

# Town of Westwood, Massachusetts

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## Proposed Overall Budget Summary For the Fiscal Year July 1, 2020 – June 30, 2021



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*This report is a summary of the Fiscal Year 2021 budget as well as an overview of the Town’s finances.*

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*Everything You Wanted to Know About:*

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# Town of Westwood

## Commonwealth of Massachusetts

### Select Board

Nancy C. Hyde, Chair  
John Hickey  
Michael Walsh

Christopher Coleman, Town Administrator  
Pamela Dukeman, Assistant Town Administrator/Finance Director

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January 31, 2020

To the Select Board:

Enclosed you will find the *Proposed FY21 Budget Summary* document. The document is organized in three sections as outlined below. I am confident our residents will find this document a comprehensive, easy to use reference tool.

- FY21 Proposed Budget – outlines the overall FY21 budget currently proposed by the Select Board.
- Information to Know – provides significant, comprehensive detail on important areas of the Town's finances.
- Requested Budgets – includes summary extracts of the municipal, school, fixed costs, and capital requested FY21 budgets, as well as providing a link to access those detailed books on line.

Much of the material has been publicly reviewed at many meetings over the last few months, including Select Board, and Finance and Warrant Commission meetings, as well as widely distributed to all parties involved in the budget process. This document, as well as the financial presentations, is a clear example of the Select Board's commitment to financial transparency and to providing clear and easy to understand financial information to the community.

#### **Budget Summary**

The FY21 overall budget strives to provide a well-balanced, comprehensive budget for the community. The Select Board, working closely with the Finance and Warrant Commission and Town and School officials and administration, has continued to work cooperatively to balance the many needs of the community.

**Tax Bill Impact**

Operating Budget

Capital Assets



Long Term Liabilities

Reserve Accounts

Service Levels

Select Board continues to work to address all areas.

Directly following this letter is a summary of the FY21 budget.

**Next Steps**

There will continue to be work to be done to finalize the FY21 budget before Town Meeting.

Particular budget items to monitor include:

- Health Insurance budget. The Group Insurance Commission (GIC) will update FY21 plan design and premiums during February and March and we will update the budget accordingly. The GIC is working to contain growth in costs and is looking at adjusting plans to mitigate growth in costs.
- State Aid. The State budget process has just begun. We will continue to monitor the budget for information on our State aid revenue, particularly Chapter 70 education aid and will update the budget accordingly.
- Capital Budget. The Select Board will continue to review and refine the capital budget and update the proposed articles before the final March budget hearings.

I would like to thank Town Accountant Marie O’Leary and in particular, Financial Analyst Laura Bucari for their assistance in preparing this budget document. We will continue to monitor and update the ever changing data and keep parties informed as we move forward to Town Meeting.

Respectfully submitted,

Handwritten signature of Pamela Dukeman in blue ink. The signature is cursive and flows across the page.

Pamela Dukeman  
Assistant Town Administrator/Finance Director

# FY21 Budget Summary

The FY21 overall budget strives to provide a well-balanced, comprehensive budget for the community. The Select Board, working closely with the Finance and Warrant Commission, and Town and School officials and administration, has continued to work cooperatively to balance the many needs of the community.



There are many needs to provide for in each budget year. It is important to maintain quality services provided to our residents through the school and municipal departments. It is also important for the budget to provide for appropriate funds for the capital budget, so that the Town's assets are well maintained. In addition, it is very necessary for the Town to maintain appropriate balances in our reserve accounts, as well as to provide for long term liabilities such as pensions and OPEB. It is also important to remember the impact of the budget on our residents' tax bills and to provide tax relief when we are able to do so. As the Select Board has done for several years, this budget makes progress on balancing the overall financial needs of the Town.

The Town experienced difficult budget years in FY10 – FY12. The already challenging budgets in those years had additional pressure through declining revenue due to the poor national economy and high fixed cost increases. Through those difficult years, all Town and School parties worked cooperatively, striving to remain within limited resources and providing the best services as possible to the community. Because Town and School officials responsibly addressed those difficult years and did not seek to use one time budget balancing solutions, the Town was better positioned with a structurally balanced budget and emerged from those difficult years in an enhanced position to move forward.

The Town budgets in FY13 through FY20 exhibited overall improvement in the economy and revenue sources. This improvement, coupled with significant savings due to health insurance reforms, and new revenue from University Station, allowed for budgets that provided for moderate operating budget growth while making continued progress on capital, reserves, and long term liability needs.

