

**Long Range Financial Planning Committee Meeting**  
**January 3, 2018 7:30am**  
**Selectmen's Meeting Room**

<b>Attending:</b>	
Pam Dukeman, Finance Director	Chris Pfaff, At large member
Josepha Jowdy, Schools Committee	Al Wisialko, Town Collector
Mike Krone, Board of Assessors	Mike O'Hara, FinCom
Emily Parks, School Superintendent	Nancy Hyde, Selectmen
Heath Petracca, Schools Finance	

**Schools Building Project Update:**

Emily Parks gave an update on the Massachusetts School Building Authority process. Westwood has been invited into the eligibility phase by the MSBA, this is quite an accomplishment as just 15 of the 82 districts that applied were accepted to this phase. The schools now have a nine month period starting in June of 2018 to produce schematic designs for the full proposal. MSBA then participates in the planning process. The funding for these plans is anticipated to be brought forward for a vote at Annual Town Meeting in May of 2018. It is expected that the article would ask for between \$1M and \$1.5M for these plans. Pam stated that this would be a borrowing article, and would then be rolled into the larger project financing. The financing fees can be paid with University Station revenue.

**FY18 Tax Rate Review**

Currently, commercial property is 15% of total value in town, and pay 25% of the taxes. New growth revenue from University Station was lower than budgeted this year, due to the delay in the hotel and new restaurant openings. In the 90's, commercial value in town was 25%-30% of total value, however this is no longer an achievable amount as residential values have increased dramatically since then. The split tax rate helps slow the growth of residential tax bills. In FY18 the savings from a split rate is \$1,300 or 14%.

Within residential values, there has been a shift with the number of higher value homes increasing dramatically since 2012. However, in 2017, we saw the value of high end homes slow or even decrease while entry level homes continued to increase in value at a higher rate. This caused homeowners with the lower valued homes to experience a higher rate of increase in their tax bills this year.

Additionally, the new federal tax law has limited the deduction starting in 2018 for state real estate plus state income taxes to \$10,000 per year. The current median home value in Town pays \$9,100 in real estate taxes. This has driven an unprecedented increase in volume of taxpayers pre-paying their

bills before year end. The Tax Collector's office handled this increased volume in the last week of the year. This will not have an impact on revenue as these will be treated as pre payments.

### **FY19 Budget**

Since its inception, University Station has brought in \$5.1M in new growth tax revenue. FY18 did not meet the budgeted new growth amount. The Gables apartment complex is 90% occupied, and has added approximately 30 students to the school system, which is less than anticipated. In the next phase of development, there is a complex of 100 new condominiums being considered by the Planning Board. As part of the Planning Board review, an updated fiscal impact study is being done.

When the original development was proposed, the study at that time suggested the addition of 14 fire and 3 police personnel. The Town has actually added 12 fire and 6 police since then. In light of this, the plan is to hold off on any additional staffing for this year, and have Public Safety work with the Board of Selectmen to determine the impact of further development and staffing needs for FY20 budget and beyond.

University Station has also driven the Town's meals tax revenue. This account now has a balance of over \$800K. This money is not intended for the general operating budget, but can be used for extra capital, to match Aid to the Elderly donations, dedicated to particular expenses, or for other one time special items. The group is in consensus that this fund needs to be addressed at Annual Town Meeting in May, with a plan for utilizing some of the funds.

The FY19 Budget has been preliminarily reviewed with the Board of Selectmen. In light of the many changes and increases in the past few budget years, and looking forward to the school building project, FY19 is anticipated to be a relatively quiet budget year with an estimated increase of approximately 3% for both the school and municipal operating budgets.

### **Recognition of Service**

Mike Krone's over 25 years of service to various areas in the Town was recognized, as he is moving in the coming months, and will no longer be able to serve on the Board of Assessors or Long Range. Mike has been on the Long Range since its inception in 2003, and has been instrumental in getting the Town on a strong financial track, establishing and meeting financial goals, investing in capital needs and appropriately handling new commercial tax revenue. Mike's wisdom and counsel will be deeply missed.

The next meeting will be Wednesday, February 7th at 7:30 am.

Attachments: