

Town of Westford



Fiscal Year 2013 Budget Message

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Town Manager
November 8, 2011

Goals for FY2013 Budget

- Maintain current level of services
- Sustain town assets through capital investment and preventive maintenance
- Reorganize staff/job responsibilities where needed
- Contribute to capital stabilization fund
- Contribute to OPEB account
- Maintain reserves at minimum recommended levels (5%)

Fiscal Year 2013 Budget Guidelines

- Requested both a -2% and “level-funded” budget for town departments
- Offset funding for SAFER (firefighter) Grant
- Schools receive 2.5% plus a 1/2 of the Federal Jobs Bill (\$312,564)
- Fund \$1,500,000 in Capital Appropriations
- Plan conservatively for state aid (level fund)
- Plan for \$900,000 new growth
- Plan 2 1/2% increase in local revenues

Budget Variables

- Department closeouts – hiring and spending freezes
- FY year end tax rate recap
- Health insurance
- Collective bargaining agreements
- State aid

Health Insurance Overview

- Enrollment as of July 1, 2009 892
- Enrollment as of Oct 1, 2010 961
- Anticipated enrollment as of Nov 1, 2011 973

- Increase of 69 employees enrolling 7-1-09 to 10-1-10
- 14 month rate hold beginning 11-1-11

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

- *School dept is seeking additional 14.7 FTE in FY13, and we anticipate increased enrollment and premium increase.

Budget Impacts from FY11

- 2.21% increase in state aid
- Health insurance increased \$923,250 in FY11
- General insurance increased \$71,168 in FY11
- One time revenues boosted local receipts over projections by \$720,766

FY2012 Budget Highlights

- Total cash reserves \$5,447,248 (6.36% of budget)
- Town budgets increased by 0.28%
- School budget increased by 2.50%
- 5 union contracts with 0% COLA and no step
- Bonded \$925,000 for FY12 capital
- State aid increased by \$77,960
- Chapter 90 funding increased by \$207,284
- Established OPEB Stabilization Fund
- Cost avoidance from health care provider change

FY2012 Reductions to Expenses

- Changed health insurance provider \$551,072
- Early Retirement Incentive savings 105,051
- Reorganized and delayed filling vacant positions 59,195
- Animal control budget reductions 36,322
- Reduced printing costs through digital packets 5,000