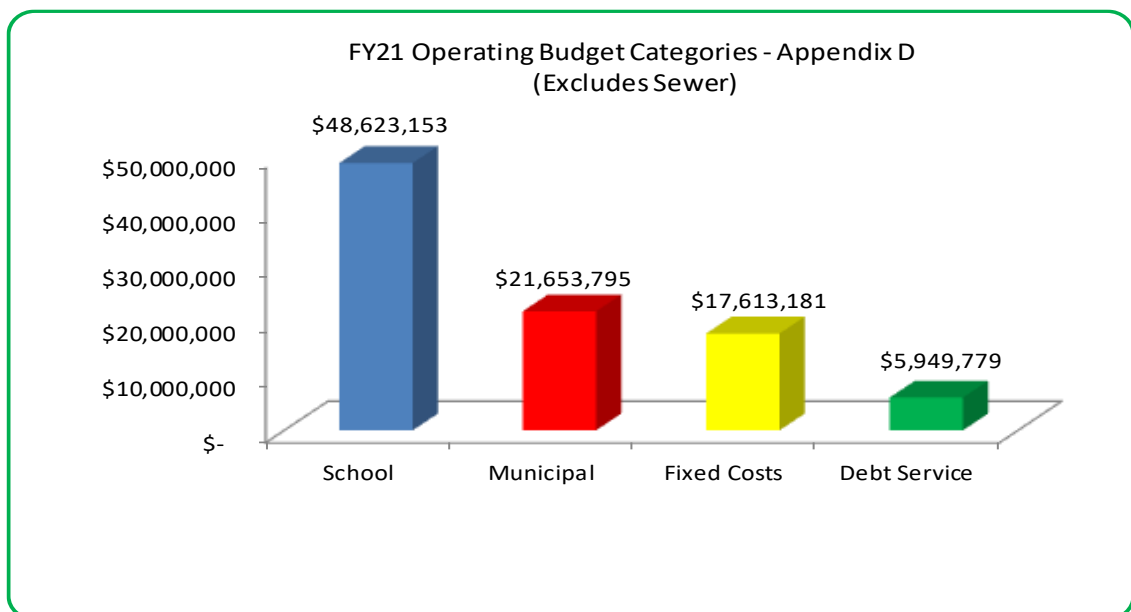
# FY21 Budget Summary

As the economy has improved, the Town continues with disciplined measures, focusing on the multiple budgetary needs and implementing sound decisions allowing the Town to stay on track going forward. Some of these measures include:

- Moderate operating budget increases so as to provide for future sustainability of services and staffing levels.
- Responsible labor contracts.
- Significant changes to the employees' health insurance costs.
- Prudent use of debt financing to capture historically low interest rates.
- Commitment to capital reinvestment and appropriate funding of reserves and liabilities.
- Careful use of new tax revenue from the University Station project.

The FY21 proposed budget continues with this discipline and seeks to balance all of the many needs of the community. The FY21 budget currently includes:

- Commitment to high quality services provided by school and municipal departments.
- Approximate 3.6% increase to municipal and school operating budgets.
- Commitment to high level of ongoing base school and municipal capital \$2,326,400.
- Continue to fund additional capital items beyond the base level.
- Continue small annual allocation to the Stabilization Fund of \$125,000 funded from free cash to keep account in line with financial policies.
- Commitment to OPEB liability fund, by funding \$1.465M annual appropriation. This allows the Town to remain on target with the liability funding schedule.



*For further detail on the operating budget, please see the FY21 Proposed Budget section of this book.*

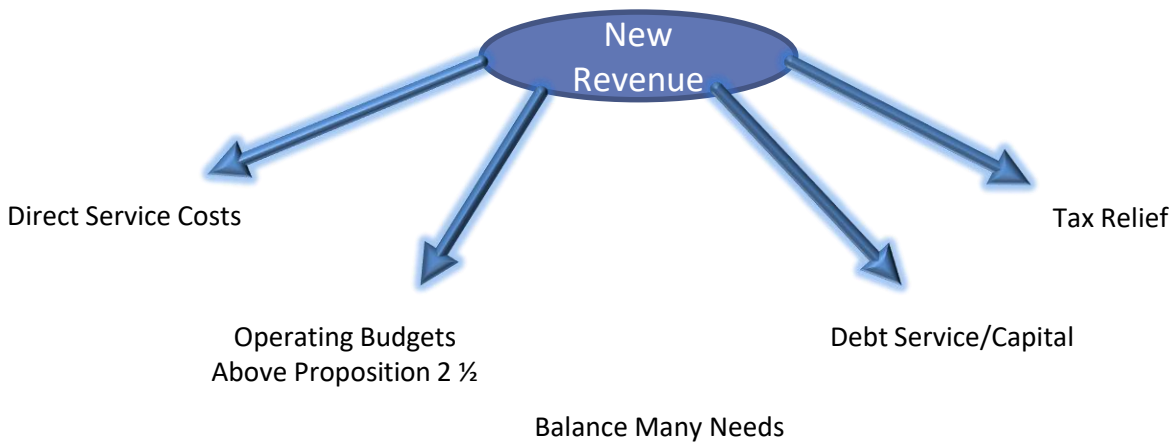
# FY21 Budget Summary

## University Station

Through significant work by so many in Town for so many years, the University Station project has finally come to fruition and continues to provide a significant opportunity for the Town to continue with the responsible established budget practices.

