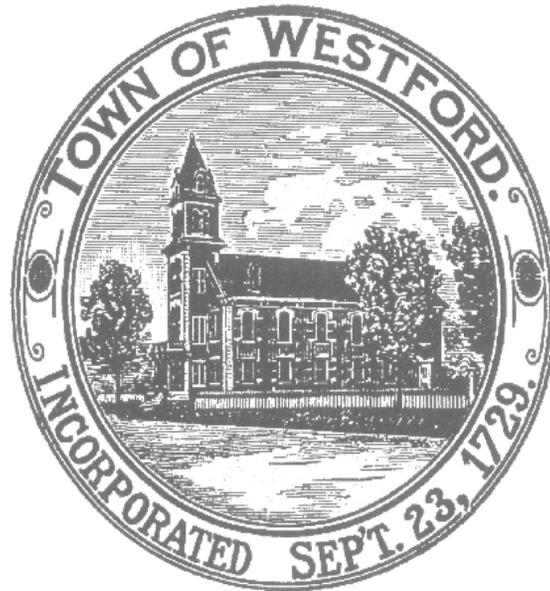


# Town of Westford



January 24, 2013 Revenue Overview

## Summary:

Pre 1981, municipal budgets in Massachusetts were driven by expenditures. Local communities could raise taxes to the extent that the local authority appropriated. Then in 1982, Proposition 2 ½ (M.G.L. Ch. 59 ~ 21C) was enacted limiting the increase to the tax levy to 2.5%. Since that time, municipal budgets have been shaped by revenue limitations. There are six major revenue components that Westford uses to fund its annual operating budget; Property taxes, State Aid, Local Revenue, Enterprise Revenue, Other Available Funds, and Free Cash. Below is a brief analysis that displays the trends in revenue from Fiscal Year 2011 to Fiscal Year 2014.

Revenue Source	FY2011 Actual	FY2012 Actual	FY2013 Budget	FY2013 YTD (12-31-2012)	FY2014 Projected	Budget Increase \$\$	Budget Increase %
Property Taxes*	57,247,755	59,474,751	61,929,283	29,745,887	64,047,118	2,117,835	3.42%
Local Revenue	7,392,556	8,504,112	7,144,933	2,352,707	7,249,552	104,619	1.46%
State Aid	20,371,315	19,534,851	19,862,504	10,583,257	20,048,068	185,564	0.93%
Approp. From Free Cash**	523,000	285,000	697,000	697,000	-	(697,000)	-100.00%
Free Cash Applied**	1,788,878	1,935,539	1,851,116	1,851,116	3,139,872	1,288,756	69.62%
<b>Total General Fund</b>	<b>87,323,502</b>	<b>89,734,253</b>	<b>91,484,835</b>	<b>45,229,967</b>	<b>94,484,610</b>	<b>2,999,775</b>	<b>3.28%</b>
Enterprise Revenue	5,869,580	5,793,585	5,727,232	3,136,078	5,659,852	(67,380)	-1.18%
Other Available Funds**	3,844,406	3,191,895	3,262,513	3,262,513	1,268,381	(1,994,132)	-61.12%
<b>Total Revenue</b>	<b>97,037,488</b>	<b>98,719,733</b>	<b>100,474,580</b>	<b>51,628,558</b>	<b>101,412,843</b>	<b>938,263</b>	<b>0.93%</b>

\* These figures represent the levy limit, not the actual amount collected.

\*\*Amounts included are as appropriated at Town Meeting.

Town of Westford, MA

Overall Summary

DETAILED REVENUE SUMMARY

FY14 vs FY13

General Fund	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Budget	FY2014 Projected	Budget Increase \$\$	Budget Increase %
<b>Property Taxes*</b>	<b>\$55,927,681</b>	<b>\$57,247,755</b>	<b>\$9,474,751.00</b>	<b>61,929,283.00</b>	<b>\$64,047,118</b>	<b>\$2,117,835</b>	<b>3.42%</b>
<b>Local Revenue</b>	<b>\$6,972,082</b>	<b>\$7,392,556</b>	<b>\$8,504,112</b>	<b>\$7,144,932</b>	<b>\$7,249,552</b>	<b>\$104,620</b>	<b>1.46%</b>
Motor Vehicle Excise	2,703,725	2,692,125	2,888,535	2,886,668	2,958,835	72,167	2.50%
Other Excise (Local Options)	346,885	372,024	799,168	800,000	820,000	20,000	2.50%
Penalties & Interest	145,893	157,159	131,295	132,000	135,300	3,300	2.50%
Payments in Lieu of Taxes	41,376	47,504	57,814	57,815	59,260	1,445	2.50%
Fees	409,821	391,324	356,954	356,000	364,900	8,900	2.50%
Dept. Revenue - Cemeteries	27,425	26,245	35,300	35,000	35,875	875	2.50%
Other Dept. Revenue	15,932	33,879	24,482	25,000	25,625	625	2.50%
Licenses and Permits	854,596	992,256	1,144,684	1,040,472	1,066,484	26,012	2.50%
Special Assessments	9,190	41,172	16,983	17,894	17,293	(601)	-3.36%
Fines and Forfeits	23,937	23,496	26,312	26,000	26,650	650	2.50%
Investment Income	79,248	62,159	47,271	40,000	41,000	1,000	2.50%
Miscellaneous Recurring	1,809,563	1,832,447	1,898,201	1,728,083	1,698,330	(29,753)	-1.72%
Miscellaneous Non-Recurring	504,491	720,766	1,077,113	0	0	0	
<b>State Aid</b>	<b>\$19,921,960</b>	<b>\$20,371,315</b>	<b>\$19,534,851</b>	<b>\$19,862,504</b>	<b>\$20,048,068</b>	<b>\$185,564</b>	<b>0.93%</b>
General Government Aid	1,965,404	1,859,559	1,806,548	1,826,297	1,885,986	59,689	3.27%
School Aid	15,317,915	15,776,704	15,861,400	16,064,000	16,189,875	125,875	0.78%
School Construction Aid	2,494,007	2,494,010	1,557,026	1,557,026	1,557,026	0	0.00%
Tax Abatement Aid	32,630	74,611	74,478	98,736	98,736	0	0.00%
Offset Aid	112,004	166,431	235,399	316,445	316,445	0	0.00%
<b>Approp. From Free Cash**</b>	<b>\$57</b>	<b>\$523,000</b>	<b>\$285,000</b>	<b>\$697,000</b>	<b>\$0</b>	<b>(\$697,000)</b>	<b>-100.00%</b>
<b>Free Cash Applied**</b>	<b>\$2,053,913</b>	<b>\$1,788,878</b>	<b>\$1,935,539</b>	<b>\$1,851,116</b>	<b>\$3,139,872</b>	<b>\$1,288,756</b>	<b>69.62%</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$84,875,693</b>	<b>\$87,323,503</b>	<b>\$89,734,253</b>	<b>\$91,484,835</b>	<b>\$94,484,610</b>	<b>\$2,999,775</b>	<b>3.28%</b>
<b>Enterprise Revenue/Free Cash</b>	<b>\$5,208,691</b>	<b>\$5,869,580</b>	<b>\$5,882,021</b>	<b>\$5,727,232</b>	<b>\$5,659,852</b>	<b>(\$67,380)</b>	<b>-1.18%</b>
Water Enterprise	3,641,300	4,383,454	4,138,033	4,109,749	3,909,352	(200,397)	-4.88%
Recreation Enterprise	986,053	984,368	1,124,249	985,000	1,100,500	115,500	11.73%
Ambulance Enterprise	581,339	501,758	619,740	632,483	650,000	17,517	2.77%
<b>Other Available Funds**</b>	<b>\$4,310,102</b>	<b>\$3,844,406</b>	<b>\$3,191,895</b>	<b>\$3,262,513</b>	<b>\$1,268,381</b>	<b>(\$1,994,132)</b>	<b>-61.12%</b>
Preimum on BANS/Bonds Non-Exempt	2,782	2,512	1,949	1,331	627	(704)	-52.91%
Preimum on BANS/Bonds Exempt	76,179	65,644	53,755	42,801	32,167	(10,634)	-24.85%
Fund Balance Designated for Debt Exclusion Reduction	473,725	47,311	0	0	0	0	
Capital Stablization Fund	130,000	13,000	767,704	0	0	0	
Overlay Surplus	303,515	122,600	0	0	0	0	
Community Preservation Funds	2,647,379	2,393,531	2,032,921	2,821,272	889,861	(1,931,411)	-68.46%
Other Available Funds	676,523	1,199,808	335,566	397,109	345,726	(51,383)	-12.94%
<b>TOTAL ENTERPRISE / OTHER AVAILABLE FUNDS</b>	<b>\$9,518,793</b>	<b>\$9,713,985</b>	<b>\$9,073,916</b>	<b>\$8,989,744</b>	<b>\$6,928,233</b>	<b>(\$2,061,512)</b>	<b>-22.93%</b>
<b>TOTAL REVENUES / AVAL. FUNDS</b>	<b>\$94,394,486</b>	<b>\$97,037,488</b>	<b>\$98,808,169</b>	<b>\$100,474,579</b>	<b>\$101,412,843</b>	<b>\$938,264</b>	<b>0.93%</b>

