop. 2 ½ Increase	\$2,354,798
Tax Revenue: New Growth	850,000
Proposition 2 ½ Override	0
Tax Revenue: PY Excess Capacity	34,044
Tax Revenue: Debt Exclusions	469,343
Local Revenue	694,811
State Aid	329,864
Total New G/F Revenue	\$4,732,860

Allocation of New Revenue

Allocation of New Revenue	FY26
Employee Benefits and General Insurance	1,670,400
Net Debt Service	422,792
NVTHS Assessment	308,884
Other Amounts to be Raised	5,662
Allowance for Abatements	9,917
State Assessments	18,488
Subtotal	(\$2,436,143)
Funds Remaining for Departmental Expenses	\$2,300,665
Westford Public School Budget 78%	1,803,217
Net Town Operating Budgets 22%	493,500
Subtotal	\$2,300,665
Net Remaining	\$0

FY26 Projected Expenditures

Description	Town	School	Other	Total	% of Budget
Westford Public Schools		69,388,572		69,388,572	47.76%
Other Town Departments	27,695,247			27,695,247	19.06%
Community Preservation			1,089,168	1,089,168	0.75%
Debt Service	3,355,834	589,782	43,300	3,988,916	2.75%
Enterprise	1,205,337		8,392,197	9,597,534	6.61%
Risk Management	8,183,015	15,904,535		24,087,550	16.58%
N.V.T.H.S.			1,793,726	1,793,726	1.23%
Other Amounts to be Raised	1,810,241	1,342,500	4,505,445	7,658,186	5.27%
Total	42,249,674	87,225,389	15,823,836	145,298,899	100.00%
% of Budget	29.08%	60.03%	10.89%	100.00%	

Reserves

Description	FY24 Amount	FY25 Amount	FY25 Balance	% of Reserves
Free Cash Balance	\$ 4,582,542	\$ 5,653,000		4.56%
Stabilization Balance	\$ 5,939,046	\$ 6,120,827		4.94%
Total Reserves	\$ 10,521,588	\$ 11,773,827		9.51%
Beginning Balance	\$ 10,521,588	\$ 11,773,827	\$ 11,773,827	9.51%
Less: Reserve Min Balance (5%)	\$ (5,984,133)	\$ (6,191,701)	\$ 5,582,126	-5.00%
Annual Town Meeting Appropriations				
Less: Capital	\$ (2,150,472)	\$ (2,642,741)	\$ 2,939,385	-2.13%
Less: Budget Supplementals	\$ (976)	\$ -	\$ 2,939,385	0.00%
Less: Snow & Ice Deficit	\$ (400,000)	\$ (400,000)	\$ 2,539,385	-0.32%
Less: Perchlorate	\$ (110,000)	\$ (110,000)	\$ 2,429,385	-0.09%
Remaining Available Reserves	\$ 1,876,007	\$ 2,429,385	\$ 2,429,385	1.96%
Total Reserves w/ 5% Min Bal.	\$ 7,860,140	\$ 8,621,086	\$ 8,621,086	6.96%

FY26 Capital Investment

Preliminary Capital Planning Committee Recommendation:

Free Cash	\$2,642,741
General Fund Bonds*	\$3,685,000
Enterprise Bonds	\$0
Enterprise Revenue/Retained Earnings	\$2,624,725
Other Available Funds	\$2,902,641
Total	\$11,855,107

Capital Stabilization current balance: \$567,762

**Does not include amount for Robinson School MSBA Feasibility Study*

Non-Excluded Debt Service

- FY26 non-excluded debt service budget is \$1,923,272 with \$1,138,999 permanently bonded and \$784,273 in estimated debt payments for ongoing projects
- We will propose an article at Town Meeting to pay off the following projects using remaining funds in the 710 Debt Service Budget. This will free up \$242,148 in FY26 budget capacity.

Town and School Safety Task Force – exterior access controls (2020)

Plain Road Phase 1 sidewalk construction (2022)

Blanchard Middle School HVAC chiller units and ventilation fans (2023)

- Other projects authorized and not yet permanently borrowed include the Carlisle Road sidewalk project (2020), Oak Hill, Plain, and Moore Road project (2020), Fire Department Tower Truck (2023), and Plain Road Phase 2 sidewalk project.

