

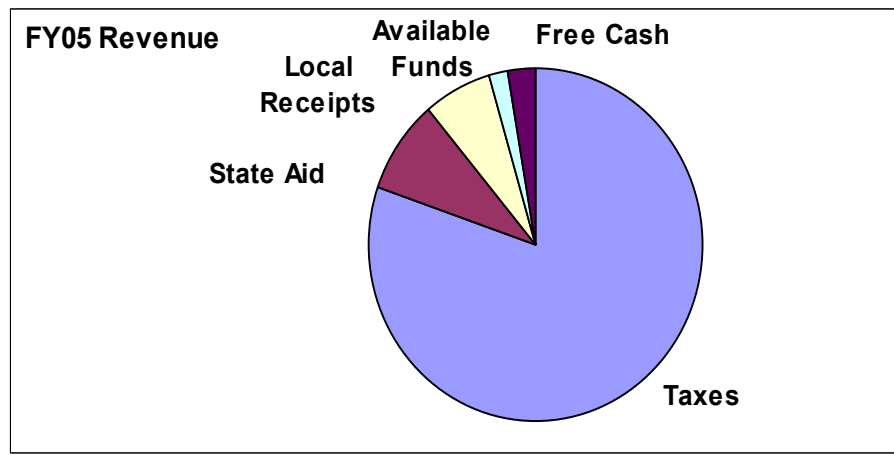
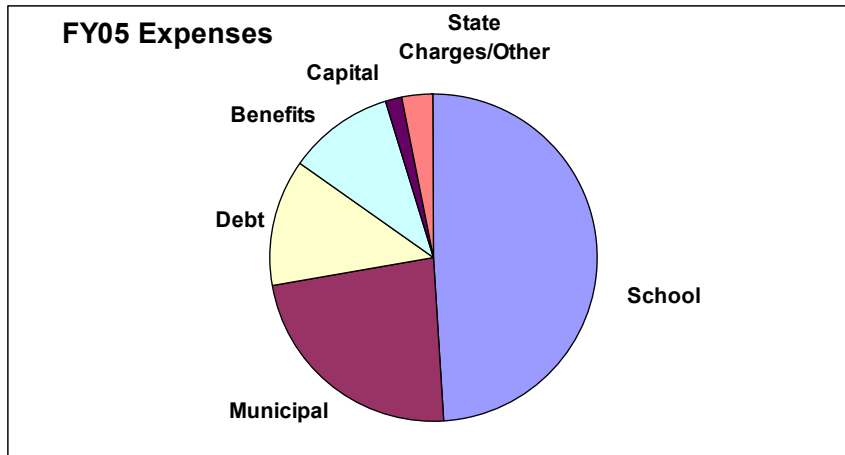


FY06 Town Budget Overview



Budget Summit
January 29, 2005

A Look at the Current Budget....



FY05 Expenses	
School	\$26,237,873
Municipal	\$12,540,022
Debt	\$6,722,777
Employee Costs/Reserves	\$5,767,904
Capital	\$896,000
State Charges/Other	\$1,595,968
Total	\$53,760,544

FY05 Revenue	
Taxes	\$43,092,347
State Aid	\$4,741,172
Local Receipts	\$3,520,759
Available Funds	\$984,997
Free Cash	\$1,421,270
Total	\$53,760,544

Overview of Financial Issues.....

Recent Budget Years

Limited revenue available for operating budgets

- Fixed costs increases taking all new revenue available within Proposition 2 ½.
- No revenue available for school and municipal operating budgets.