FY21 will represent the seventh year of new tax revenue from the University Station project. To date through FY20, the project has increased our tax levy by \$5.9M.

The new revenue, starting in FY15, has been used to address several areas of the Town's finances.



The Town has worked to make sure that the revenue has been used cautiously and meets as many budget needs, including tax bill mitigation efforts, as possible. This new revenue has had a very positive impact on our budget needs.

In the FY21 budget, there is \$578,000 in University Station revenue available, coming from \$378,000 of unused FY20 levy and anticipated new tax growth of \$200,000. The Select Board is proposing that \$378,000 of this funding be used to support the School and Municipal Operating Budgets at moderate 3.6% growth. The remaining \$200,000 will remain as unused tax levy, providing tax relief to all residents.

*Detailed information on total revenue from this project and the particular use of the funds is included in the University Station section in this book.*

## **Striving to Provide Balance to All Areas of the Budget**

*This budget continues to balance the operations, capital, reserves and long term liabilities of the community.*

All areas of Westwood's government and schools provide a high level of quality service for our residents and community. Our residents desire this level, while understanding the difficulty in meeting these needs within our budget parameters and the tax bill impact.

Our Town and School administration and staff have done a tremendous job in maintaining quality services within the difficult budget structure of Proposition 2 ½. We must continue to, and the community must support, a continual change of programs to ensure efficient and optimal delivery of services.

In addition, as the University Station project continues to come on line, new demands on our services will occur. We must adjust our budgets accordingly to respond to these new demands, particularly on our public safety and school departments. We must also continue to monitor the University Station revenue – and be sure to properly set aside revenue that occurs before direct service impact. We need to have the funding available when the direct service costs are realized.

The overall budget must also continue to address capital needs, reserve levels, and our long term pension and OPEB liabilities. The real challenge is to balance these needs and continue moving forward in all areas, not specifically one need at the expense of others.

All of these areas of spending must be balanced against the impact on the residential tax bill. While our residents demand a high level of services, Westwood, as a typical suburban community, is funded through tax revenue and therefore the budget must be mindful of the resulting tax bill impact and seek to slow the annual tax bill growth.

The Select Board will continue to structure the annual budget proposals to provide progress on all areas and maintain the quality and sustainability of services that our residents deserve.

As always, the Select Board appreciates the significant time and attention that our elected Town and School Officials, Finance and Warrant Commission members, all appointed Boards and Committees and staff, and our Town residents give to the budget process each year.