Budget Process and Next Steps

- December 10, 2024 - Town Manager Budget Presentation
- January 9 to January 31, 2025 – Finance Committee Budget Hearings
- December 16, 2024, January 6 and 21, 2025 – School Committee Budget Discussions
- January 22, 2025 - State Aid Released
- January 28, 2025 – Select Board vote to close warrant
- Early February- NVTHS Budget
- February 11, 2025 – Select Board sets the order of warrant articles
- Mid – February - Final Budget Adjustments
- March 13, 2025 – Tentative Date for League of Women Voters Annual Town Meeting Preview
- March 22, 2025 – Annual Town Meeting at 9 AM at Westford Academy

How the Public Can Stay Involved

Attend the hybrid Finance Committee Budget Hearings from January 9 to January 30, 2025.

- Sign up for agendas at: <https://www.westfordma.gov/list.aspx>

Monitor www.westfordma.gov and visit the “Budget” page for information regarding the budget process and supporting material

Email the Town Manager and/or Select Board with questions or concerns: klas@westfordma.gov

Attend Town Meeting on March 22, 2025 at 9 AM at Westford Academy

Thank you

- Thank you to involved Boards and Committees
- Thank you to our department heads and their staff for working with us during this difficult budget process
- We welcome the public's input and suggestions
- Westford strives to be a welcoming and inclusive community that honors its history and traditions. We are driven towards innovation and progress, balancing growth with preservation and a commitment to creating a sustainable future.



Review of FY25 Service Cuts

Reduced 2 firefighters resulting in temporary closures at Rogers Fire Station

Reduced 2 police officers impacting Community Policing Program

Reduced 1 FT dispatcher, causing additional order-ins and employee retention issues

Did not fund the Sustainability Coordinator that was funded partially with a grant in FY24

Reduced 1 heavy equipment operator causing potential delays in road maintenance and plowing

Reduced Library Hours from 55 to 50 per week and decrease of part time staffing – The reductions still meets the MAR and State Aid is not reduced

Decreased DPW Business Manager's Budget to 22 hours per week placing more work on the DPW Director

Review of FY25 Service Cuts

Reduced Building
Department coverage

Reduced seasonal staff
in the Highway,
Cemetery, and Parks &
Grounds budgets

Reduced Community
Outreach due
Elimination of the
Strategic Planning
Retreat

Decreased staff
continuing education

Eliminated Planning
Studies for the Land Use
Department

Deferred maintenance
to town buildings -
decrease in the Public
Buildings budget

Reduced fire box alarm
expenses in Fire
Department

Eliminated Dental
Service program for the
Board of Health

Reduced Veterans
Services funding to
meet current claims,
which is low

Review of FY25 Service Cuts

Reduced Parks & Grounds maintenance budget so fields may be treated and maintained less frequently

Discontinued the Healthy Lakes & Ponds initiative to treat our water bodies - Local associations may need to treat the ponds and lakes through donations

Delayed projects recommended for bonding this year or we may have to borrow short term until a new funding plan is considered

Reduced appropriation to the health insurance trust due to the decrease in personnel – We still may need to appropriate additional funding if claims remain high

Increased unemployment insurance by \$35,000 to account for potential layoffs

Reduced Recreation Enterprise funding for part-time staff by \$15,000, limiting the number of children that can participate in the after school and summer programs

What is Proposition 2 ½?

- Proposition 2 ½ is a Massachusetts law enacted in 1980 that places a limit of 2 ½% on the amount of property tax revenue a community may raise through real and personal property taxes each year.
 - There's a common misconception that each individual property tax bill can only increase by 2.5%. That is not true. The tax levy as a whole increases by 2.5%. It is then divided by the full and fair cash value of all taxable and real property in town.
- When the levy limit increase is not sufficient to maintain or expand government services, the town has the option to approve a budget with cut services, or to approve a Proposition 2 ½ override.
- The FY26 Town Manager recommended budget does not include a Proposition 2 ½ Override

Westford FY25 Tax Levy

FY24 LEVY LIMIT	\$91,227,164
PROP. 2 1/2 INCREASE	\$2,280,679
NEW GROWTH	\$684,063
OVERRIDES	\$0
DEBT EXCLUSIONS	\$1,553,001
AMENDED GROWTH	\$0
EXCESS LEVY CAPACITY	\$(34,044)
TOTAL FY25 TAX LEVY	\$95,710,863