## PROPERTY TAX

Property Tax is the primary source of revenue for the Town of Westford, which accounts for approximately 68% of general fund revenue. Property taxes are levied on real property (land and buildings) and personal property (equipment). State law mandates that communities update their property values every three years. A town-wide revaluation was most recently completed in Fiscal Year 2011. The next scheduled revaluation is for Fiscal Year 2014.

Due to Proposition 2 ½, the levy limit for property taxes cannot exceed 2.5%. This amount does not include “New Growth” that are additional taxes added from new properties, or debt exclusions. Debt exclusion dollars are raised to pay for debt service that voters have previously authorized. Below is the calculation for the FY14 projected levy limit:

FY13 LEVY LIMIT	\$58,166,632
PROP. 2 ½ INCREASE	1,454,166
NEW GROWTH ESTIMATE	900,000
DEBT EXCLUSIONS	<u>3,526,320</u>
<b>TOTAL FY14 TAX LEVY</b>	<b><u>\$64,047,118</u></b>

Below is a table showing the tax levy calculation from Fiscal Years 2009 to 2013

TAX REVENUE:	FY2009 TAX LEVY	FY2010 TAX LEVY	FY2011 TAX LEVY	FY2012 TAX LEVY	FY2013 BUDGET
Prior Year Base Tax Levy	46,769,872.00	49,131,732.00	50,891,093.00	53,198,056.00	55,520,678.00
Prop. 2 1/2 Increase	1,169,247.00	1,228,293.00	1,272,731.00	1,329,956.00	1,389,166.28
New Growth	1,192,267.00	531,068.00	1,016,138.00	992,490.00	1,210,815.00
Overrides	-	-	-	-	-
Debt Exclusions	5,153,246.00	5,048,850.00	4,081,073.00	3,968,758.00	3,818,892.00
Capital Outlay/Ammended Growth	-	-	18,095.00	176.00	45,973.00
Excess Levy Capacity	(1,826.59)	(12,261.66)	(31,375.89)	(14,685.03)	(56,240.77)
<b>Total Property Tax Levy</b>	<b>54,282,805.41</b>	<b>55,927,681.34</b>	<b>57,247,754.11</b>	<b>59,474,750.97</b>	<b>61,929,283.51</b>

**LOCAL REVENUE**

The below summary reflects the information submitted on page 3 of the recap.

**Motor Vehicle Excise** – Payments are due in 30 days after bills are sent out. Collections will begin in mid to late March.

**Local Option Taxes** – An additional .75% meals tax and 2% hotel tax were approved at the March 26, 2011 Annual Town Meeting and instituted on July 1, 2011.

**Penalties & Interest** – Fees collected on late property tax and motor vehicle excise payments.

**Payments in Lieu of Taxes** – Revenue collected from tax exempt properties, with MIT being the largest contributor.

**Fees** – The largest contributors include: Demand Fees, Registry of Motor Vehicle Fees, Municipal Lien Certificates, Planning Board Fees, Police Detail Admin Fees, Fire Alarm Monitoring Fees, and Board of Health Fees.

**Dept. Revenue – Cemeteries** – Grave openings.

**Other Dept. Revenue** – Tax statements, tax filings, and other departmental revenue.

**Licenses & Permits** – Building permits make up 77.71% of the budget, so Licenses and Permits are heavily dependent upon new growth.

**Special Assessments** – Street and sidewalk betterments. Amount coincides with assessments due for FY13.

**Fines and Forfeits** – Health and smoking, civil substance possession, parking violations, court fines, and animal fines.

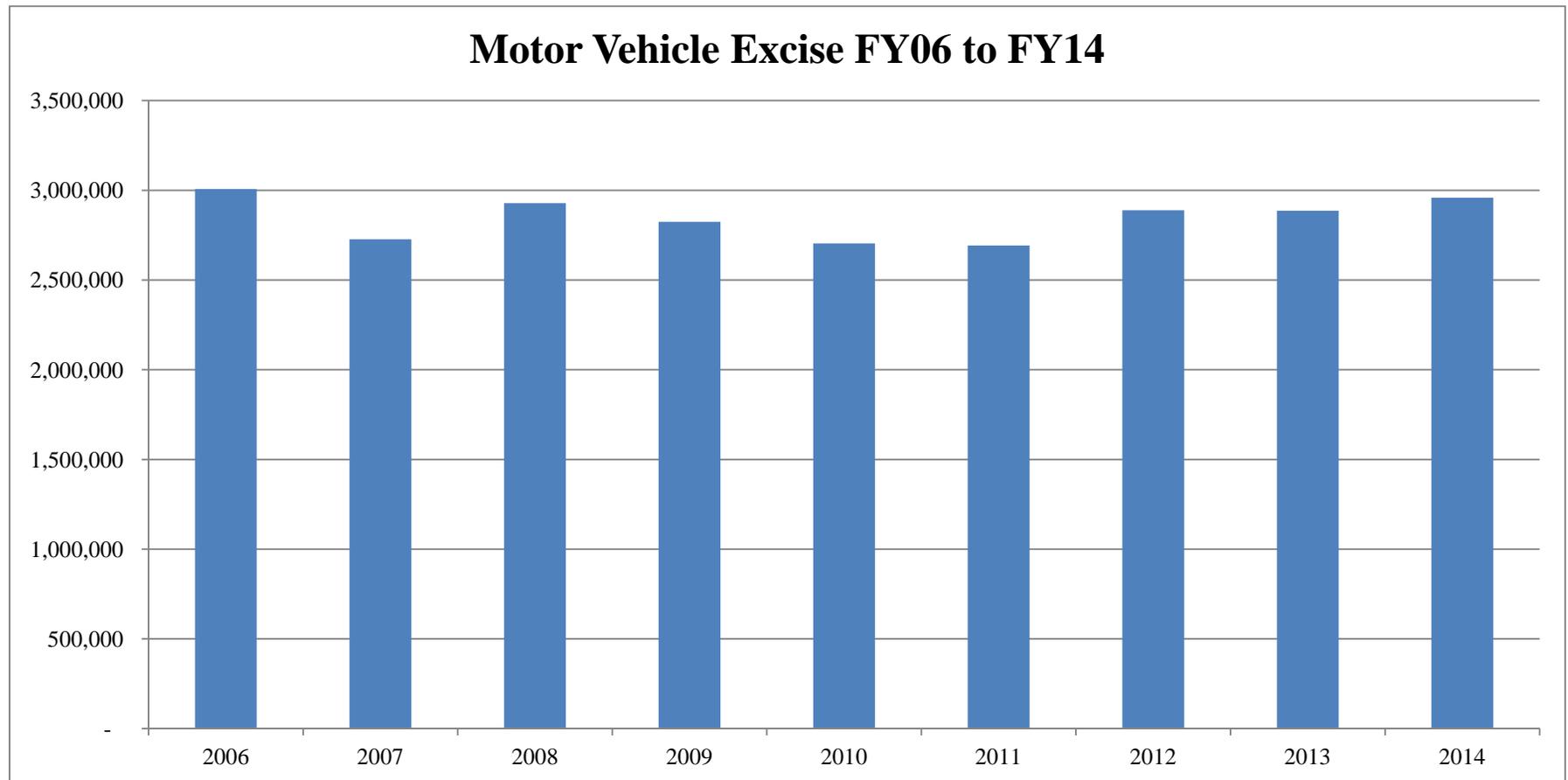
**Investment Income** – Steadily declining with interest rates over the years. The Town received \$47,271 in FY12, which is down from \$846,064 in FY07.

**Miscellaneous Recurring** – Mass School Building Authority's advanced refunding for Stony Brook, Rita Miller, and Crisafulli schools. Lump sum payment from the MSBA held in a separate account and a portion of principal and interest (earning 4+%) are transferred to the general fund each year.

**Miscellaneous Non-Recurring** – Sale of tax possession properties, sales of equipment, settlement proceeds, retiree drug subsidy and FEMA/MEMA reimbursements.

**Motor Vehicle Excise** – Excise tax commitments are billed based on calendar year and come from the Registry of Motor Vehicles in batches. The first commitment for calendar year 2013 will be billed in February.

Fiscal Year	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget
MV Excise	3,006,704	2,726,951	2,928,677	2,823,987	2,703,682	2,692,125	2,888,535	2,886,668	2,958,835



**Local Options Excise** – As of December 31, 2012, Westford has received Hotel excise of \$327,331 and Meals excise of \$192,733 for a total of \$520,164. The budget for local options in FY13 is \$800,000. It looks as if the Town will surpass its original estimate by approximately \$200,000. As new growth continues to increase along route 110, particularly with the new restaurants being added to the Cornerstone Square development, the meals tax should continue to increase as well. Below is a table showing the history of hotel occupancy revenue since Fiscal Year 2006.

<b>Hotel</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Actual – 12-31-12</b>	<b>2014 Budget</b>
Q1	79,905	73,857	79,400	108,560	93,290	98,723	122,544	534,000	170,123	547,350
Q2	82,814	82,061	97,470	109,925	99,469	110,037	160,293		157,208	
Q3	64,415	61,992	76,775	73,528	72,660	74,756	119,377			
Q4	58,275	64,184	75,718	84,467	81,446	88,508	131,256			
<b>Meals</b>										
Q1							31,539	266,000	99,233	272,650
Q2							88,777		93,500	
Q3							71,219			
Q4							74,163			
<b>Total</b>	<b>285,409</b>	<b>282,094</b>	<b>329,363</b>	<b>376,480</b>	<b>346,865</b>	<b>372,024</b>	<b>799,168</b>	<b>800,000</b>	<b>520,064</b>	<b>820,000</b>

**Penalties & Interest** – Mass General Law allows Collectors to assess penalties and interest to unpaid balances. Westford charges interest on all unpaid tax bills starting on the day after the due date according to provisions found in MGL Chapters 59 and 60. Interest is intended to be penal in nature. The rates are as follows:

Real Estate and Personal Property Tax - 14%  
 Motor Vehicle Excise Tax 12%  
 Tax Title 16%

In addition to interest, demand fees are also added to delinquent tax bill notices. MGL Ch. 60, Sec 15 allows communities to charge up to \$30 for a demand fee. Westford has set the demand fee at \$10.00. There are various other fees and charges provided by law according to type of tax and stage of collection. Most common are the fees associated with unpaid excise tax bills. If allowed to go all the way through every stage of collection the added fees can total as much as \$69.00. The budgetary benefit of fees collected is relatively minor. The fees do however motivate tax payers to make their payments timely and that helps to keep Westford fiscally sound.

<b>Penalties &amp; Interest – Fiscal Year 2006 to Fiscal Year 2014</b>									
<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Actual – 12-31-12</b>	<b>2014 Budget</b>
130,679	128,797	128,285	117,159	145,875	157,159	131,295	132,000	46,615	135,300

**Payments in Lieu of Taxes** – The revenue received from PILOTS are from agreements that the Board of Selectmen have entered into with non-profits in Westford. The largest contributor on an annual basis is MIT.

<b>Payments in Lieu of Taxes – Fiscal Year 2006 to Fiscal Year 2014</b>									
<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Actual – 12-31-12</b>	<b>2014 Budget</b>
40,553	41,537	42,424	51,622	41,376	47,504	47,000	57,815	4,195	59,260

**Fees** – The table below shows a brief history of different types of fees charged by the Town of Westford. The Town generally collects over \$100,000 in demand and registry of motor vehicle fees for late payments. The price of municipal lien certificates increased in FY11 resulting in over a 100% increase in revenue. Passports are no longer offered by the Town Clerk as of May 2011. Police administration fees are dependent upon the amount of utility work and new growth performed in town. Other fees generally include copy fees, returned check fees, and other small amounts charged by departments.

Department	Description	FY11 Revenue	FY12 Revenue	FY13 Budget	FY13 YTD	FY14 Projected
Tax Collector	ADD'TL FEES TAX TAKING	4,808.48	255.00	250.00		
Tax Collector	DEMAND FEES	46,395.41	47,690.00	48,000.00	16,550.00	
Tax Collector	REG MOTOR VEHICLE FEES	51,557.50	58,015.00	58,000.00	35,800.00	
BOS	CABLE FRANCHISE FEE	3,429.50	3,479.50	3,500.00	-	
Tax Collector	MUNICIPAL LIEN CERTIFICATE FE	54,103.00	53,600.00	54,000.00	29,950.00	
Town Clerk	LATE FEES	6,345.00	5,050.00	5,400.00	1,500.00	
Town Clerk	BUSINESS CERTIFICATES	4,520.00	4,010.00	4,000.00	1,620.00	
Town Clerk	PASSPORT FEES	4,575.00	-			
Town Clerk	BIRTH CERTIFICATES	3,450.00	3,620.00	3,500.00	1,750.00	
Town Clerk	DEATH CERTIFICATES	7,370.00	6,710.00	7,400.00	3,570.00	
Town Clerk	BULK CURBSIDE PICKUP	20,141.00	16,663.00	16,700.00	8,557.00	
Planning Board	DEPARTMENTAL FEES	29,455.88	36,010.00	37,000.00	25,200.00	
ZBA	DEPARTMENTAL FEES	7,400.00	14,300.00	15,000.00	3,700.00	
Police	INSURANCE REPORT FEES	3,539.70	2,815.24	3,200.00	1,133.00	
Police	DETAIL ADMINISTRATION FEES	44,319.49	34,587.79	36,575.00	22,159.20	
Fire	ALARM MONITORING FEES	30,400.00	30,100.00	30,000.00	32,150.00	
Board of Health	DEPARTMENTAL/OTHER FEES	46,720.96	1,509.78	1,500.00	809.00	*
Town Wide	DEPARTMENTAL/OTHER FEES	22,793.21	34,617.85	31,975.00	11,932.38	
	<b>Total</b>	<b>391,324.13</b>	<b>353,033.16</b>	<b>356,000.00</b>	<b>196,380.58</b>	<b>364,900.00</b>

\*Flu vaccine reimbursements have been deposited to the BOH General Fund Department Fee line item for the Board of Health. In FY12, a new account has been set up to more accurately portray the source of revenue in the general fund.

**Departmental Revenue - Cemeteries** – The cost of grave openings increased on January 1, 2012 from \$600 to \$800. The cost for purchasing a grave also increased to \$800. Of the \$800 for purchasing a lot, 60% goes to perpetual care non-expendable trust and 40% goes to the cemetery “sale of the lots” receipts reserved account. Below is a table displaying the fees charge for grave opening beginning in Fiscal Year 2006.