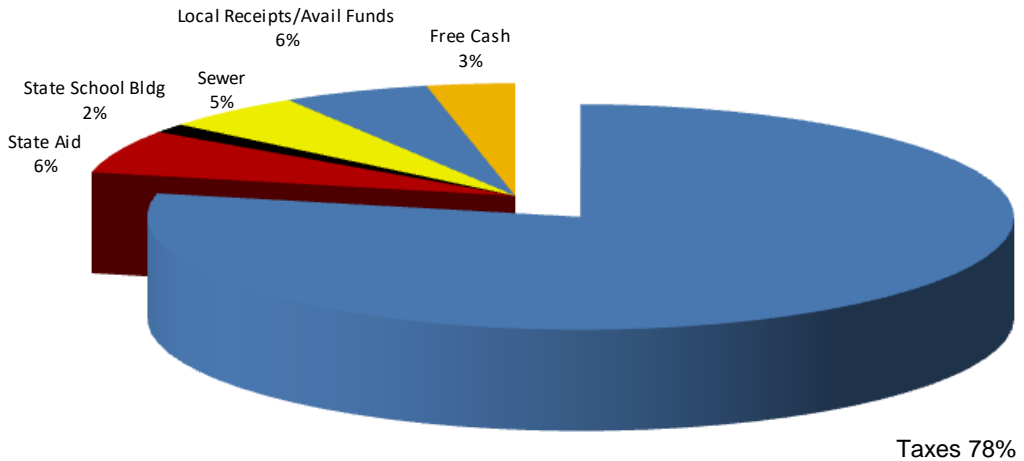


# Town of Westwood Summary of Proposed FY21 Budget

	FY2018 Approved Per Recap	FY2019 Approved Per Recap	FY2020 Approved Per Recap	FY2021 Proposed
<b>BUDGET CATEGORIES</b>				
<b>Appropriations Made by Town Meeting:</b>				
Operations Budget	\$87,726,490	\$91,193,470	\$94,627,946	\$98,311,058
Capital - Municipal	\$867,000	\$886,900	\$1,322,000	\$1,304,400
Capital -Schools	\$867,000	\$867,000	\$1,017,000	\$1,017,000
Capital - Sewer	\$600,000	\$420,000	\$1,050,000	\$765,000
Stabilization Account Appropriation - annual article	\$100,000	\$100,000	\$125,000	\$125,000
Capital Stabilization Appropriation	\$397,000	\$0	\$0	\$0
OPEB Account Appropriation - annual article	\$1,390,000	\$1,415,000	\$1,440,000	\$1,465,000
Other Financial Warrant Articles	\$1,406,000	\$1,125,000	\$0	\$0
Prior yr. Adjustments voted at Town Meeting	\$403,800	\$331,000	\$99,500	\$0
Other Capital - School & Municipal	\$949,000	\$1,300,760	\$1,407,000	\$2,202,220
	\$0	\$0	\$0	\$0
<b>Total Appropriations - Town Meeting</b>	<b>\$94,706,290</b>	<b>\$97,639,130</b>	<b>\$101,088,446</b>	<b>\$105,189,678</b>
<b>Other Amounts to be Raised (not Voted at Town Meeting)</b>				
State Aid Offsets (Funds which must be restricted )	\$18,602	\$19,478	\$22,831	\$23,973
State and County Charges	\$624,344	\$676,612	\$703,146	\$704,408
Overlay (Reserve for abatements/exemptions)	\$584,151	\$586,416	\$689,710	\$519,310
Other - Snow & Ice Raised on Recap	\$69,715	\$121,480	\$0	\$0
<b>Total Other Amounts</b>	<b>\$1,296,812</b>	<b>\$1,403,986</b>	<b>\$1,415,687</b>	<b>\$1,247,691</b>
<b>Total Expenditures</b>	<b>\$96,003,102</b>	<b>\$99,043,116</b>	<b>\$102,504,133</b>	<b>\$106,437,369</b>
<b>Financial Resources</b>				
<b>State Revenue:</b>				
State Aid	\$5,965,655	\$6,212,883	\$6,395,080	\$6,638,070
State School Building Assistance Funding	\$1,401,276	\$1,401,276	\$1,401,276	\$1,401,276
<b>Local Revenue:</b>				
Total Property Taxes	\$74,005,710	\$76,955,697	\$80,224,068	\$83,363,930
Local Receipts	\$4,043,415	\$4,204,479	\$4,195,857	\$4,195,857
Enterprise (Sewer ) Funding (for all - capital , articles, etc)	\$5,067,862	\$5,118,071	\$5,790,177	\$5,650,370
Available Funds for misc articles	\$769,800	\$1,038,760	\$167,000	\$64,720
Available Funds	\$528,334	\$520,832	\$527,176	\$539,246
Meals/Hotel Tax	\$0	\$432,000	\$515,000	\$1,075,000
Capital Stabilization Fund	\$0	\$0	\$0	\$0
Free Cash to Reduce the Tax Rate	\$500,000	\$0	\$0	\$0
Free Cash	\$3,721,050	\$3,159,118	\$3,288,500	\$3,508,900
<b>Total Revenues</b>	<b>\$96,003,102</b>	<b>\$99,043,116</b>	<b>\$102,504,134</b>	<b>\$106,437,369</b>
<b>Total revenue less expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1</b>	<b>\$0</b>
<b>Authorization to borrow (Projects approved at Town Meeting -funds are borrowed and debt service included in future budgets ) :</b>				
Approved at 2018 ATM -School MSBA Program Feasibility Phase		\$1,750,000		
Approved at 2018 ATM -Redevelopment Islington/Wentworth Library		\$3,500,000		
Approved at 2019 ATM Road Improvement Project			\$900,000	
Proposed for 2020 ATM -Road Improvement Project				\$4,650,000
Proposed for 2020 ATM -DPW Equipment				\$325,000

# FY2021 Projected Budget Revenue

## FY2021 Projected Budget Revenue



### FY2021 Projected Budget Revenue

	FY2020 Per Recap	FY2021 Proj	\$ Change	% Change
Taxes	\$80,224,068	\$83,363,930	\$3,139,862	3.9%
State Aid	\$6,395,080	\$6,638,070	\$242,990	3.8%
State School Bldg Reimbursement	\$1,401,276	\$1,401,276	\$0	0.0%
Sewer Enterprise	\$5,790,177	\$5,650,370	(\$139,807)	-2.4%
Local Receipts	\$4,195,857	\$4,195,857	\$0	0.0%
Available Funds	\$527,176	\$539,246	\$12,070	2.3%
Available Funds - prior yr/other articles	\$167,000	\$64,720	(\$102,280)	-61.2%
Meals/Hotels Tax	\$515,000	\$1,075,000	\$560,000	
Free Cash	\$3,288,500	\$3,508,900	\$220,400	6.7%
<b>Total</b>	<b>\$102,504,134</b>	<b>\$106,437,369</b>	<b>\$3,933,235</b>	<b>3.8%</b>