FY04 Budget Impact

- FY04 - \$0, 0% operating budget increase
 - School – 0%
 - Municipal – 0%
- Reduced capital budget

FY05 Budget Impact

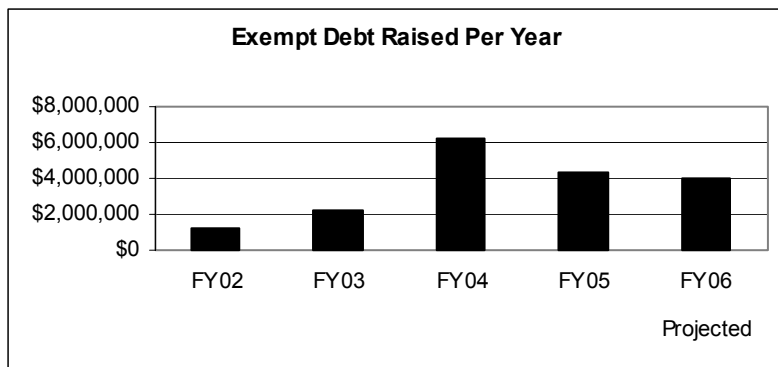
- FY05 – small operating increases
 - School – 4.4%
 - Municipal – 3.4%
- Capital maintained at reduced level
- Used significant one-time revenue to balance budget (\$1.4M)

FY06 budget will have similar challenges

Some Information on Taxes.....

	FY02	FY03	FY04	FY05	Projected FY06
Average Value	\$334,339	\$468,075	\$468,075	\$510,202	\$510,202
*Average Tax Bill	\$4,637	\$5,359	\$6,066	\$6,107	\$6,192
% Increase	3.74%	15.57%	13.19%	0.67%	1.39%

- Largest component of tax increase has been increase in exempt debt due to construction projects – Martha Jones, Downey, High School.
- FY05 increase less than 2 ½% due to receipt of state building funds.
- FY06 increase less than 2 ½% due to completion of 1994 road improvement bond.



	FY02	FY03	FY04	FY05	Projected FY06
Exempt Debt	\$1,199,655	\$2,257,706	\$6,265,148	\$4,367,789	\$3,995,264

*Amounts shown for average home.
Individual tax bills may increase/decrease differently due to specific change in valuation.

More on Taxes.....

Exempt Debt/State Reimbursement

Tax Impact FY05				
	Martha Jones	Downey	Total	Approximate Tax Implication
Total Exempt Debt	\$969,480	\$848,295	\$1,817,775	\$272
State Reimbursement	\$692,249	\$625,794	\$1,318,043	\$197
Net Debt to Raise in Taxes	\$277,231	\$222,501	\$499,732	\$75

State reimbursement significantly reduces taxes.

Potential High School State Reimbursement	
	FY06
Exempt debt	\$3,995,264
HS State Reimbursement	\$1,859,412
Net debt	\$2,135,852

Projected Taxes		
	FY06	FY06 w/State HS \$
Average Bill	\$6,192	\$5,923
% Change from Prior Year	1.39%	(-3%)

Exempt debt is the additional tax dollars collected above Proposition 2 ½ for the principal and interest payments for projects approved outside of Proposition 2 ½ , net of any state reimbursement.

FY06 Available Budget Funds.....

Change in Revenue FY05 to FY06	
Taxes – per Proposition 2 ½	\$1,430,000
New Growth	\$300,000
Increased Tax Money	\$1,730,000
Local Receipts	\$0
State Aid	\$0
Available Funds	(\$668,000)
Free Cash	(\$821,000)
Total Increase in Revenue	\$241,000

Increases in Fixed Costs For all School and Municipal Employees	
Benefit/Employment Costs	\$710,000
Insurance/Reserve	\$61,000
Total	\$771,000

Net New Revenue – (\$530,000)

To balance budget today:

- \$0, 0% increase to school and municipal budgets.
 - Cut capital budget in half from FY05.

Looking Ahead.....