- Sample of savings \$756,640

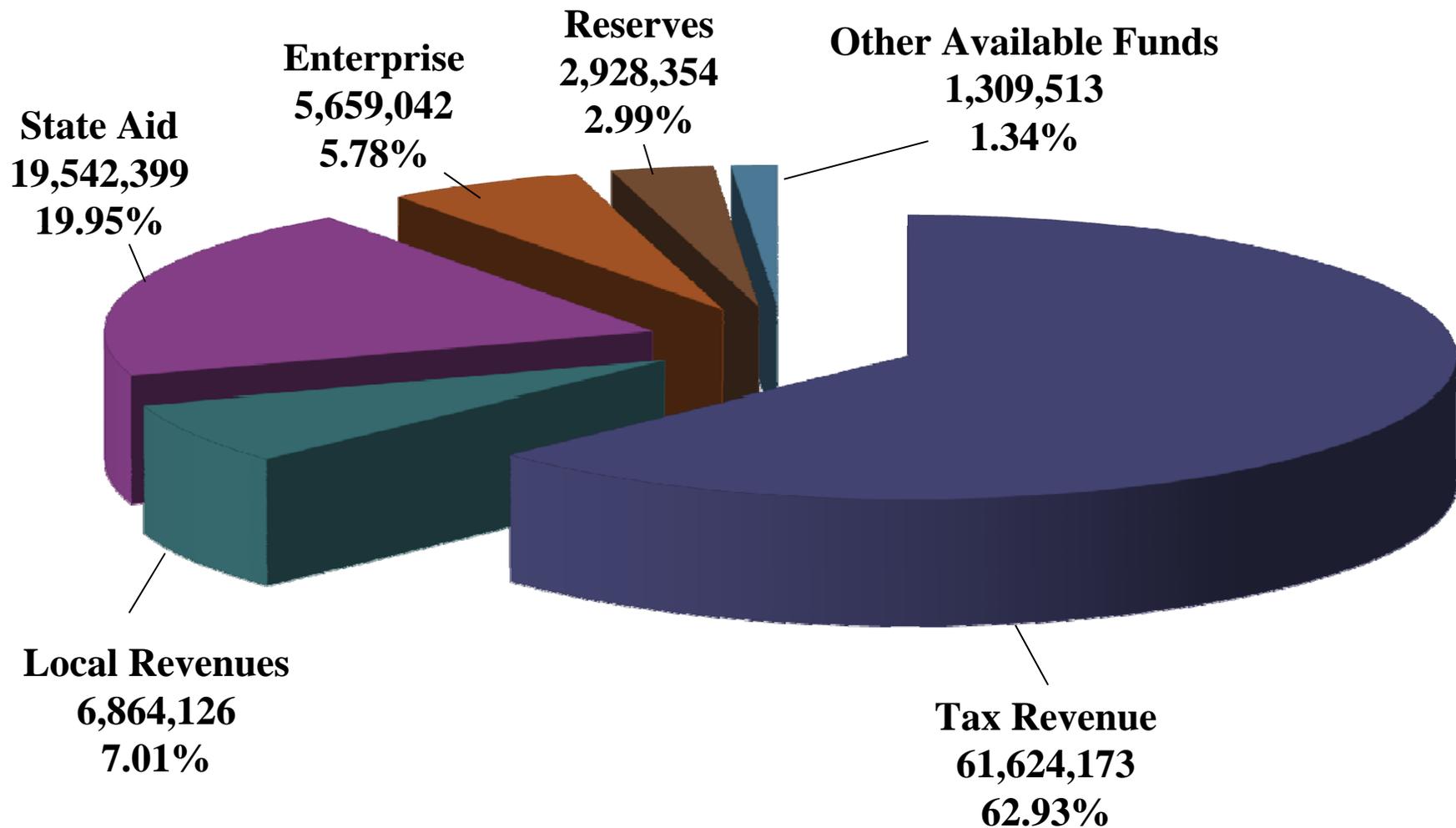
FY13 Projected Revenues

Tax Revenue	\$61,624,173
Local Revenue	6,864,126
State Aid	19,542,399
Enterprise Revenue	5,659,042
Reserves Applied	2,928,354
Other Available Funds	1,309,513
Total	97,927,607

Fiscal Year 2013 Revenue

- Reserves of \$5.44 million
- New Growth opportunities with Cornerstone, Red Hat, Graniteville Woods, Princeton Properties, & Abbot Mills
- Chapter 90 funds increased in FY12
- Lease revenue from East Boston Camps & Roudenbush
- Circuit Breaker Revenue estimated at 65% of FY12 amount