**Departmental Revenue - Cemeteries – Fiscal Year 2006 to Fiscal Year 2014**

2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2013 Actual – 12-31-12	2014 Budget
14,450	13,050	18,400	20,550	27,425	26,245	35,300	35,000	11,175	35,875

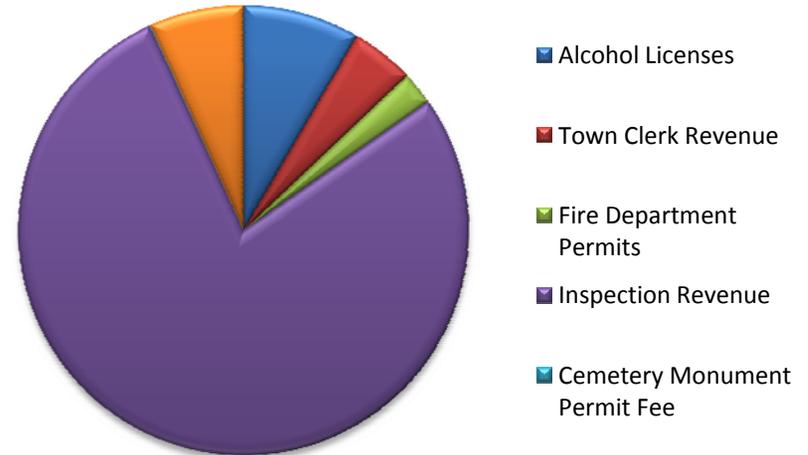
**Other Departmental Revenue** – In recent years, the majority of revenue has come from the sale of permitting software. In FY13, the Town of Westford received a final payment and will no longer be selling to software to other communities. Westford continues to use the software. The majority of the other revenue is from money collected for tax statements and tax files.

**Other Departmental Revenue – Fiscal Year 2007 to Fiscal Year 2014**

Account	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2013 Actual – 12-31-12	2014 Budget
Sale of Permitting Software				11,700	26,734	0	0	0	
Other	725	2,506	6,245	4,232	5,130	24,482	25,000	1,224	25,625
Total	725	2,506	6,245	15,932	31,864	24,482	25,000	1,224	25,625

**Licenses & Permits** – The majority (77.9%) of revenues from licenses and permits comes from inspection services. The more construction being performed in town, the more inspection revenue received. Revenue is expected to escalate in the spring. Alcohol licenses are collected in December of each year. Dog licenses are due by March 31. The majority of fire department permits come from fire alarm and smoke detector permits. Examples of board of health permits includes food, pool, tobacco, hauler (septic), installer (septic), stabling (horses), piggery, and beach permits. Lastly, the cemetery charges \$20 as a monument permit fee for any type of headstone.

### FY13 Licenses & Permits Budget



Account	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2013 YTD	2014 Budget
Alcohol Licenses	83,125	83,868	87,475	87,475	64,075	
Dog Licenses	31,395	35,230	33,711	34,000	2,930	
Hunting/Fishing Licenses	293	275	65	127	-	
Other Town Clerk Licenses & Permits	13,812	11,640	13,265	13,055	7,210	
Fire Department Permits	27,099	25,530	26,540	24,465	19,093	
Building Permits	481,927	506,789	661,580	600,000	291,547	
Electrical Permits	63,569	123,845	121,060	115,000	65,365	
Plumbing Permits	39,905	70,186	51,715	46,000	44,365	
Gas Permits	27,790	40,395	41,795	30,000	25,240	
Other Inspection Revenue		7,292	19,123	19,200	80,851	
Cemetery Monument Permit Fee	500	1,055	640	1,000	260	
Board of Health Permits	78,286	78,651	87,565	70,000	54,573	
East Boston Camps License Fee	6,895	7,500	150	150	-	
<b>Total</b>	<b>854,596</b>	<b>992,256</b>	<b>1,144,684</b>	<b>1,040,472</b>	<b>655,509</b>	<b>1,066,484</b>

**Special Assessments** – Revenue collected from betterments and other projects through the tax collection process. Below is a table reviewing the history of special assessments collected. Fiscal Year 2011 had an increase because two residents on Pond Road paid their assessment off in full, which was a total of \$22,690.

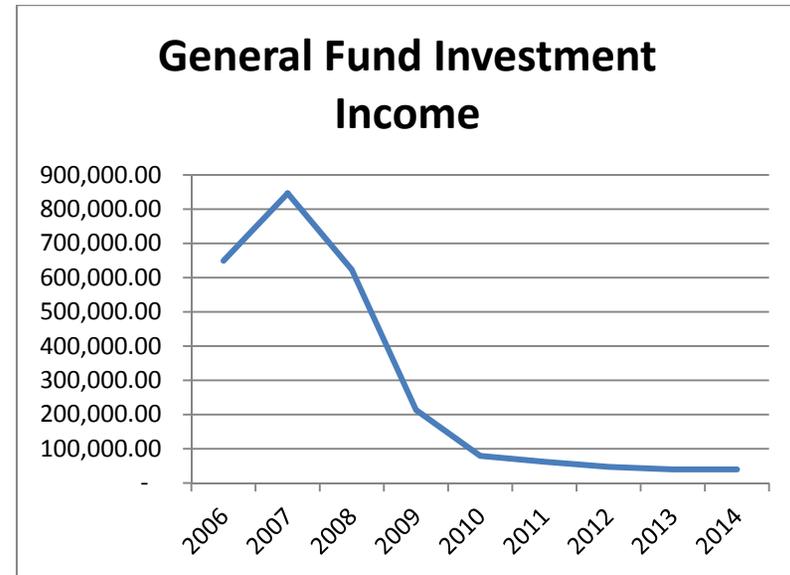
<b>Special Assessments – Fiscal Year 2006 to Fiscal Year 2014</b>									
<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Actual – 12-31-12</b>	<b>2014 Budget</b>
13,197	15,760	11,014	10,609	9,190	41,172	16,983	17,894	743	17,293

**Fines & Forfeits** – A majority of the fines collected are due to police involvement. Court fines are reimbursed from Ayer district court. FY13 is tracking about 35% above the budgeted figure.

<b>Account</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Actual – 12-31-12</b>	<b>2014 Budget</b>
Health & Smoking	1,895				300			100	
Civil Substance Possession Fine			1,600	4,050	7,200	6,200	6,000	1,400	
Conservation Fines								200	
Parking Violations	2,651	5,555	4,455	4,825	6,480	11,280	11,100	5,935	
Court Fines	18,389	16,215	10,640	14,517	8,441	7,847	7,900	5,350	
Animal Fines	5,810	1,175	1,130	545	1,075	985	1,000	200	
<b>Total</b>	<b>28,745</b>	<b>22,945</b>	<b>17,825</b>	<b>23,937</b>	<b>23,496</b>	<b>26,312</b>	<b>26,000</b>	<b>13,185</b>	<b>26,650</b>

**Investment Income** – The estimate for investment income in Fiscal Year 2013 is \$40,000. This revenue source has been steadily declining since the Federal Reserve began lowering interest rates from a high of 5.25% on September 18, 2007. Over the following 14 months, the interest rate was lowered 14 times to a low of 0% to .25% in December of 2008.

Federal Reserve Interest Rates			
<b>2008</b>			
Date	Increase	Decrease	Level (%)
16-Dec	...	75-100	0-0.25
29-Oct	...	50	1
8-Oct	...	50	1.5
30-Apr	...	25	2
18-Mar	...	75	2.25
30-Jan	...	50	3
22-Jan	...	75	3.5
<b>2007</b>			
Date	Increase	Decrease	Level (%)
11-Dec	...	25	4.25
31-Oct	...	25	4.5
18-Sep	...	50	4.75
<b>2006</b>			
Date	Increase	Decrease	Level (%)
29-Jun	25	...	5.25



The projected budget for Fiscal Year 2013 is \$40,000, or about 4.7% of the total investment income generated in our most lucrative year of Fiscal Year 2007 when the Town earned \$846,064. The loss of investment income has produced a strain on the budget, as we now fund a higher percentage of our budget using property tax revenues.

The Town’s money market account is currently earning .10% as of December 2012. Rates are not expected to improve in the foreseeable future.

**Miscellaneous Recurring Revenue** – The largest portion of this revenue is an advanced refunding from the Massachusetts School Building Authority that has paid for a portion of the Crisafulli, Miller, and Stony Brook Schools. \$19,266,355 in principal was transferred to the Town in order to pay down the corresponding share of debt service for the three school projects that had a total cost of \$41,000,000. Each year, a portion of the principal is used to offset the debt payment for the schools, thus lowering the amount collected through debt exclusions until 2023 when the debt is paid off. Below is a chart that displays the payment schedule.

	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Principal</b>							
Middle School	438,537.00	458,601.00	478,665.00	501,595.00	521,658.00	547,455.00	573,251.00
Elementary Schools	409,759.00	427,574.00	447,935.00	465,751.00	488,656.00	509,017.00	531,923.00
<b>Total - Offset to DE1</b>	<b>848,296.00</b>	<b>886,175.00</b>	<b>926,600.00</b>	<b>967,346.00</b>	<b>1,010,314.00</b>	<b>1,056,472.00</b>	<b>1,105,174.00</b>
<b>Interest</b>	<b>832,078.00</b>	<b>716,986.00</b>	<b>687,743.00</b>	<b>657,813.00</b>	<b>626,568.00</b>	<b>591,611.00</b>	<b>553,156.00</b>

In addition to the MSBA reimbursements, the Town receives annual payments from the federal government as a Medicare reimbursement. The chart below highlights the payments received from the federal government from Fiscal Year 2006 to Fiscal Year 2014.

<b>Medicare Reimbursements – Fiscal Year 2006 to Fiscal Year 2014</b>									
<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Actual – 12-31-12</b>	<b>2014 Budget</b>
135,666	85,951	222,390	218,883	104,861	107,979	154,003	40,000	23,330	40,000

**Miscellaneous Non-Recurring Revenue** – This is a category of local revenue that allows us to properly account for and classify one-time revenues that are unexpected, unplanned, or non-recurring. Since this revenue is not budgeted, any revenue in this category will help our free cash situation at the end of the fiscal year.

In Fiscal Year 2010, a substantial amount of the miscellaneous revenue came from reimbursements from FEMA and MEMA for the December 2008 ice storm. Other revenue included the sale of tax possession property that totaled \$51,115. Lastly, the retiree drug subsidy from the federal government brought in \$90,359 in revenue, bringing the total to \$570,695 for the year.

Fiscal Year 2011 saw the remainder of the sale of tax possession revenue, totaling \$305,826. There was also a settlement regarding the Stony Brook School Construction for which the Town received \$300,000. The retiree drug subsidy increased to \$99,309, bringing in a net total of \$822,325 in revenue during the fiscal year.

In Fiscal Year 2012, the Town has received \$1,184,429 in miscellaneous revenue. \$250,000 is from the MD&B settlement which will be used to pay for perchlorate costs. The Town also received \$375,000 in another perchlorate related settlement which also indemnified the Town from further legal action. There was also a Wheelabrator settlement of \$55,284. The retiree drug subsidy increased once again to \$107,315, while FEMA and MEMA reimbursements netted \$123,730 and \$92,104 respectively.

In Fiscal Year 2013, the Town received a \$90,000 settlement as a final payment for its permitting software sale.

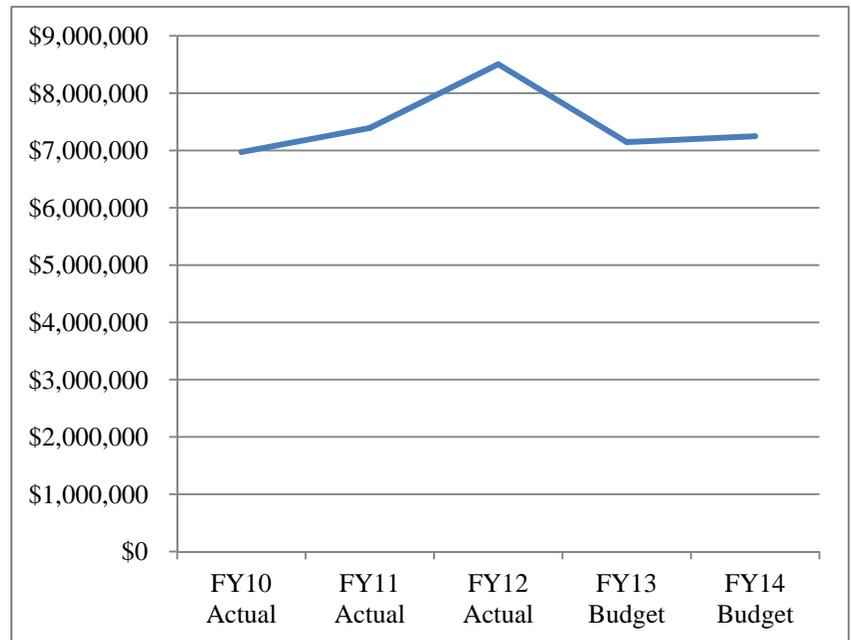
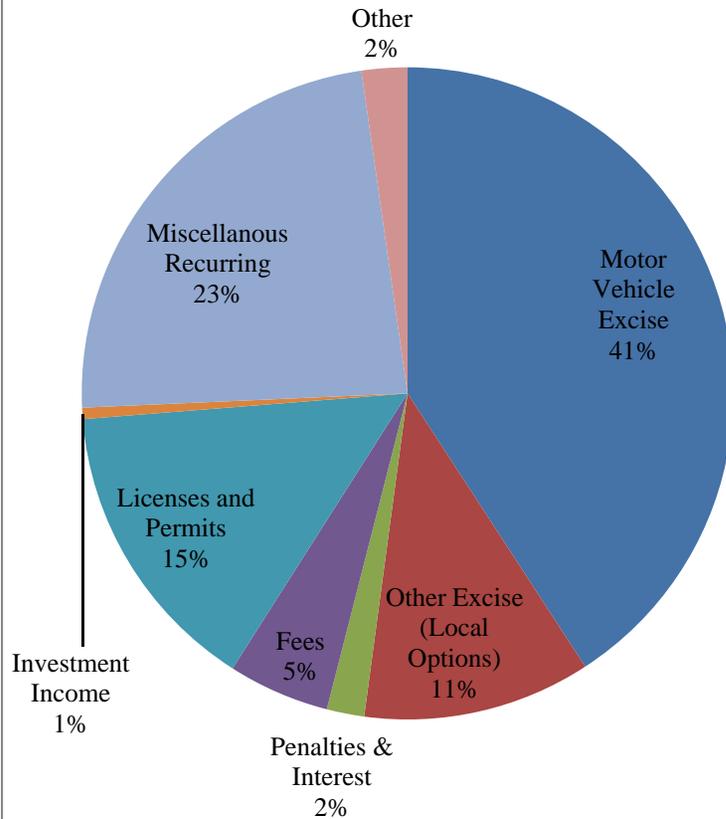
<b>Account</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY2012</b>	<b>FY 2013 YTD</b>
Workers Comp Insurance Recovery	17,631	60,130	89,645	26,262
Restitution	3,549		246	
Sale of Tax Possessions	51,115	305,826	1,022	
Sale of Vehicles, Equipment	12,600	7,451		
Settlement Proceeds	1,268	300,000	680,284	90,000
Retiree Drug Subsidy	90,359	99,309	107,315	
Retiree Health Reimbursement			1,839	
Otherwise Unclassified	21,444	10,806	88,244	20,878
FEMA Reimbursement	300,639	34,144	123,730	
MEMA Reimbursement	72,088	4,659	92,104	
<b>Total</b>	<b>570,695</b>	<b>822,325</b>	<b>1,184,429</b>	<b>137,140</b>

**Local Revenue Summary**

**Fiscal Year 2014 Projected Local Revenue**

Motor Vehicle Excise	2,958,834.70
Other Excise (Local Options)	820,000.00
Penalties & Interest	135,300.00
Fees	364,900.00
Licenses and Permits	1,066,483.80
Investment Income	41,000.00
Miscellaneous Recurring	1,698,329.80
Other	164,703.73
<b>Total</b>	<b>7,249,552.03</b>

**FY14 Projected Local Revenue**



STATE AID - In Fiscal Year 2013, State Aid accounts for 21.40% of general fund revenues. Below is a brief description of each component of State Aid.

**Chapter 70** – The largest portion of state aid comes in the form of Chapter 70 money. On July 8 Governor Patrick signed the FY13 state budget which authorizes \$4.17 billion in Chapter 70 education aid to Massachusetts school districts. Every district was awarded at least a \$40 per pupil increase. Westford's FY13 budget of \$47,591,283 exceeded the minimum net school spending amount by \$1,218,287. The Governor's FY14 projection shows a .008% increase (\$16,064,000 in FY13 to \$16,189,875 in FY14).