FY06 Potential Budget Gap

Available new revenue	\$241,000
Expenses Increases:	
Increase in fixed costs	\$771,000
Base School budget increase	\$1,336,150
Base Municipal budget increase	\$639,516
Total Base Expense Increases	\$2,746,666
Budget Gap (Revenue less expenses)	(\$2,505, 666)

Additional Requests	
School	\$1,186,446
Municipal	\$774,600
Capital	\$2 - \$3 million

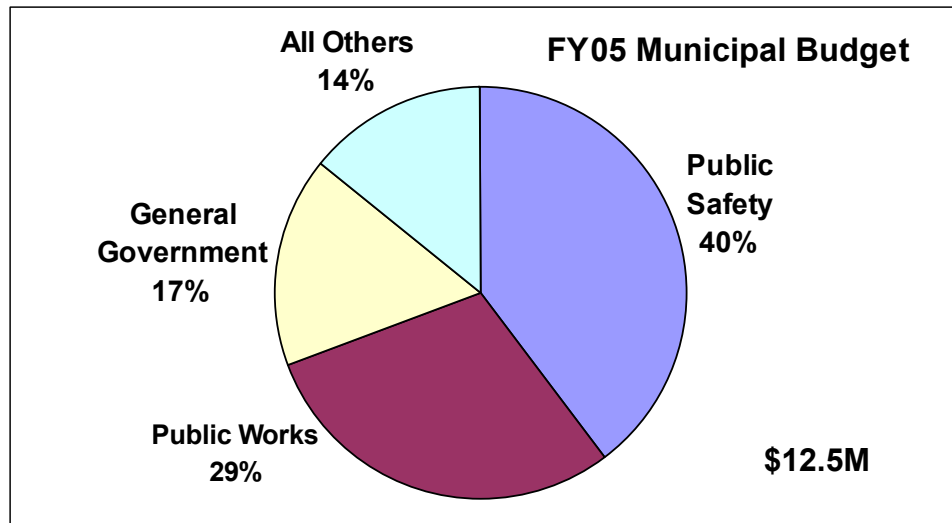


FY06 Initial Municipal Budget



Budget Summit
January 29, 2005

Municipal Budget Today.....



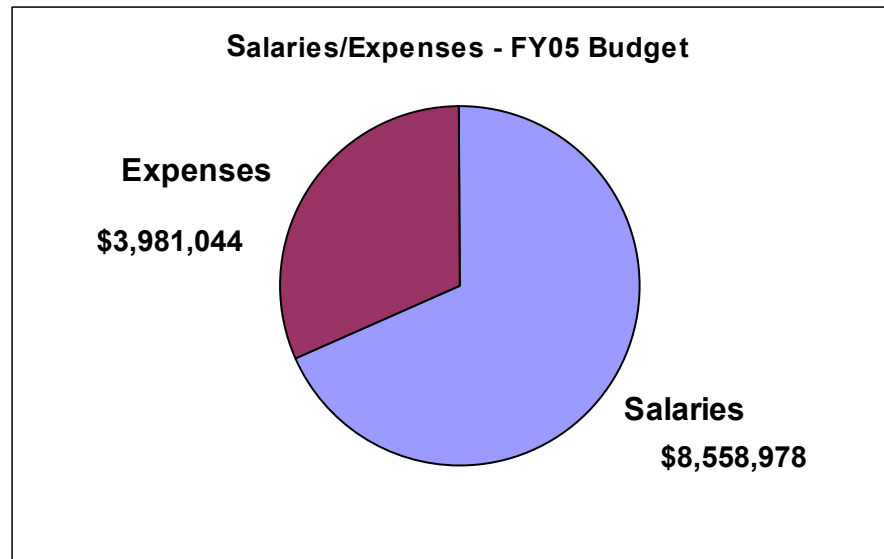
- 130 full-time staff, 43 part-time staff
- 68% of budget is salary

What we do:

- Police and Fire public safety protection
- Ambulance services
- Public Works services
- Recreation programs and fields
- Social services
- Library services
- Solid waste & recycling
- Land Use/Planning/Business functions
- Administration
- Support services

Municipal Salaries.....

Salary is the major component of the municipal budget.



The salaries for police officers, firefighters, and public works employees are the largest component of the municipal budget.

Some Municipal History.....

Efforts Streamlining Budgets

- Purchase street lights.
- Incorporation of recycling into solid waste collection contract.
- Transition to contract services for custodial services.
- Use of civilian dispatching for Police and Fire.
- Transfer of athletic field maintenance to DPW.

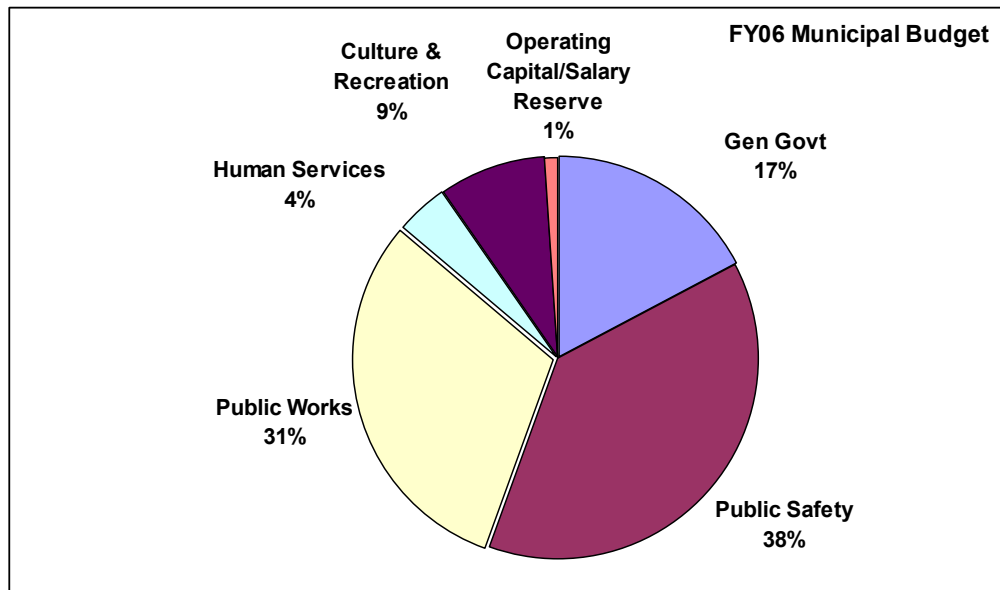
FY04/FY05 Budget Impact

- Limited or 0% salary increases.
- Did not fill vacant positions.
- Deferred new position requests.
- Limited or 0% expense increases.
- Adjusted fees for certain services.

FY06 Municipal Budget Detail....

	Expended FY2004	Current FY2005 Budget	FY2006 Budget	\$ Change FY06 vs. FY05	% Change FY06 vs. FY05
Salaries	\$8,144,297	\$8,558,978	\$8,816,260	\$257,282	3.0%
Expenses	\$3,996,817	\$3,981,044	\$4,363,278	\$382,234	9.6%
Total	\$12,141,114	\$12,540,022	\$13,179,538	\$639,516	5.1%

■ Does not include new requests



Detail of Municipal Budget Changes

Salary Changes		
Department	Item	Amount
All departments	Salary/COLA increases	\$223,000
All departments	Salary step increases	\$50,000
Police/Fire/DPW	Savings from staffing turnover in FY05	(\$50,000)
Information Systems	Restoration in FY05 of GIS position to full time	\$25,300
Conservation	Realignment of positions in FY05	\$9,000
	Total Major Salary Increases/Decreases	\$257,300

Expense Changes Summary	
	Amount
General Government – Information Systems	\$37,350
Public Safety – training, uniforms, ambulance	\$26,000
Public Works – Buildings, Snow & Ice, Trash	\$279,000
Social Services – Veterans, Youth, Library	\$16,100
Total	\$358,450

New Requests.....

New Requests			
		Salaries	Expenses
General Government	Salary - 3.25 positions	\$105,100	\$5,000
Public Safety	Salary - 5 positions	\$306,000	
Public Works	Salary - 4 positions	\$169,000	\$175,000
Human Services	Salary - .5 positions	\$14,500	
	Total 12.75 positions	\$594,600	\$180,000
	Total Requests	\$774,600	

- Most of these items have been requested and needed for several years, but deferred due to budget constraints.
- With these new requests, the total FY06 municipal budget request would increase to \$13.9M, a \$1.4M or 11% increase over FY05.

