

# **TOWN OF WESTFORD**

## **State of the Town Fiscal Year 2014**

**Jodi Ross**

**Town Manager**

**March 23, 2013**

# FY13 Highlights

- School Resource Officers added to WA & N.V.T.H.S.
- Turf fields at Nutting Road completed
- Received APA 2012 Comprehensive Planning Award
- Received MMA 2012 Best Website Award
- Police received Southern NE Gold Award of 2012
- Officer Hyder received 2012 Traffic Safety Hero Award
- Completed Westford Permitting Guide
- Developed Westford Information Security Policy

# FY13 Revenues

- New Growth – Red Hat, Cornerstone, Graniteville Woods & Tadmuck Meadows
  - \$1,210,815 in New Growth
  - \$241,606 in Amended New Growth as of April 1, 2013
- Local Options Excise projected to exceed \$1,000,000
- Received over \$290,000 in new grants
- Applied for FEMA/MEMA reimbursements
- Sale of permitting software for \$90,000

# FY13 Efficiencies / Cost Avoidances

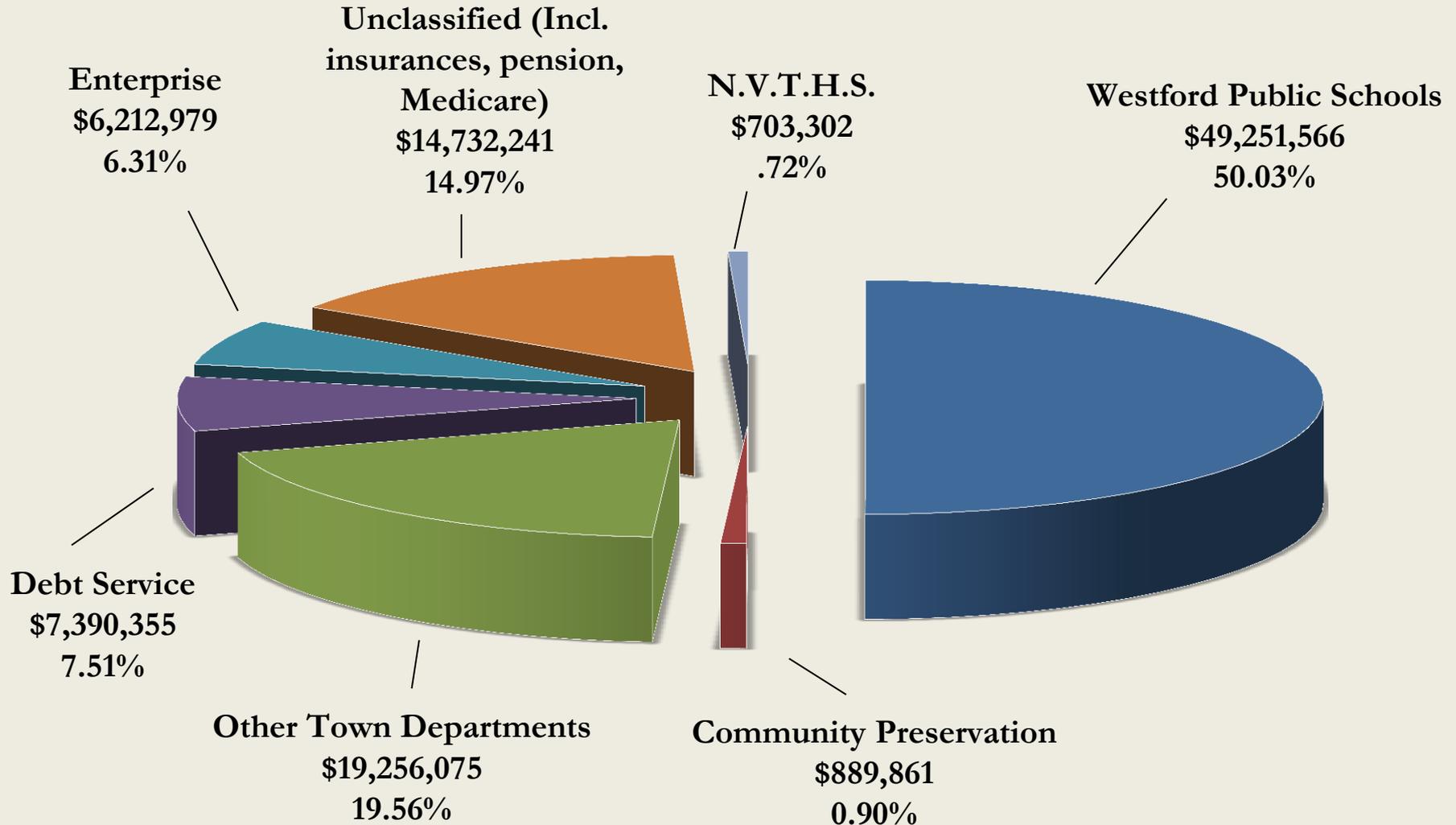
- 10 of 12 union contracts settled through FY13 with 0% COLA in FY12 & FY13 - delayed 1 step - \$680,000 savings
- Health insurance plan design changes on Nov. 1, 2012
  - estimated \$237,505 in cost avoidance
- Early Retiree Reinsurance Program reimbursement - \$161,739
- Restructured natural gas supply contract - \$85,000
- New recycling policies to reduce solid waste costs - \$98,000
- Switched general insurance carriers - \$40,000
- Restructured IT contracts - \$12,000
- Negotiated facility maintenance contracts - \$7,000

# Board of Selectmen/Town Manager

## 2013 Goals

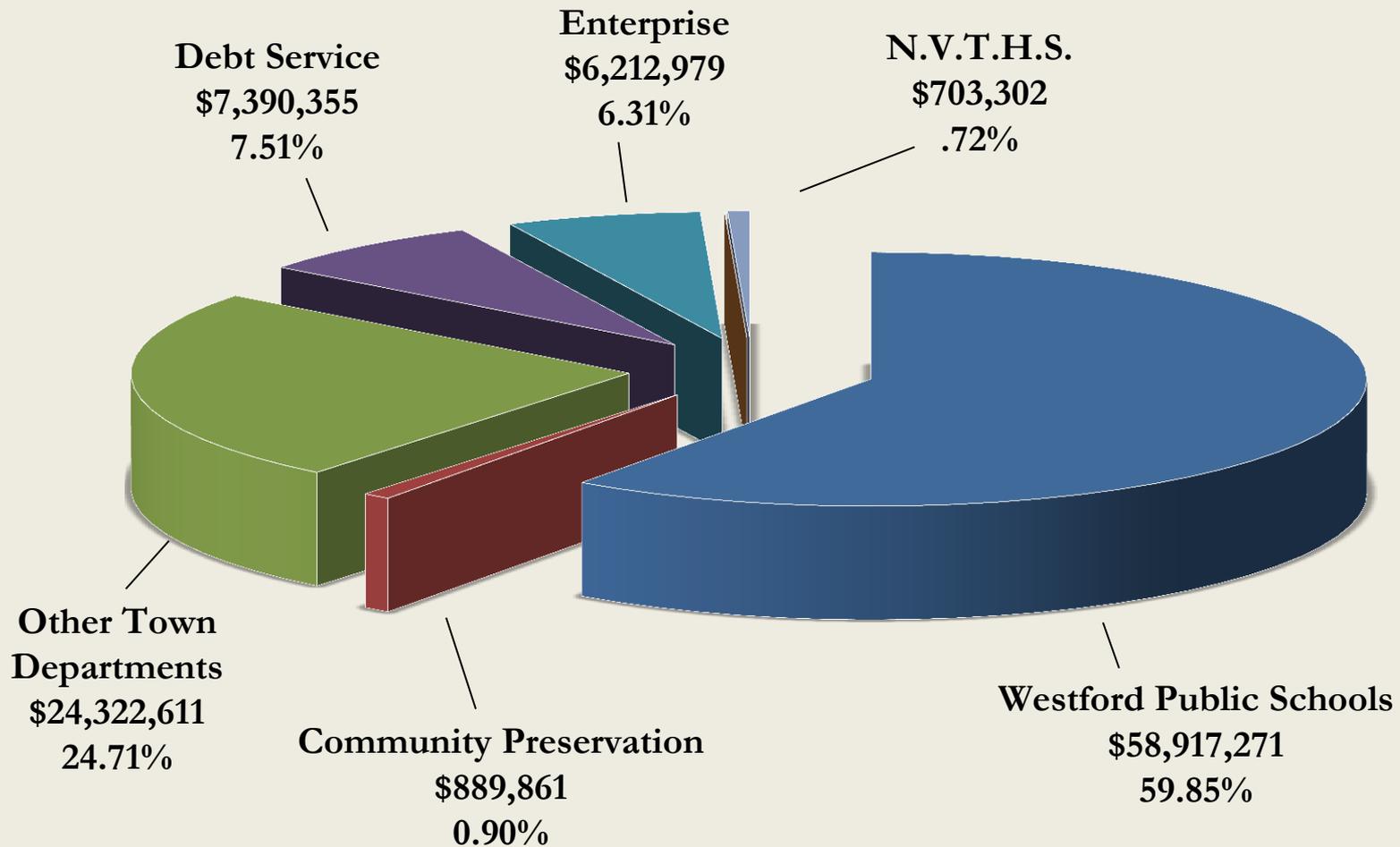
- Developed a three-year town-wide budget projection
- Work with AG to demand better response from National Grid
- Establish facility maintenance 10 year capital plan
- Minimize perchlorate expense
- Monitor and control health insurance costs
- Improve traffic-calming measures and support pedestrian safety
- Work with Economic Development Committee to create a plan to attract and retain desirable businesses
- Work with PanAm to minimize impacts of trains
- Secure 12 N. Main Street property to protect our community
- Implement policies of the Unaccepted Roads Committee
- Improve security in our schools and town buildings

# FY14 Operating Budget



# FY14 Operating Budget

## Allocating Benefits & Insurance to Departments



# FY14 Highlights

- Balanced budget with no Prop. 2 ½ override request
- Presented new budget format
- Increased service levels in Schools, Police, Permitting, Building & Veterans
- New Public Buildings and Maintenance budget
- Recommending a town-wide facility study
- Seeking to start an emergency AM radio station
- Seeking state funding for infrastructure improvements
- New revenue through cell facility at Highway Dept
- Substantial energy savings from net metering

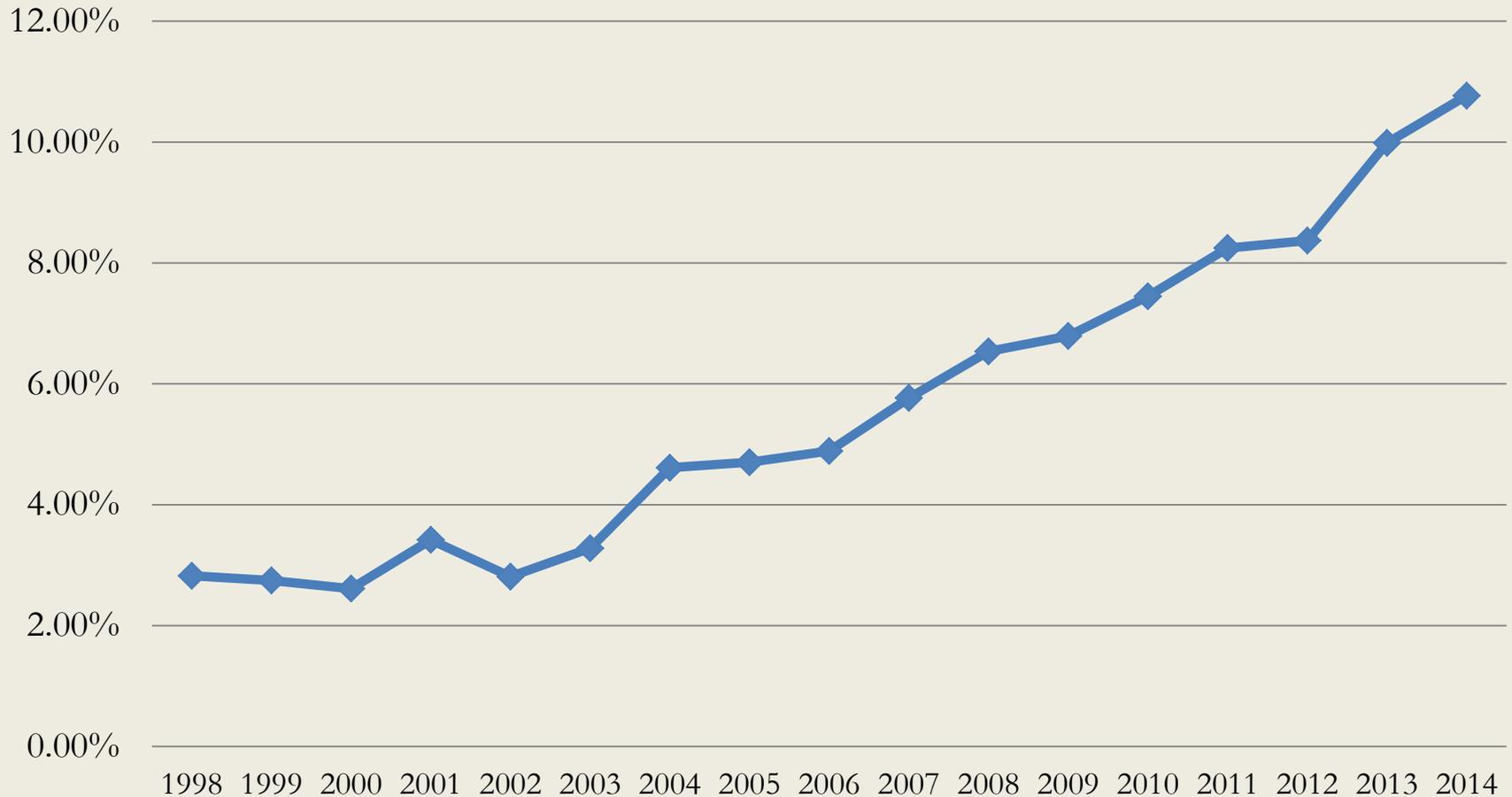
# FY14 Budget Summary

- Total cash reserves \$5,637,094 (5.6% of budget)
- \$3,712,692 in capital with \$2,069,792 to be bonded
- Reduction of \$253,876 in excluded debt and increase of \$176,225 in non-excluded debt
- \$100,000 to OPEB Stabilization Fund
- N.V.T.H.S. assessment +12.59%
- Overall tax impact of 1.97%

# FY10 to FY14 Budget Summary

Budget	FY10 Budget	FY14 Budget	4 Year \$ Increase	4 Year % Inc.
Town Departments	17,731,511	19,256,075	\$1,524,564	8.60%
School Department	42,739,355	49,251,566	5,519,429	12.91%
N.V.T.H.S.	591,918	703,302	111,384	18.82%
Debt Service	9,820,502	7,390,355	(2,430,147)	(24.75%)
Health Insurance	6,500,000	10,177,521	3,677,521	57.05%
Retirement Assess.	2,562,317	3,657,194	1,094,877	42.73%
Other Unclassified	1,392,540	1,722,953	330,413	6.74%
Enterprise Subsidy	660,764	520,665	(140,099)	(21.20%)

# Health Insurance as % of the Operating Budget: FY98 to FY14

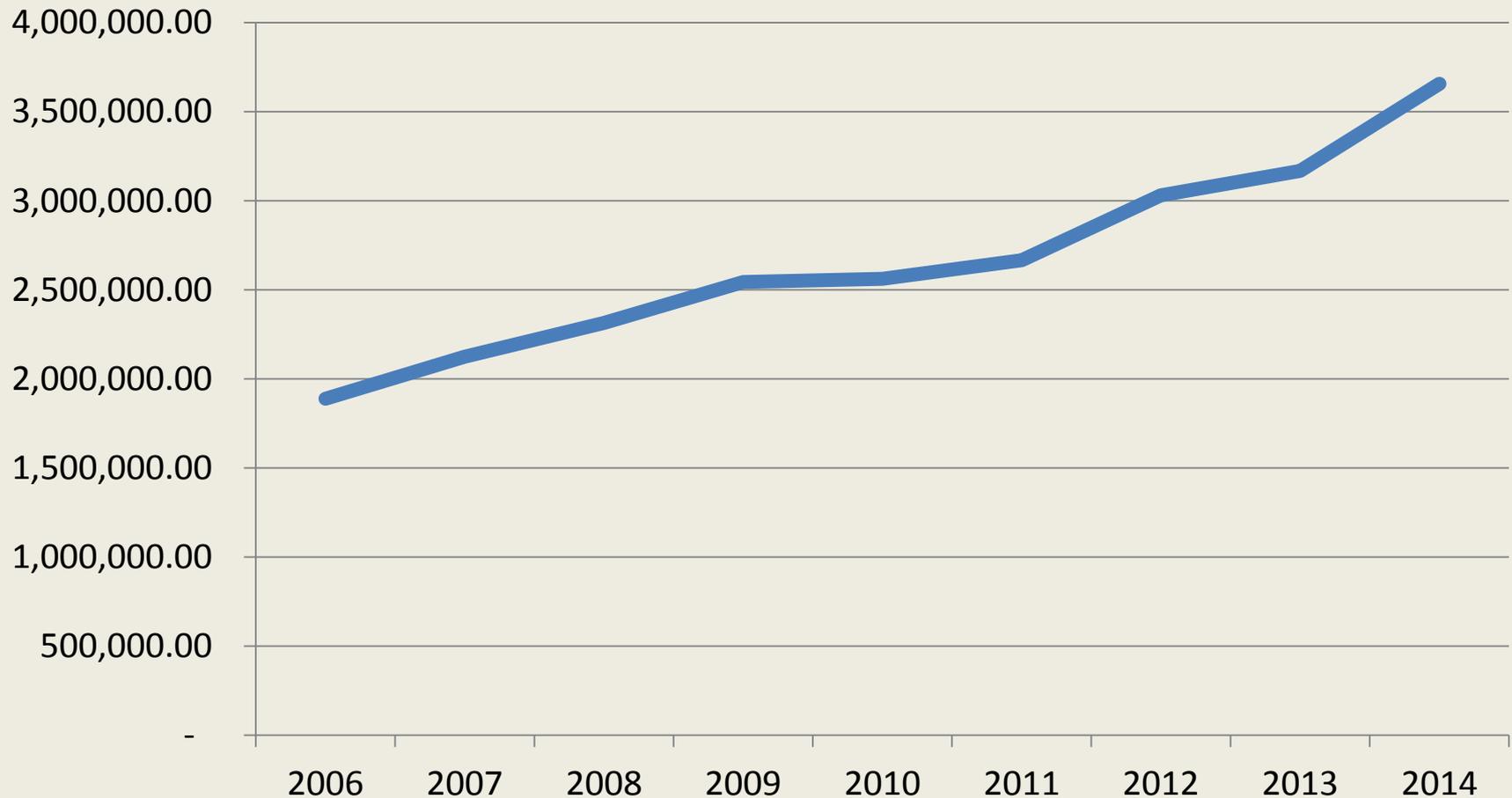


# Health Insurance Overview

Year	Enrollment	Amount	% Increase
FY14 Budget		\$10,177,521	7.8%
FY13 Budget	1,006	9,438,000	17.3%
FY12 Actual	985	7,724,184	4.7%
FY11 Actual	962	7,378,422	14.3%
FY10 Actual	941	6,455,172	8.0%

- 67% of eligible employees are enrolled in town's plan
- Town contributes 65% for HMO and 60% for PPO
- Additional health plan design changes for FY14

# Middlesex Retirement Assessment FY06 to FY14



# Middlesex Retirement Overview

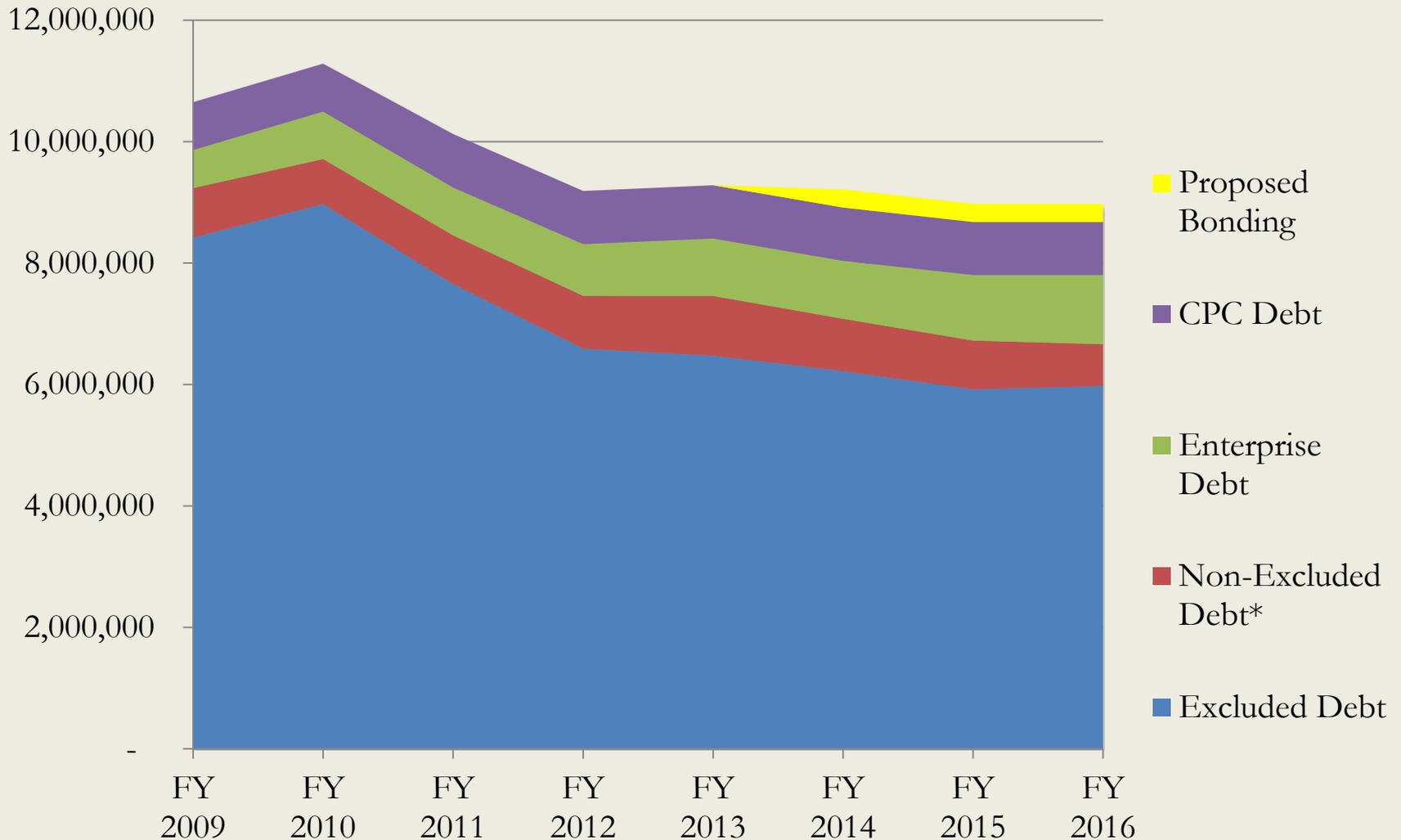
- Employee Contributions:
  - Hire Date Prior to 1/1/1975 5%
  - After 1/1/1975 and prior to 1/1/1984 7%
  - After 1/1/1984 and prior to 7/1/1996 8%
  - After 7/1/1996 9%
  - After 1/1/1979 (earnings over 30k) 2%
  
- FY12 employee contributions totaled \$1,923,165 vs. \$955,764 employer normal cost
  
- Once the pension liability is 100% funded, the assessment will decrease to the normal cost

# Capital Appropriations

Capital Planning Committee reviewed, prioritized and recommended town-wide capital budget

Raise & Appropriate	\$	756,900.00
Bonding		2,069,792.00
Approp. to Capital Stab.		105,000.00
Approp. From Capital Stab.		31,000.00
Ambulance Enterprise Free Cash		80,000.00
Water Enterprise Free Cash		670,000.00
Total	\$	<u>3,712,692.00</u>

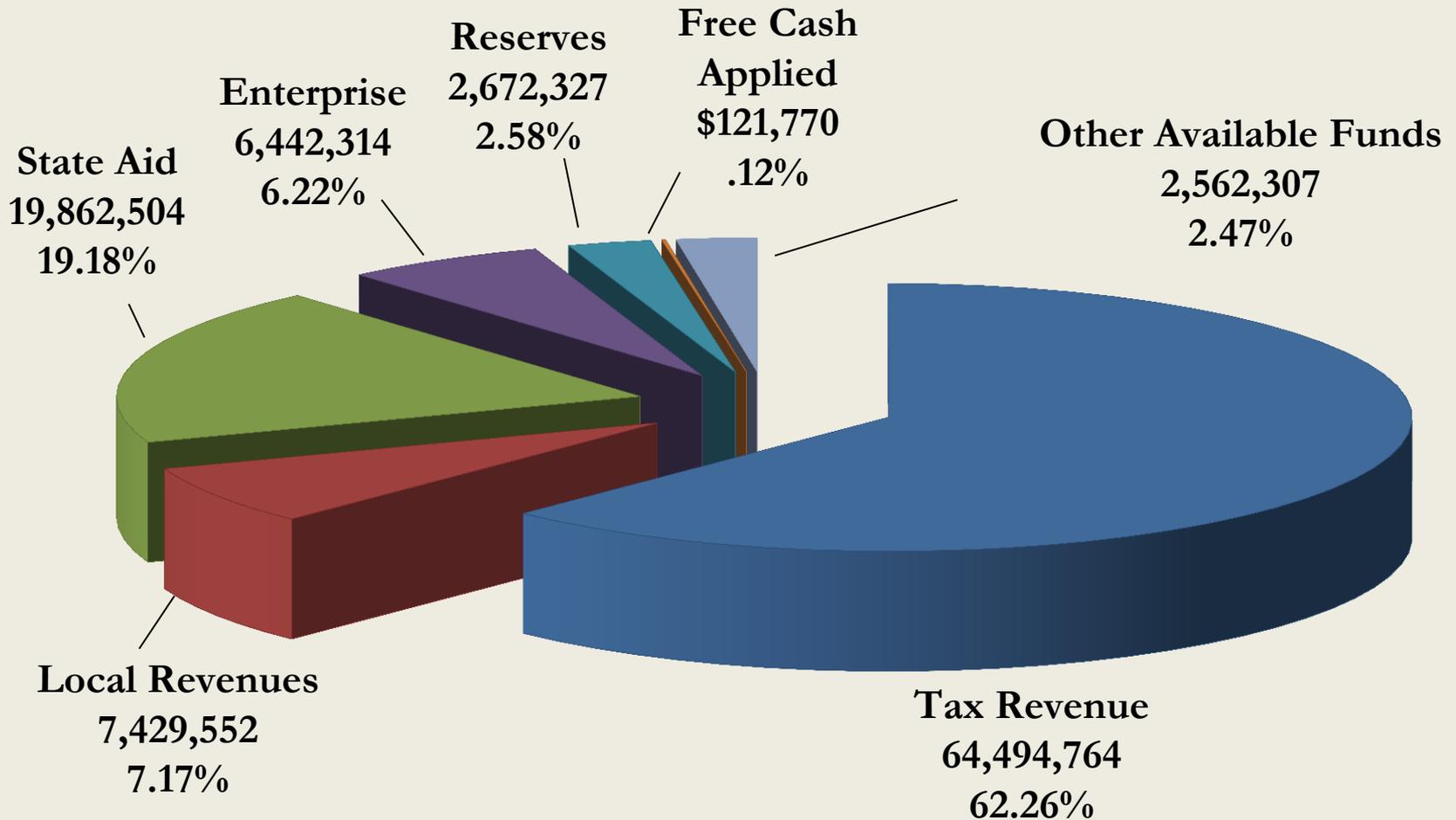
# Debt Service



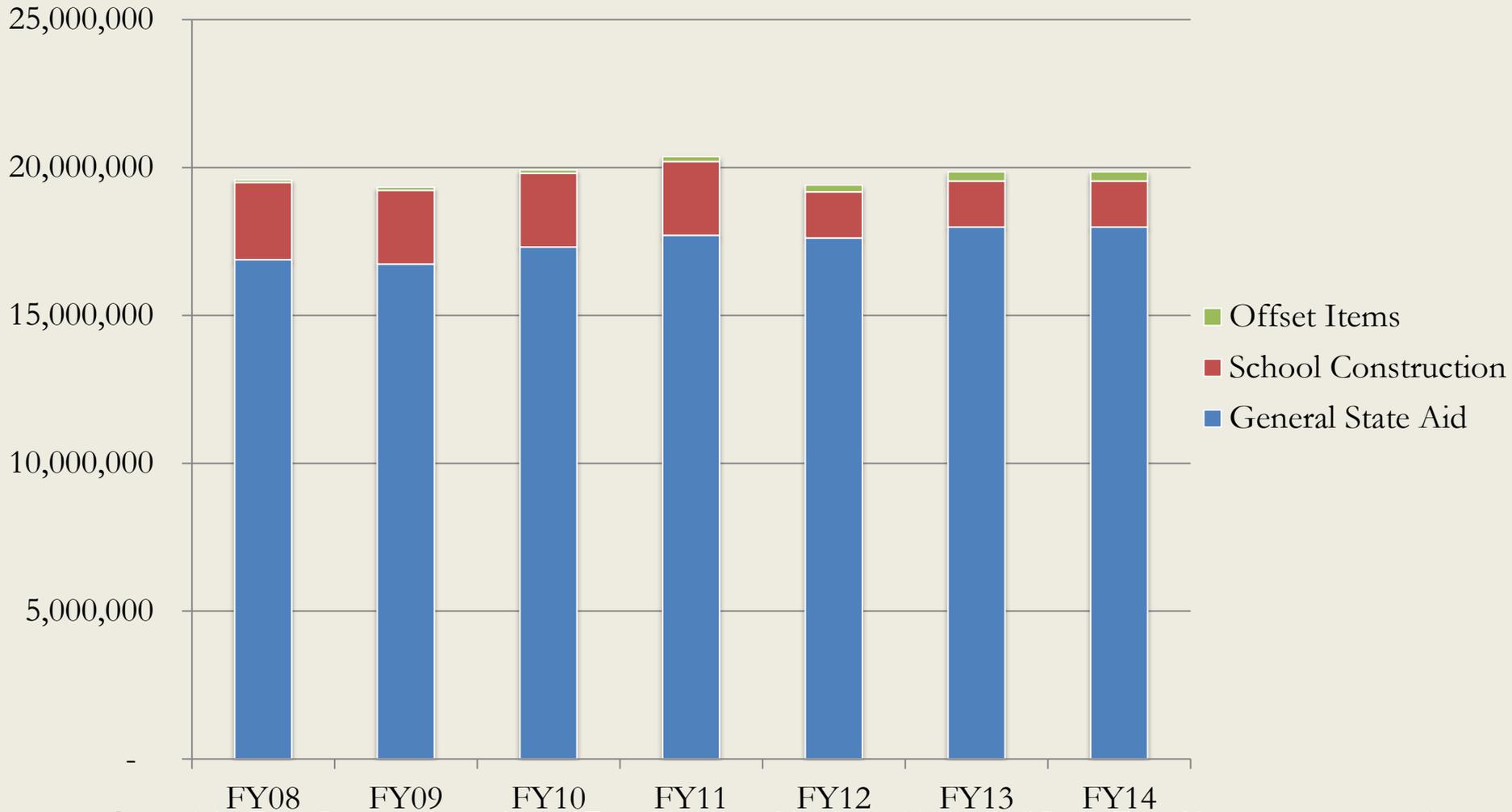
# FY 2014 Projected Revenue

- State Aid level funded
- New Growth projection of \$1,100,000
- Local Revenue estimated 2.5% increase in FY14
  - Local options revenue tracking at \$1,000,000
- Lease revenue
  - \$40,000 from East Boston Camps
  - \$41,757 from Roudenbush plus \$60,000 “in kind” for capital and maintenance

# FY14 Estimated Revenue



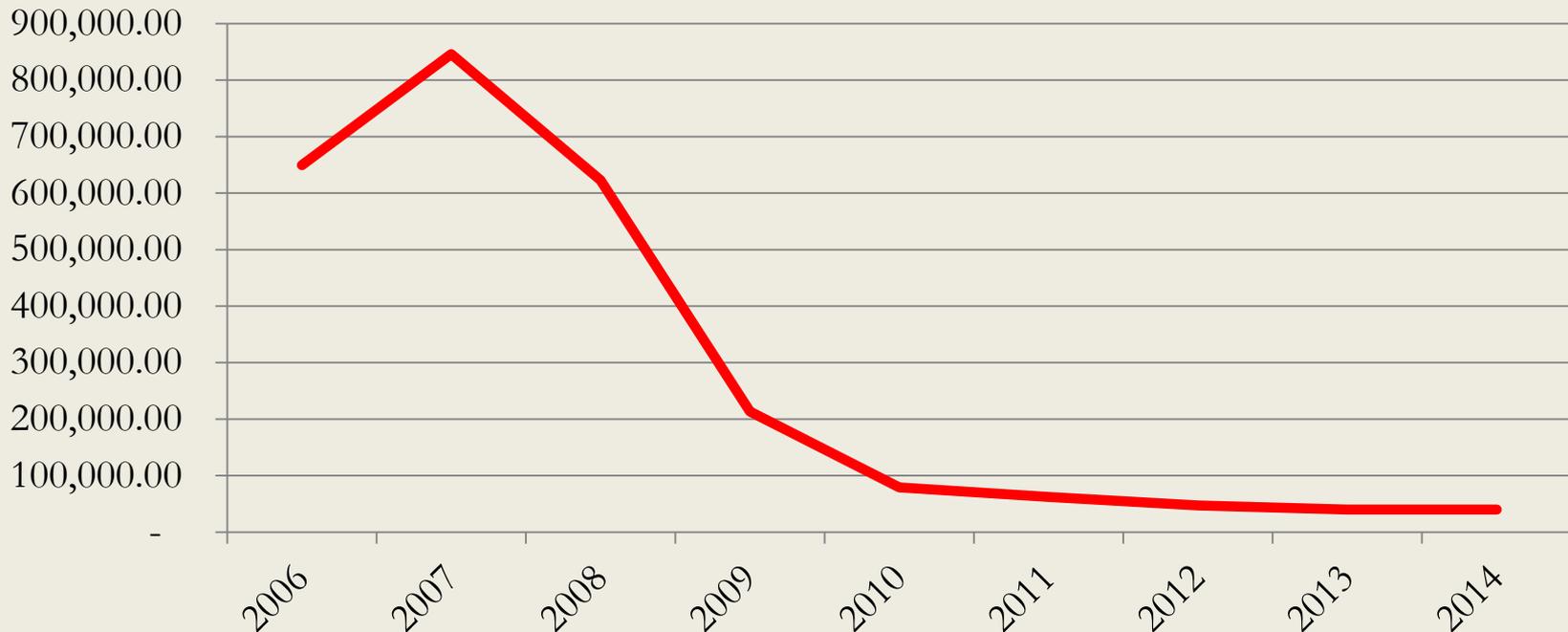
# State Aid – FY08 to FY14



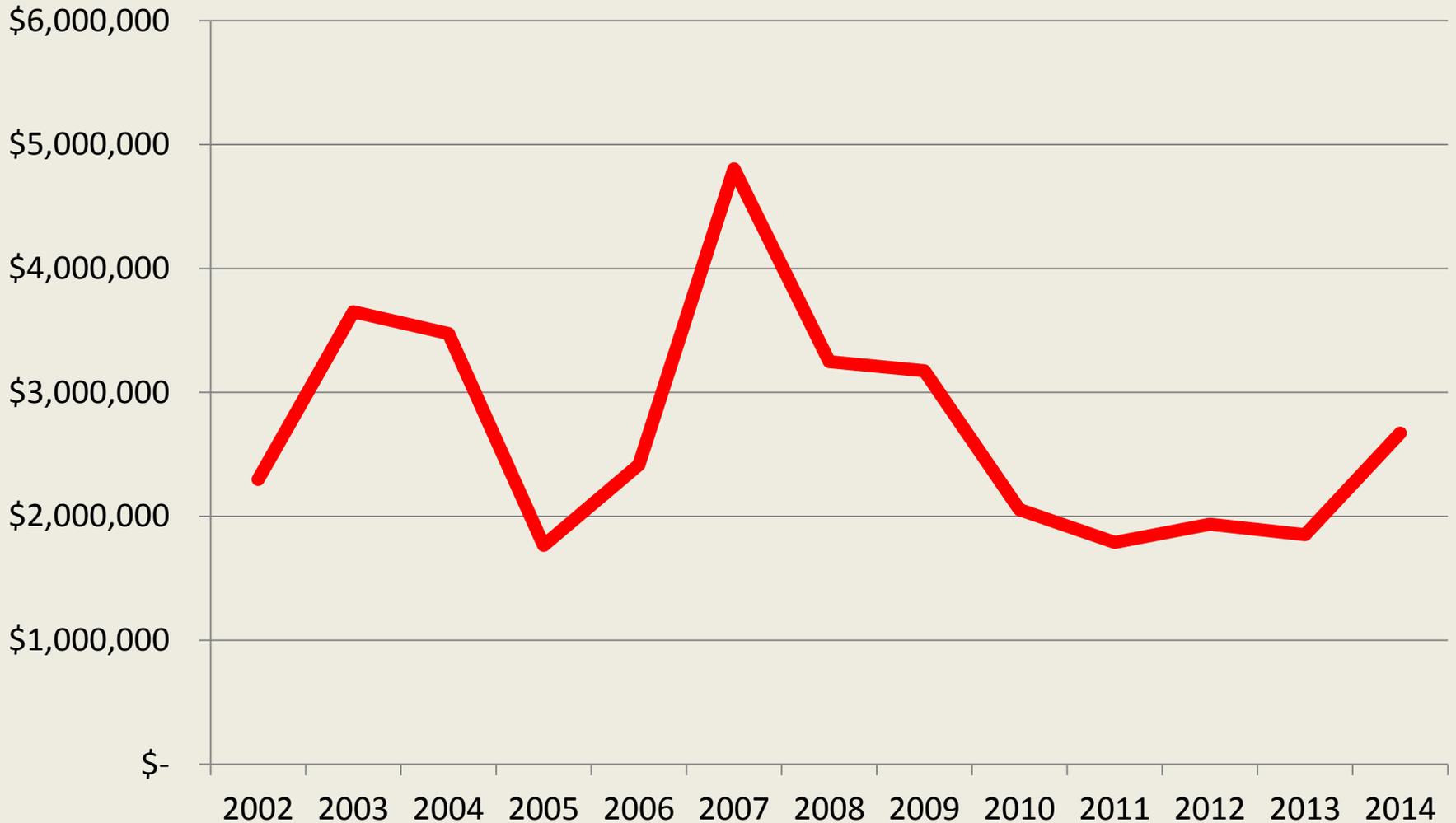
# Investment Income

- 5.25% in Sept 2007 down to .10%-.35% in March 2013
- The projected income for FY14 is \$41,000
  - Down from \$846,064 in FY07

**General Fund Investment Income**



# Reserves Applied to Balance the Budget



# Future Fiscal Challenges

- Collective Bargaining Agreements
  - 2 of 12 settled through FY14
- Health insurance enrollment and premiums
- Special education mandates
- Retirement assessment
- Litigation
- Perchlorate expenditures
- Waste water treatment plant operations

# Future Fiscal Challenges

- Severe storms, town's response and recovery costs
- Infrastructure and facility repairs and maintenance
- Increased debt inside the levy limit due to bonding for capital (est. \$176,225)
- 12 North Main Street (Westford Anodizing)
- Fluctuations in fuel prices
- Possible request for Prop 2 1/2 override, debt exclusion or reduction of services

# FY15 Projections

- \$2.6M projected deficit for FY15
  
- Assumptions:
  - 4.0% increase for schools
  - 3.7% increase for town
  - 2.5% for N.V.T.H.S assessment
  - 11.7% increase for health insurance
  - 6.2% increase for Middlesex Retirement
  - \$1.5M in operating budget for capital
  - Level state aid
  - 2.5% increase for local revenue
  - New growth estimated at \$900,000
  - \$1M free cash generated

# We have challenges...but.. we are WESTFORD!

- Excellent school system
- Exceptional town departments
- Extraordinary J.V. Fletcher library
- State-of-the-Art Senior Cameron Senior Center
- Commitment to historic preservation
- Over 2000 acres of conservation land
- Outstanding level of civic engagement and volunteerism

*...and much, much more...*

# Most of all, we have a strong sense of community.

We are committed to working with our entire community to realize any potential efficiencies to utilize our resources wisely, and maintain the level of services that we provide.

Thank you to our board members, department heads, employees, volunteers, and all of our residents for your creativity, collaboration, countless contributions, and most of all, your unwavering dedication and commitment to our community.