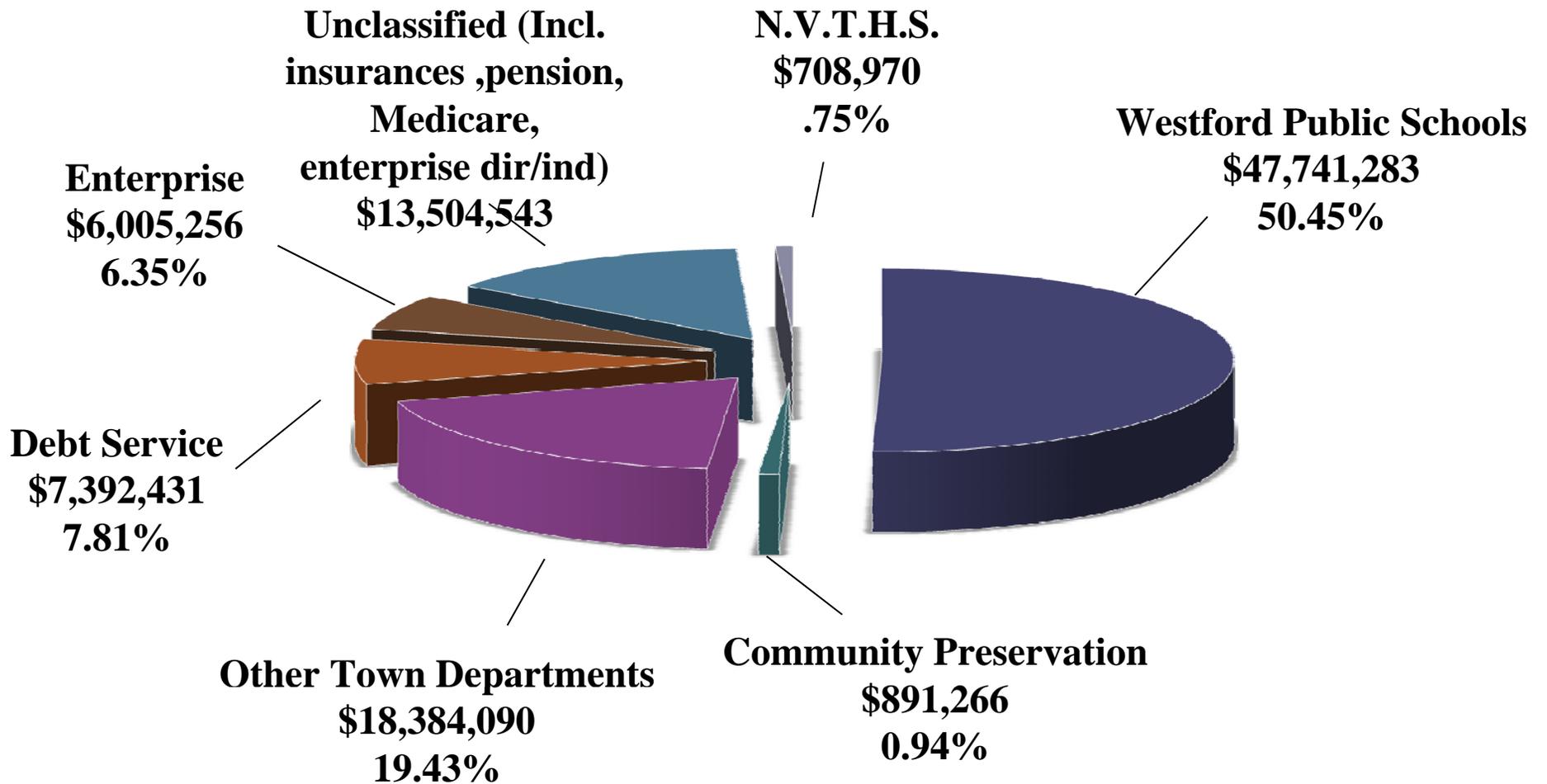
FY13 Estimated Revenues



FY13 Projected Expenditures

Westford Public Schools	\$47,741,283
Community Preservation	891,266
Other Town Departments	18,384,090
Debt Service	7,392,431
Enterprise	6,005,256
Unclassified	13,504,543
N.V.T.H.S.	708,970
Other Amounts to be Raised	3,299,768
Total	97,927,607

FY13 Operating Budget



Fiscal Year 2013 Budget Highlights

- Increased funding for public safety staff & equipment
 - Funded fire fighters originally hired under federal SAFER grant
 - Bullet proof vests budgeted in police budget
 - Protective clothing and radios budgeted in fire budget
- Reduction in excluded debt
- Proposed reserve fund for Water Enterprise under custody of Finance Committee
- 5 union contracts settled with 0% cost of living
- Perchlorate expenses to be funded through Perchlorate Stabilization

Capital Appropriations

- Capital Planning Committee
 - Documents 1-5 year capital requests
 - \$35M+ in requests from FY13 to FY17
 - Prioritize and recommend
 - FY10 town funded \$1.6 million
 - FY11 town funded \$2.0 million
 - FY12 town funded \$2.1 million (borrowed \$925k)
- FY13 Recommendation - \$1.5 million
 - Includes transfer of \$47,006 from prior capital appropriations, \$30,289 from receipts reserved, and \$20,000 from school lunch to fund capital

FY13 Budget Challenges

- Uncertainties
 - FY13 Health insurance enrollment and premium
 - Litigation - Newport Materials, perchlorate, etc.
 - Labor contracts (5 of 12 settled thru FY13)
 - Perchlorate expenditures
 - Nashoba Valley Technical High School assessment
 - Snow & ice deficit
 - Storm response and recovery costs

FY13 Budget Challenges

- Increased debt inside the levy limit due to bonding for capital
- Federal Education Jobs Funds unavailable (funded 25 school staff)
- SAFER grant program ended (funded 8 FFs)
- Retirement assessment
- Other Post Employment Benefits (OPEB)

Future Challenges

- Health insurance
- All settled union contracts expire at end of FY13
- Fire Department overtime budget may need supplemental funding to maintain minimum staffing
- Police Department staffing has been at the same level since 2000
- Facility related capital requests and building maintenance needs
- Fluctuations in fuel prices
- OPEB

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.