# History of Tax Levy – Budget FY2021

Tax Levy Calculation	FY2017	FY2018	FY2019	FY2020	FY2021	
Prior Year Levy Limit	\$66,435,457	\$70,367,740	\$73,558,364	\$76,623,854	\$79,703,916	
Plus 2.5% Increase	\$1,660,886	\$1,759,194	\$1,838,959	\$1,915,596	\$1,992,598	Plus 2.5%
Plus New Growth**	\$1,099,667	\$1,252,430	\$950,531	\$661,466	\$450,000	New growth
New Tax Levy - University Station	\$1,171,730	\$179,000	\$276,000	\$503,000	\$200,000	Uni Station growth
General Overrides	\$0	\$0	\$0	\$0	\$0	General Override
<b>Tax Levy Limit</b>	<b>\$70,367,740</b>	<b>\$73,558,364</b>	<b>\$76,623,854</b>	<b>\$79,703,916</b>	<b>\$82,346,514</b>	
<b>Exempt Debt*</b>	<b>\$1,642,706</b>	<b>\$1,523,690</b>	<b>\$1,429,505</b>	<b>\$1,320,986</b>	<b>\$1,217,416</b>	Exempt Debt
<b>Levy Capacity</b>	<b>\$72,010,446</b>	<b>\$75,082,054</b>	<b>\$78,053,359</b>	<b>\$81,024,902</b>	<b>\$83,563,930</b>	What we could tax
Actual Levy Assessed	\$70,500,803	\$74,005,710	\$76,955,697	\$80,224,068	\$83,363,930	What we actually tax
Excess Levy(Taxes not raised )	\$1,509,643	\$1,076,344	\$1,097,662	\$800,834	\$200,000	Unused tax levy
Increase in Actual Levy (including new growth)	4.2%	5.0%	4.0%	4.2%	3.9%	
<b>Increase in Levy without new growth</b>	<b>0.88%</b>	<b>2.94%</b>	<b>2.33%</b>	<b>2.73%</b>	<b>3.10%</b>	

Unused Tax Levy Detail	FY2018	FY2019	FY2020	FY2021
Unused University Station new Growth	\$279,000	\$555,000	\$378,000	\$200,000
Other New Growth Higher Than Budgeted/Other	\$797,344	\$542,662	\$422,834	\$0
<b>Total Unused Levy</b>	<b>\$1,076,344</b>	<b>\$1,097,662</b>	<b>\$800,834</b>	<b>\$200,000</b>

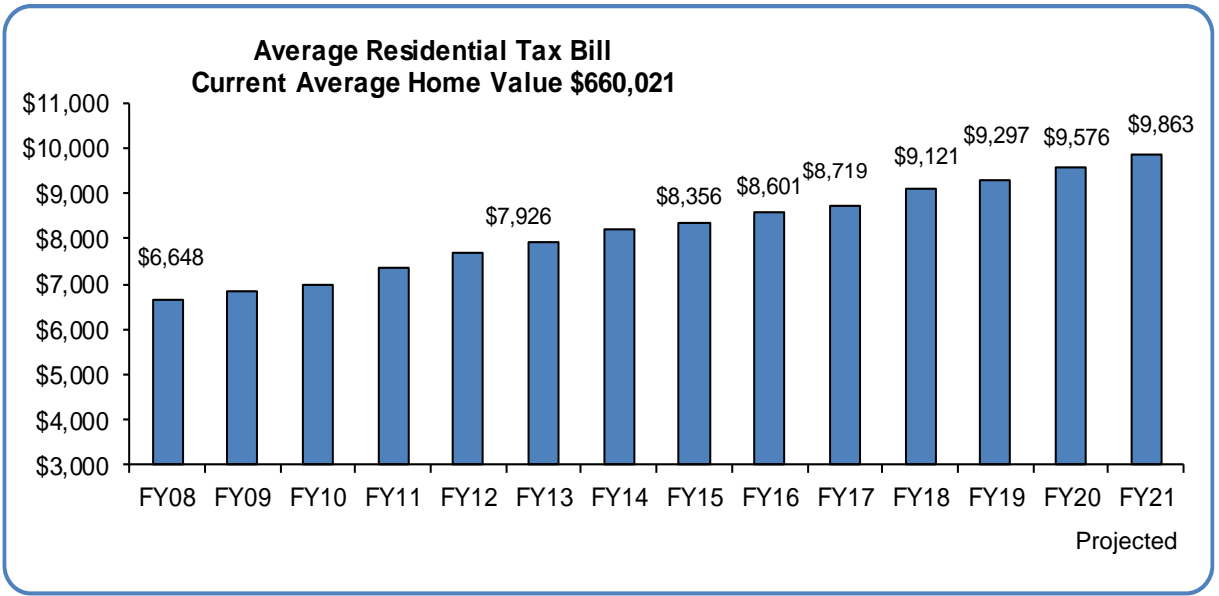
\* Exempt debt - This is the net principal and interest payment required each year for borrowing projects approved outside Proposition 2 1/2.

\*\*New Growth - This represents taxes from new residential and commercial development.

- No general override since 2007
- Exempt debt declines each year, High School bond ends in 2023

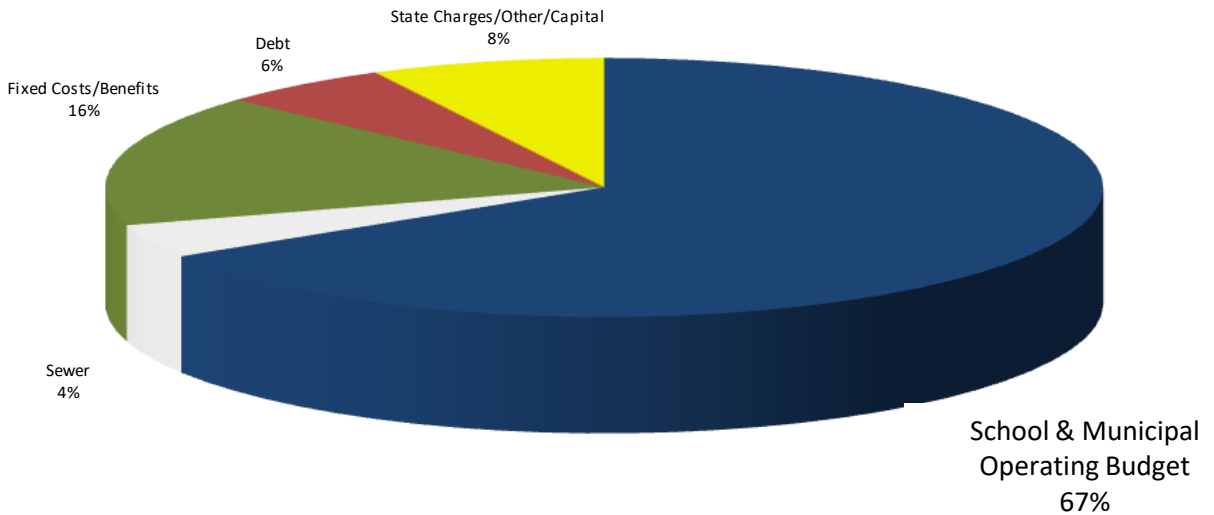
# Tax Rate/Tax Bill History

Tax Rate per Thousand	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Projected FY21
Residential	\$15.40	\$15.24	\$14.66	\$14.57	\$15.09	\$14.65	\$14.51	
Commercial	\$28.18	\$28.79	\$28.27	\$28.20	\$29.30	\$28.24	\$28.22	
<b>% of Total Town Value</b>								
Residential Property	86.8%	87.5%	85.5%	85.1%	84.9%	84.1%	84.8%	
Commercial Property	13.1%	12.5%	14.4%	14.8%	15.1%	15.9%	15.3%	
Tax Shift Factor	1.65	1.70	1.70	1.70	1.70	1.68	1.70	
<b>% of Total Town Taxes</b>								
Residential Properties	78.3%	78.7%	75.4%	74.8%	74.3%	73.3%	74.1%	
Commercial Properties	21.6%	21.3%	24.5%	25.2%	25.7%	26.7%	25.9%	
<b>Average Residential Tax Bill</b>								
Home Value	\$532,345	\$548,315	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	
Tax Bill	\$8,198	\$8,356	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,863
<b>Average Tax Bill Increase</b>	3.4%	1.9%	2.9%	1.3%	4.6%	2.0%	3.0%	3.0%
Single Tax Rate	\$17.08	\$16.93	\$16.63	\$16.59	\$17.24	\$16.81	\$16.60	
<b>Savings to Average Tax Bill from Having Split Tax Rate</b>	\$894	\$926	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	



# FY2021 Proposed Expenditure Summary

## FY2021 Expenditure Summary

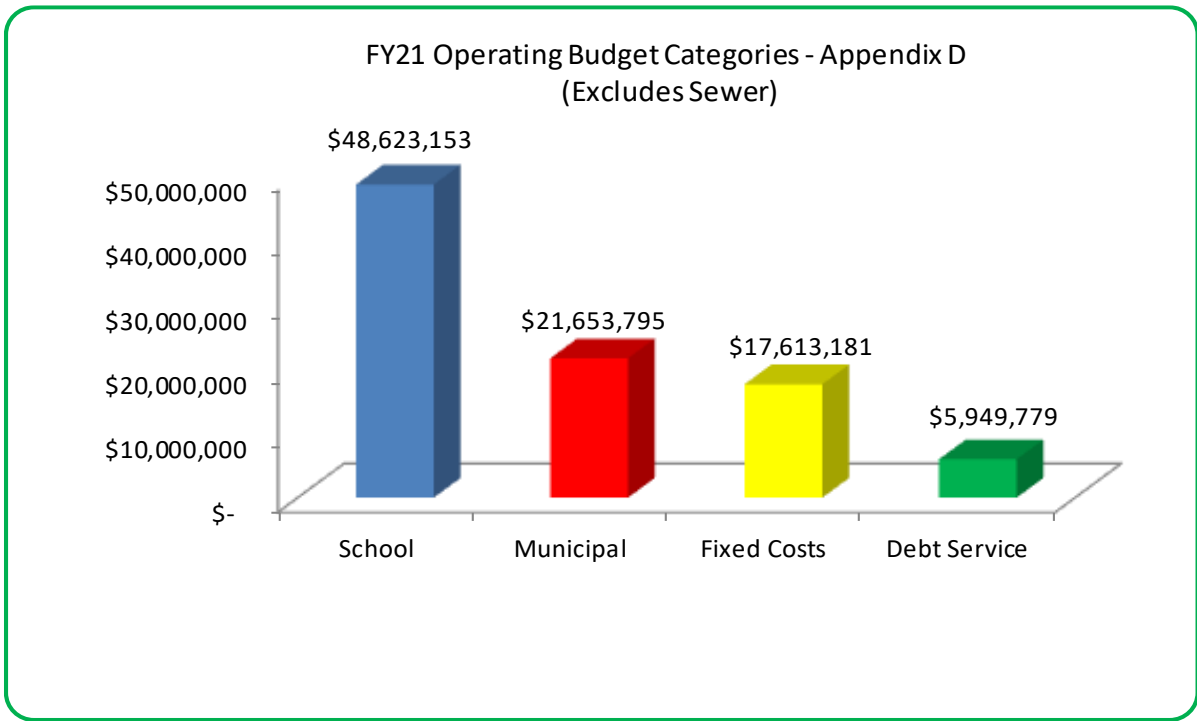


### FY2021 Proposed Expenditure Summary

	FY2020 Budget	FY2021 Projected	\$ Change	% Change
Operating Budget - School Categories	\$46,773,283	\$48,463,153	\$1,689,870	3.6%
Operating Budget - Municipal	\$20,908,040	\$21,653,795	\$745,755	3.57%
School Additional FY20 State Aid	\$0	\$160,000	\$160,000	
Benefits/Reserves/Insurance	\$16,554,870	\$17,613,181	\$1,058,311	6.4%
Sewer - Operating	\$4,334,975	\$4,471,151	\$136,176	3.1%
Debt Service	\$6,056,779	\$5,949,779	(\$107,000)	-1.8%
<b>Total Operating</b>	<b>\$94,627,947</b>	<b>\$98,311,059</b>	<b>\$3,683,112</b>	<b>3.9%</b>
Capital Base Budget - School & Municipal	\$2,339,000	\$2,321,400	(\$17,600)	-0.8%
Capital - Sewer	\$1,050,000	\$765,000	(\$285,000)	-27.1%
<b>Other Appropriations:</b>				
To Stabilization	\$125,000	\$125,000	\$0	0.0%
Additional Capital	\$1,407,000	\$2,202,220	\$795,220	56.5%
To OPEB Trust	\$1,440,000	\$1,465,000	\$25,000	1.7%
Prior Year/Other Articles	\$99,500	\$0	(\$99,500)	-100.0%
State Charges/Offsets/Overlay/Snow	\$1,415,687	\$1,247,691	(\$167,996)	-11.9%
<b>Total Expenditures</b>	<b>\$102,504,134</b>	<b>\$106,437,370</b>	<b>\$3,933,236</b>	<b>3.8%</b>

# Operating Budget Categories

FY20Budget	Category	FY21 Select		
		Board Proposed	\$ Change FY21 v FY20	% Change FY21 v FY20
\$ 46,513,031	School Operating	\$ 48,187,500	\$ 1,674,469	3.6%
	FY20 Ch70 Aid for Schools	\$ 160,000	\$ 160,000	
\$ 20,908,040	Municipal Operating	\$ 21,653,795	\$ 745,755	3.6%
\$ 149,576	Blue Hills (Estimate)	\$ 159,576	\$ 10,000	6.7%
\$ 110,676	Traffic Supervisors	\$ 116,077	\$ 5,401	4.9%
\$ 16,554,870	Fixed Costs (Includes Trash)	\$ 17,613,181	\$ 1,058,311	6.4%
\$ 6,056,779	Debt Service	\$ 5,949,779	\$ (107,000)	-1.8%
\$ 4,334,975	Sewer	\$ 4,471,151	\$ 136,176	3.1%
<b>\$ 94,627,947</b>	<b>Total</b>	<b>\$ 98,311,059</b>	<b>\$ 3,683,112</b>	<b>3.9%</b>



# FY21 Capital Articles

## Municipal Capital

Item	Amount	Funding Source
COA - Wheelchair Accessible Van	\$90,000	
DPW -One Ton Dump Truck With Plow	\$70,000	
DPW -Tractor machine for cemetery	\$35,000	
Fire - Replace Engines (2) (Lease Payments Year 4 of 5)	\$226,400	
Fire -Turnout Gear Purchase and Replacement	\$44,000	
Fire -Radio Upgrade and Replacement	\$26,000	
Fire -Shift Command Vehicle	\$63,000	
Fire - Swap Body Truck Town Match	\$20,000	
IT - End User Technology	\$75,000	
Library - Patron/Staff End User Technology	\$10,000	
Library - Self Check Circulation Terminals	\$28,000	
Police - Replacement of Police Vehicles	\$190,000	
Police -Police Equipment	\$52,000	
Police -Police, Fire & EMS Radio Infrastructure	\$75,000	
Building Maintenance - Facility Maintenance	\$100,000	
Building Maintenance - Energy Efficiency	\$50,000	
WAHA - Building Maintenance and Improvement	\$150,000	
	<u>Total</u>	Free Cash
	<u>\$1,304,400</u>	