Superintendent's Proposed FY '06 Budget

Westwood Public Schools

- **Academic Excellence**
- **Caring and Respectful Relationships**
- **Continuous Improvement**

Vision for Westwood Public Schools

- Inspirational principals and high quality teachers
- Learning environments that are responsive to all students' needs
- Comprehensive curriculum that includes physical education, art, music, library and foreign language
- Appropriate and equitable resources
- Fair and equitable student teacher loads
- Ongoing professional development
- Safe, clean and well maintained schools
- Appropriate materials, supplies and equipment
- Up-to-date textbooks
- Sufficient administrative support and infrastructure for a 2800+ student school system

Major Factors Driving FY '06 Budget Decisions

- Increases in special education costs
- Increases in labor costs
- Cost of new positions, due to enrollment increases over the past 3 years
- Increases in operating costs: utilities, transportation
- No increases in state funding
- Loss of one-time revenue

Westwood's Per Pupil Expenditure has declined since FY '03

Per Pupil Expenditure*

- FY03 - \$9,294
- FY04 - \$9,149
- FY05 - \$9,277

*Operational budget divided by enrollment

Enrollment Growth vs. Staffing Decline (FY '03 – FY '05)

Enrollment Growth

■ 2003	2675
■ 2004	2729
■ 2005	2809
■ Increase	134
	(+5.0%)

Staffing Decline

(figures do not include
Special education)

■ 2003	301
■ 2004	292.1
■ 2005	289
■ Decrease	12
	(-4.0%)

Cost of Obligations – FY '06

Recommended Budget (with no staffing changes, except mandated positions and essential costs)

FY '05 Budget	\$26,060,090
FY '06 Obligations	\$1,336,150
FY '06 Budget	\$27,396,240
	5.13%

(no increases in regular education staffing)

Cost of FY '06 Obligations

Increase in labor costs \$ 906,059

Contracted Services

100/390 Legal	6,500	
220 Roll back Athletic fees	40,000	
390 Sped Transp.	-40,000	
390 Contr Serv. NECC - II	305,000	
411-415 Elem. Contr Serv	-10,000	
431 H.S. Contr. Serv.	-18,000	
550 Reg. Transp.1 add'l bus /yr. and reduce other transprotation costs	10,000	
550 Reg. Transp. Offset - roll back fees	70,000	
Other	20,827	\$ 384,327

Supplies

180 Library	30,000	
220 Athletics - offset change	26,000	

Cost of FY '06 Obligations (continued)

Supplies continued

250 Foreign Language	-15,000	
265 Nurse	4,000	
411-415 Elem. Supplies	-18,000	
500 Plant and Utilities	20,000	
340 Instr Tech - offset reduction	42,500	
600 Relocating Expense	-15,000	
Other	1,114	\$ 75,614

Other Expenses

100 Admin. - advertizing	14,000	
220 Athletics - misc.	3,000	
390 Stud. Serv. - tuition et al	(156,000)	
431 H.S. - misc.	7,000	
500 Cust. Equip. moved to Oper. Budget from Capital Budget	17,000	
600 Copiers moved to Oper. Budget from Capital Budget	88,500	
Other	(3,350)	(29,850)

\$ 1,336,150

Growth Budget - Recommended Budget (with Critical Restorations and New Positions)

Grade 1 Downey teacher

K-5 Special Education teacher at Downey

K-5 Math Specialist

K-5 Nurses (0.45)

M.S. Art teacher (0.4)

M.S. P.E. teacher

M.S. For. Language Administration (0.2)

H.S. Business teacher (0.4)

H.S. English teacher

H.S. For. Language teacher

H.S. Guidance Counselor

H.S. Guidance Secretary (0.5)

H.S. Nurse for Pre-school (0.5)

H.S. Math teacher (0.4)

H.S. Music teacher

H.S. Science teacher (0.5)

H.S. Social Studies teacher (1.2)

Growth Budget - Recommended Budget (with Critical Restorations and New Positions)