**Additional Assistance** – In FY10, Lottery and Additional Assistance funding were combined into one line item by the State. Proceeds from the state lottery are distributed to communities with the intention of having an equalizing affect. Those communities with a lower Equalized Property Valuations (EQV) receive a higher share aid. Additional Assistance funding does not have a formula, and the funding is at the discretion of the Legislature. After Lottery and Additional Assistance funding were combined, Westford had a \$514,813 decrease in spending. The Governor's FY14 Budget for Unrestricted Aid is level funded. However, the Annual Formula Local Aid is \$59,689 in new funding that results in a 3.32% overall increase to Unrestricted Aid.

**Police Career Incentive** – This program encourages officers to obtain degrees in criminal justice. Based on their level of education, they are eligible for base salary increases of 10% (Associates), 20% (Bachelors), or 25% (Masters). The funding by the state in FY12 decreased to zero. The Westford Superior Officers have graciously agreed to freeze payments at step 1 rates for all new superior officers.

**Veterans Benefits** – Under Chapter 115, Section 6 of Massachusetts General Laws (M.G.L. ch. 115), the Commonwealth provides a uniform program of financial and medical assistance for indigent veterans and their dependents. Qualifying veterans and their dependents receive necessary financial assistance for food, shelter, clothing, fuel, and medical care in accordance with a formula which takes into account the number of dependents and income from all sources. Benefits paid out in accordance with state guidelines are reimbursed 75%. Westford has experienced a lot more activity regarding these benefits, and the town expects to be reimbursed accordingly.

**Tax Exemption Aid for Veterans, Blind Persons, Surviving Spouses and the Elderly** – Chapter 59, Section 5 of M.G.L.s details the requirements for assistance. The town is partially reimbursed for these exemptions towards property taxes.

**State Owned Land** – Much like payment in lieu of taxes, the state pays the town an amount to make up for lost property tax revenue on state owned land.

**Charter Tuition Reimbursement** – Municipal and regional school districts pay tuition for resident pupils attending Commonwealth Charter Schools. Parents have a choice to send their children to charter schools and have the town pay the tuition. The state reimburses the town a portion of these costs.

**School Construction** – The state provides an offsetting revenue stream to pay for a portion of school building projects. The two projects recently reimbursed through this funding have been the Blanchard Middle School and Westford Academy addition. The note for the Blanchard M.S. was paid off in FY11. The town will continue to receive \$1,557,026 each year through fiscal year 2020 when the debt is fully paid.

**Offset Items** – These items are amounts that constitute categorical aid, i.e., funds that must be spent for specific municipal and regional school district programs. These items can be spent without an appropriation in the local budget.

**Public Libraries** – Public Libraries include three grants awards: The Library Incentive Grants (LIG) that encourage municipalities to maintain minimum levels of service, the Municipal Equalization Grant (MEG) to help compensate libraries with relatively less revenue, and the Nonresident Circulation Offset (NRC) that helps offset the cost of circulating materials to residents of other communities.

**School Lunch Programs** – To reimburse part of the cost incurred in serving lunches to school children

**School Choice** – To provide funding to school districts for accepting pupils from other districts.

## Town of Westford, MA

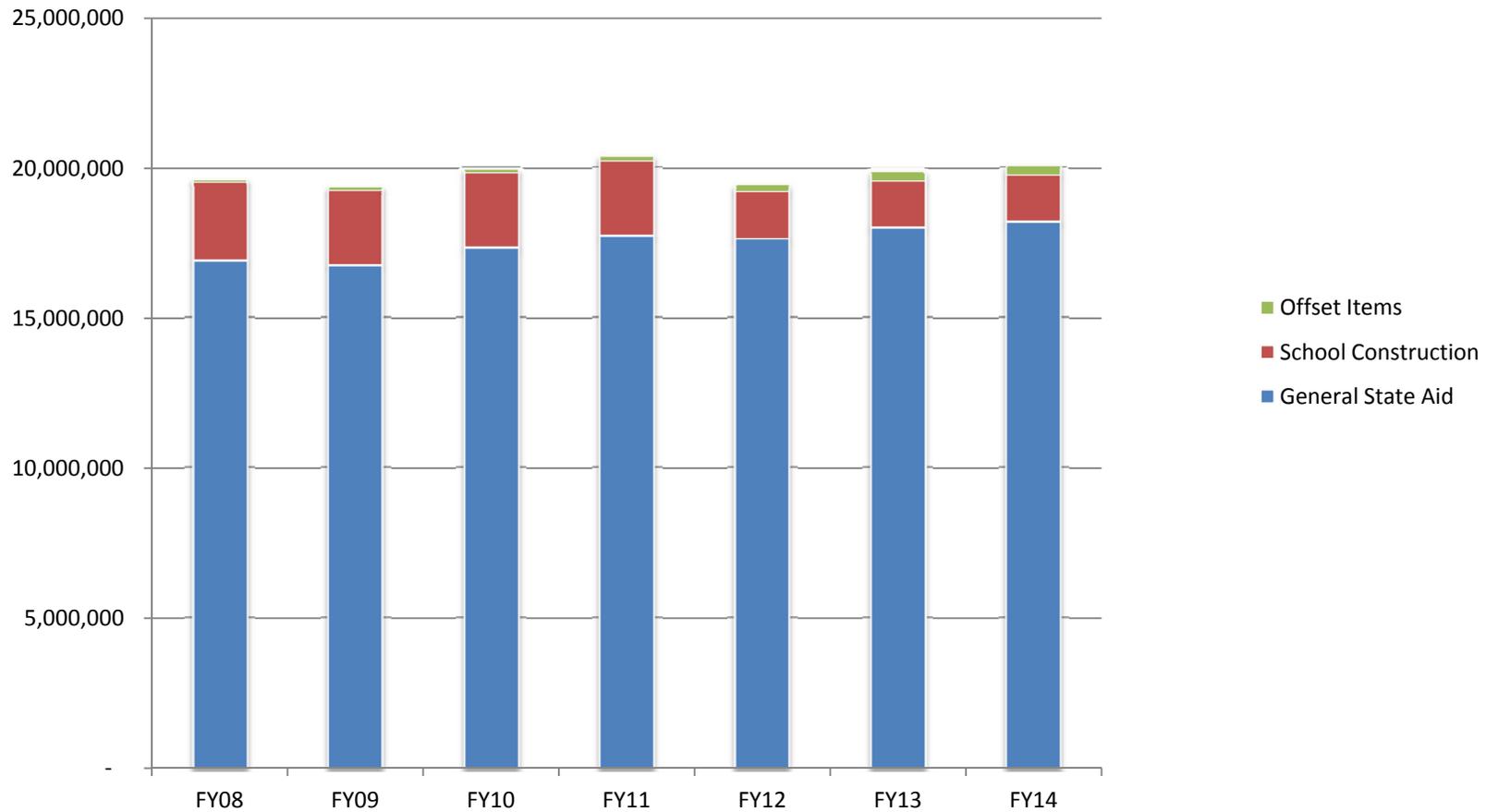
## General Fund Revenue

The following table displays the history of state aid revenue from Fiscal Year 2008 to Fiscal Year 2013. There is also a projection for Fiscal Year 2014, but the governor has not yet approved an initial budget. These figures are subject to change.

	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
<b>Revenue</b>							
Chapter 70	14,023,606	13,986,752	15,317,915	15,776,704	15,861,400	16,064,000	16,189,875
Lottery, Beano & Charity	1,749,484	1,579,004					
Unrestricted Aid			1,872,441	1,797,543	1,667,573	1,797,543	1,797,543
Additional Assistance	895,514	808,250					
Annual Formula Local Aid							59,689
Police Career Incentive	163,660	159,869	29,381	16,178			
Veterans' Benefits		1,453		4,107	7,500	31,331	31,331
Vets, Blind, Surv Spouses		74,468	32,630	70,504	70,504	67,405	67,405
Exemptions: Elderly	35,140	31,124					
State-Owned Land	219	235	212	191	198	198	198
Charter Tuition Reimb.	19,501	95,727	63,370	45,647	12,829	28,556	28,556
<b>Subtotal</b>	<b>16,887,124</b>	<b>16,736,882</b>	<b>17,315,949</b>	<b>17,710,874</b>	<b>17,620,004</b>	<b>17,989,033</b>	<b>18,174,597</b>
School Construction	2,613,589	2,494,007	2,494,007	2,494,010	1,557,026	1,557,026	1,557,026
<b>Subtotal</b>	<b>2,613,589</b>	<b>2,494,007</b>	<b>2,494,007</b>	<b>2,494,010</b>	<b>1,557,026</b>	<b>1,557,026</b>	<b>1,557,026</b>
<b>Offset Items - Reserve for Direct Expenditure</b>							
Public Libraries	26,384	27,736	19,611	19,389	19,623	18,612	18,612
School Lunch Programs	26,671	25,116	27,721	23,842	27,322	26,533	26,533
School Choice Rec. Tuition	35,000	53,830	64,672	123,200	188,454	271,300	271,300
<b>Subtotal</b>	<b>88,055</b>	<b>106,682</b>	<b>112,004</b>	<b>166,431</b>	<b>235,399</b>	<b>316,445</b>	<b>316,445</b>
<b>Total State Aid</b>	<b>19,588,768</b>	<b>19,337,571</b>	<b>19,921,960</b>	<b>20,371,315</b>	<b>19,412,429</b>	<b>19,862,504</b>	<b>20,048,068</b>

STATE AID - In FY13, the Town will receive an additional \$202,600 in Chapter 70 funding. School choice revenue has also increased by \$82,846. This graph included the Governor's recommended budget for FY14.

### State Aid - FY08 to FY14



## Town of Westford, MA

## Enterprise Fund Revenue

Enterprise Revenue – Enterprise Funds are authorized under Massachusetts General Laws, Ch. 44, Sec. 53F1/2. Westford currently has three enterprise funds: Water, Ambulance, and Recreation. The Recreation Enterprise was the latest one established in Fiscal Year 2009. Below is a summary of Enterprise Revenue from FY08 to FY14.

	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13 Budget</b>	<b>FY13 YTD</b>	<b>FY14</b>
<b>Enterprise</b>								
Water	2,932,760	3,183,501	3,641,300	4,383,454	4,138,033	3,528,098	2,584,017	3,909,352
Recreation	-	1,073,659	986,053	984,368	1,124,249	985,000	515,471	1,100,500
Ambulance	482,470	495,503	581,339	501,758	619,740	594,383	338,124	650,000
<b>Total</b>	<b>3,415,230</b>	<b>4,752,663</b>	<b>5,208,691</b>	<b>5,869,580</b>	<b>5,882,021</b>	<b>5,107,481</b>	<b>3,437,612</b>	<b>5,659,852</b>

Enterprises can either be self-supporting, or receive financial assistance from the city or town. Below is a table displaying the general fund subsidies provided to the various enterprises from FY08 to FY14.

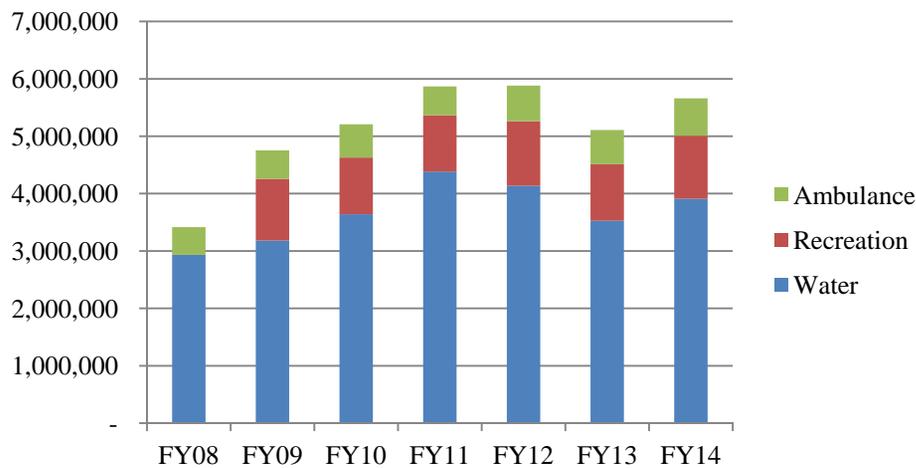
	<b>General Fund Subsidies for Enterprise Funds - FY08 to FY14</b>						
	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Water							
Recreation		324,042	199,852		85,000	157,066	57,721
Ambulance	417,851	404,239	394,586	409,334	306,130	346,214	333,102
<b>Total</b>	<b>417,851</b>	<b>728,281</b>	<b>594,438</b>	<b>409,334</b>	<b>391,130</b>	<b>503,280</b>	<b>390,823</b>

Water Enterprise – The Water Enterprise submitted a five year plan during this year’s budget process. The plan included a detailed operating budget and revenue projections. A capital plan was also proposed, and the water enterprise will be proposing that the Town replace a section of water mains in the Nabnasset area. The five year plan does not show any plans for rate increases during this time.

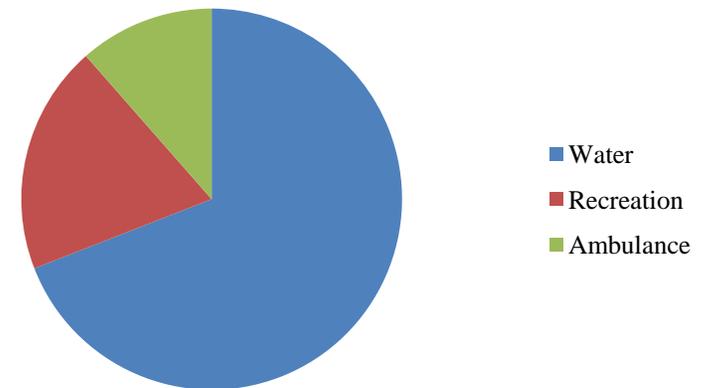
Recreation Enterprise – Due to a downturn in the economy, the recreation enterprise saw their revenues fall nearly \$88,000 from Fiscal Year 2009 to 2010. The Fiscal Year 2011 budget was supplemented with \$150,000 in Recreation Free cash. The Fiscal Year 2012 budget was supplemented with \$40,000 in Recreation Free Cash and \$85,000 in General Fund Free Cash. In Fiscal Year 2012, revenues increased 14.2% to \$1,124,249. The Town Manager is recommending a subsidy of \$57,721 in Fiscal Year 2014.

Ambulance Enterprise – The Advanced Life Support program was implemented in August of 2010. Since that time, the Fire Department has been focused on developing the program by both training current employees and hiring paramedics when vacancies occur. The Ambulance Enterprise currently has a staff of 12 paramedics and is fully functional. The subsidy for Fiscal Year 2014 is expected to be \$333,102.

**Enterprise Revenue - FY08 to FY14**



**FY14 Enterprise Revenue Budget**



OTHER AVAILABLE FUNDS – A complete list of special revenue funds can be found in the annual town report.

**Premium on Bonds (non-exempt and exempt debt)** – Often times when bonds are sold by the Town, lenders offer premiums in order to make their offering price more attractive. Small premiums are used to offset closing costs. Large premiums are amortized over the life of the loan and reduce the Town’s cost for borrowing.

**Capital Stabilization Fund** - This fund was established at the October 20, 2008 Special Town Meeting and was funded with a \$100,000 appropriation. Since that time the fund was built up to \$784,266 in Fiscal Year 2011 until \$767,700 was appropriated at the Annual Town Meeting. The current balance is \$189,956, although there are plans to make an appropriation from this fund at the A.T.M.

**Overlay Surplus** – Overlay is an annual account to cover anticipated abatements and exemptions of committed real and personal property taxes for that fiscal year. The overly amount is determined by the board of assessors and may be raised in the tax rate without appropriation. Remaining balances in the overlay accounts are needed for pending abatements or outstanding Appellate Tax Board decisions. Excess overlay is determined, certified and transferred by vote of the assessors to an Overlay Surplus Account. Overlay surplus may be appropriated for any lawful purpose or closed to the general fund at the end of the year.

