

FY 2027 Budget Questions & Answers Finance Committee

Dept. Number, Name + Account	Questioner's Name/Question	Response
990 Transfers to/from Trusts	Greene: Is the additional \$75K to OPEB enough to maintain our AAA bond rating?	O'Donnell: There are many factors that go into the bond rating, but I think having an increase in funding will reflect better than the level funded amount we have contributed the past few years (\$1,000,000). Please see below about a proposed funding policy which Standard & Poor's should look favorably upon.
990 Transfers to/from Trusts	Greene: Does the \$1,075,000 cover the cost of OPEB's earned in this fiscal year? If Westford did not have a net OPEB liability, what would be the funding need to be for current FY earned OPEBs?	O'Donnell: No, the liability continues to grow. We are mandated to pay off the Middlesex Retirement unfunded liability by 2040. We are currently on pace to fully fund it by 2036. Our OPEB Actuary, Odyssey Advisors, has suggested that we create a funding policy where the budget capacity realized when the Retirement system is fully funded be allocated toward the OPEB unfunded liability. We will be working on this in the near future.
OPEB Trust	Greene: Can you provide a 10-year history of Westford's net OPEB liability.	O'Donnell: FY25: \$104,757,825 FY24: \$102,224,650 FY23: \$107,046,616 FY22: \$102,633,166 FY21: \$75,648,116 FY20: \$72,133,454 FY19: \$75,282,727 FY18: \$68,166,389 FY17: \$63,675,463 FY16: N/A – Only updated every other year FY15: \$55,654,905

FY 2027 Budget Questions & Answers Finance Committee

Dept. Number, Name + Account	Questioner's Name/Question	Response
940 OPEB /Stormwater/Rec/Ambulance Enterprise	Greene: Does the Stormwater/Recreation/Ambulance enterprise cover OPEB expenses for their employees?	O'Donnell: No, only the Water Enterprise has contributed at this point. The Recreation Enterprise only recently became self-supporting without a general fund subsidy. The ambulance enterprise has a general fund subsidy. The Stormwater enterprise only recently hired its first time employee.
945 Risk Management	Galvin: Comprehensive Liability has increased 20% can you explain what this covers?	O'Donnell: This is the insurance for all of the Town and School buildings in town. It's property insurance. The actual expense in FY26 is \$360,059 vs. a budget of \$309,939. The FY27 budget of \$372,662 represents a 3.5% increase over the actual spent in FY26.
945 Risk Management	Galvin: Can you explain what obligation the town has to pay for Medicare costs? Explain the Medicare tax. Are we still contributing at 3%?	O'Donnell: Medicare taxes are mandated by the federal government. All employers must pay Medicare tax at the rate of 1.45% of wages subject to Medicare. Employees pay an equal share. The Treasurer's office pays Medicare taxes to the IRS each pay period.