H.S. Special education teacher		
H.S. Special education secretary (0.5)		
H.S. Instruction tech specialist/video teacher		
H.S. Main office secretary (0.5)		
Assistant Network Manager		
ESL teacher (0.5)		
K-12 Teaching assistants (3.5)		
Restore 2.0 custodians		
	Subtotal	1,054,294
Other salaries	42,600	
Contracted Services	18,000	
Supplies	67,050	
Other expenses	<u>4,500</u>	
	Subtotal	132,150
Total (Growth)		<u>\$1,186,444</u>

FY '06 Recommended Budget

FY '05 Budget 26,060,095

FY '06 Obligation Increases 1,336,150

FY '06 Growth Increases 1,186,444

FY '06 Recommended Budget \$28,582,689

9.68% increase

Factors that make up the Recommended Budget Increase

■ Increases in labor costs	906,059
■ Other obligations (transportation, utilities, spec. ed.)	293,091
■ Roll back of fees (bus and athletic)	110,000
■ Restored positions and new positions	1,054,294
■ Other educational expenses	<u>157,866</u>
Total	2,521,310

FY '06 Capital Request

Item	Description	Submitted		
		FY '05	in Long Range Plan FY '06	Supt's Request FY '06
1	Technology	\$ 100,000	\$ 350,000	\$ 350,000
2	FF&E -	\$ 3,500	\$ 175,000	\$ 105,200
3	HVAC -	\$ -	\$ 100,000	\$ 100,000
4	Roofing - last section of Middle Sc	\$ -	\$ 320,000	\$ 320,000
5	Repair and Maintenance Copiers - in Operating Budget	\$ 51,000	\$ 350,000	\$ 350,000
6	effective FY 06	\$ 87,300	\$ -	
7	Vehicles - none required in FY 06 Custodial Equipment - in	\$ 26,000	\$ -	
8	Operating M. S. - Modulares: yr. 4 of 5 yr.	\$ -	\$ -	
9	lease/purchase	\$ 138,200	\$ 138,200	\$ 138,200
Total		\$ 406,000	\$ 1,433,200	\$ 1,363,400

In Conclusion,

- **Westwood has an outstanding school system.**
- **The FY '06 recommended budget will provide our seven schools with the resources we need to continue providing an outstanding education.**
- **As a community, you must decide what you want the Westwood Public Schools to look like over the next few years.**

Capital Budget

Recent History

	FY02	FY03	FY04	FY05
School	\$522,000	\$590,000	\$306,000	\$406,000
Municipal	<u>\$773,000</u>	<u>\$711,912</u>	<u>\$472,819</u>	<u>\$490,000</u>
Total	\$1,295,000	\$1,301,912	\$778,819	\$896,000

**FY2006 - FY2010
Summary of Capital Budget Requests**

	Department	Expenditures per Fiscal Year					Total Costs
		FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	
	Municipal Infrastructure	\$3,475,000	\$75,000	\$75,000	\$75,000	\$75,000	\$3,775,000
	Municipal Buildings	\$2,050,000	\$14,200,000	\$2,100,000	\$125,000	\$200,000	\$18,675,000
	COA	\$40,000					\$40,000
	DPW	\$475,000	\$255,000	\$233,000	\$250,000	\$355,000	\$1,568,000
	Fire	\$539,242	\$426,735	\$287,135	\$365,000	\$270,000	\$1,888,112
	Information Systems	\$372,500	\$192,500	\$103,500	\$103,500	\$103,500	\$875,500
	Police	\$98,889	\$102,845	\$106,959	\$111,237	\$115,687	\$535,617
	Recreation					\$45,000	\$45,000
	Total Municipal Departments	\$7,050,631	\$15,252,080	\$2,905,594	\$1,029,737	\$1,164,187	\$27,402,229
	School Department	\$1,570,700	\$1,750,700	\$1,732,500	\$1,877,500	\$1,877,500	\$8,808,900
	Sewer	\$290,000	\$230,000	\$155,000	\$160,000	\$290,000	\$1,125,000
	Total Capital Requests	\$8,911,331	\$17,232,780	\$4,793,094	\$3,067,237	\$3,331,687	\$37,336,129