**Other Available Funds – Misc.** – See the below table for a *draft* list of FY14 appropriations:

<b>Fund</b>	<b>Amount</b>	<b>Purpose</b>
Perchlorate Stabilization Fund	\$250,000	For perchlorate related expenses
Wetlands Receipts Reserved	\$18,720	To offset 171 Conversation Budget
Parks & Grounds Revolving Fund	\$30,000	To offset the 650 Parks & Grounds Budget
Completed Capital Projects	\$47,006.28	To fund the Capital Budget
Receipts Reserved	\$30,000.00	To fund a portion of the Frost School Roof

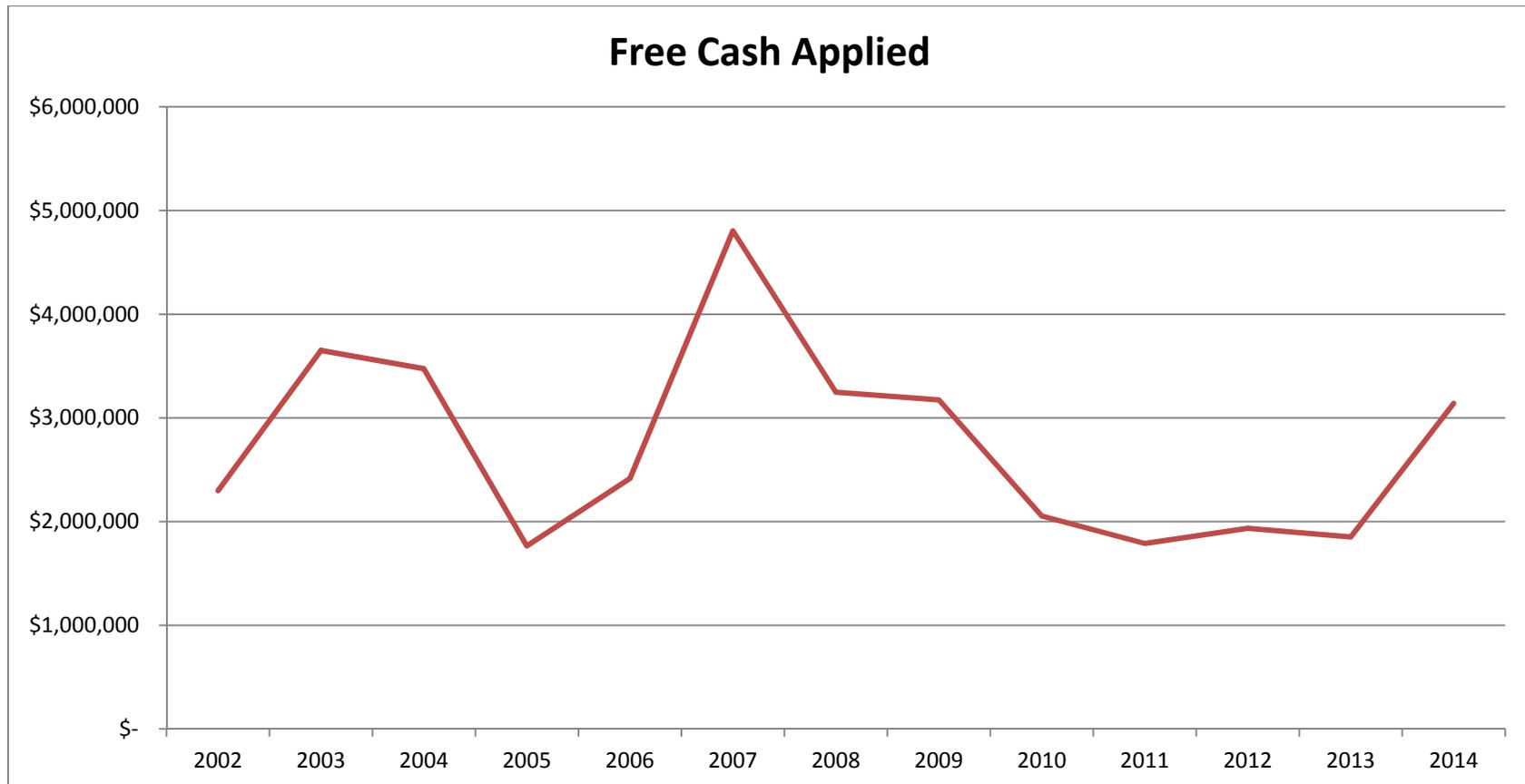
## Town of Westford, MA

## Other Available Funds

Community Preservation Funds – The Community Preservation Act (CPA) allows Westford to preserve the community character in the areas of open space, community housing, historical resources, and land for recreational use. Westford residents currently pay a 3% property tax surcharge to fund such projects. The current amount listed under available funds for appropriation for the CPC include the debt payments due for both East Boston Camps and the Town Hall in Fiscal Year 2014, along with an appropriation of \$15,000 for administrative expenses. The CPC will be meeting in January and February to review applications for funding.

<b>Fiscal Year</b>	<b>Penalties / Interest</b>	<b>Other Taxes - CPA Surcharge</b>	<b>CPA - State Share</b>	<b>Earnings on Investments</b>	<b>Total</b>
2003	1,395.53	927,877.35	815,485.00	32,765.41	1,777,523.29
2004	2,724.99	1,010,454.76	924,436.00	76,600.82	2,014,216.57
2005	1,820.31	1,077,557.22	1,005,454.00	120,934.60	2,205,766.13
2006	1,433.27	1,139,232.16	1,078,627.00	116,414.27	2,335,706.70
2007	1,978.27	1,188,066.11	1,137,231.00	197,197.75	2,524,473.13
2008	2,348.42	1,220,210.29	1,190,322.00	289,460.41	2,702,341.12
2009	2,204.36	1,250,223.28	885,461.00	228,229.44	2,366,118.08
2010	2,527.72	1,284,730.99	485,429.00	175,070.12	1,947,757.83
2011	2,929.67	1,303,521.74	386,547.00	144,429.70	1,837,428.11
2012	2,355.58	1,391,387.74	385,895.00	106,484.46	1,886,122.78
2013 Proj	1,700.00	1,376,000.00	402,455.00	50,000.00	1,830,155.00
2013 YTD	866.80	688,070.08	402,455.00	26,473.02	1,117,864.90
<b>Total</b>	<b>22,584.92</b>	<b>12,481,331.72</b>	<b>8,697,342.00</b>	<b>1,514,060.00</b>	<b>22,715,318.64</b>

FREE CASH – Free cash, which is certified as of July 1 each year by the Commonwealth’s Department of Revenue (DOR), represents the portion of General Fund surplus revenue that is unrestricted and available for appropriation. These funds, once certified, may be used to support supplemental Town Meeting appropriations during the year, or they may be used to fund a portion of the following year’s budget. Free cash is generated when the actual operating expenses are less than the amount budgeted, or when actual revenues exceed the original estimates. Below is a graph showing the amount of free cash used to balance the budget each year.



<b>REVENUES:</b>	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2012</b>	<b>Fiscal Year 2013</b>	<b>FY2014 Projection</b>
Tax Revenue	57,247,754.11	59,474,750.97	61,929,283.51	64,047,118.09
Local Revenue	6,509,336.99	6,827,656.74	7,144,932.55	7,249,552.03
State Aid	20,401,423.00	19,412,429.00	19,862,504.00	20,048,068.00
Free Cash - Appropriations	523,000.00	285,000.00	697,000.00	
Free Cash - Offset Tax Rate	1,788,877.64	1,935,538.79	1,851,115.73	3,139,871.97
Available Funds	3,844,405.74	3,191,894.85	3,262,512.89	1,268,380.87
Enterprise Revenue	5,288,064.00	5,541,028.00	5,727,231.56	5,659,852.00
<b>TOTAL REVENUE</b>	<b>95,602,861.48</b>	<b>96,668,298.35</b>	<b>100,474,580.24</b>	<b>101,412,842.96</b>

### FY2014 Projected Revenue