## School Capital

Item	Amount	Funding Source
Technology	\$130,000	
Furniture, Fixtures, and Equipment	\$111,797	
HVAC and Controls	\$192,400	
Roofing	\$100,000	
Repairs & Maintenance	\$402,803	
Copiers / Duplicators	\$20,000	
Vehicles	\$60,000	
	<u>Total</u>	Free Cash
	<u>\$1,017,000</u>	

# FY21 Capital Articles

## Sewer Capital

Item	Amount	Funding Source
Inflow & Infiltration Assessment	\$125,000	Sewer Retained Earnings
Pump Station Facility Program	\$500,000	Sewer Retained Earnings
Sewer Vehicle	\$70,000	Sewer Retained Earnings
Stormwater MS-4 Requirement	\$70,000	Sewer Retained Earnings
Total	<u>\$765,000</u>	

## Specifically Funded Capital – Ambulance Fees

Item	Amount	Funding Source
Fire - Self Contained Breathing Apparatus Upgrade and Replacement	\$46,000	Ambulance Receipts
Fire - Rescue Equipment	\$18,720	Ambulance Receipts
Total	<u>\$64,720</u>	



# FY21 Capital Articles

## Additional Capital – Town and School Projects

Item	Amount	Funding Source
Town Hall Repairs and Maintenance	\$300,000	Free Cash
Fire Station 1 Repairs and Maintenance (Phase 2 of 2)	\$150,000	Free Cash
Thurston Middle School HVAC Univent Project (Phase 2 of 2)	\$150,000	Free Cash
Schools Security Projects	\$150,000	Free Cash
Municipal Security Projects	\$75,000	Free Cash
Town/School Financial Enterprise Software (2nd of 2)	\$237,500	Free Cash
Total	<u>\$1,062,500</u>	

## Additional Capital – Town-Wide Recreation Projects

Item	Amount	Funding Source
Field Lighting Project - Thurston Site	\$750,000	Meals/Hotels Tax
Design and Engineering Field/Parking, Land behind HS tennis courts	\$50,000	Meals/Hotels Tax
Pool Deck Surfacing Replacement	\$200,000	Meals/Hotels Tax
Pool Drainage and Resurfacing	\$75,000	Meals/Hotels Tax
Total	<u>\$1,075,000</u>	

## Capital – Road Improvement Bond – Borrowing Article

The 2019 Town Meeting approved a bond of \$900,000 for road improvements. This first phase of work was for sidewalks and curbing along Route 109 (a portion of the larger total 109 project). This work was selected to proceed first due to the timing of the Dedham Westwood Water District work on Route 109.

The next phase (\$4,650,000 bond) will be proposed at the 2020 Town Meeting as detailed below.

Item	Amount
<b>Requested Items:</b>	
Route 109 Improvements	\$2,550,000
Crosswalk Safety Improvements Town-wide	\$500,000
Paving/Sidewalk Enhancements /Winter/Clapboardtree Intersection/ Pavement Preservation	<u>\$1,600,000</u>
<b>Total</b>	<b>\$4,650,000</b>

- This would be funded by a 10 year bond under Proposition 2 ½.
- This bond would replace a retiring DPW bond issued in 2012.

## Capital – DPW Equipment – Borrowing Article

Item	Amount
Heavy Duty Dump Truck with Plow (Truck 19)	\$325,000

- This would be a short term borrowing, less than a 5 year period.

**Appendix D**  
**Proposed FY2021 Departmental Salary/Expense Budgets**

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
Select Board Department						
1. Salaries	619,163	620,970	653,999	33,029	5.3%	Taxation
2. Expenses	55,365	55,500	57,500	2,000	3.6%	Taxation
	674,528	676,470	711,499	35,029	5.2%	
Finance and Warrant Commission						
3. Salary	18,407	19,278	20,309	1,031	5.3%	Taxation
4. Expenses	30,366	41,889	43,900	2,011	4.8%	Taxation
	48,772	61,167	64,209	3,042	5.0%	
Accounting Department						
5. Salaries	257,724	266,366	272,435	6,069	2.3%	Taxation
6. Expenses	5,846	7,000	7,000	0	0.0%	Taxation
	263,570	273,366	279,435	6,069	2.2%	
Assessors Department						
7. Salaries	222,037	212,120	218,502	6,382	3.0%	Taxation
8. Expenses	20,817	22,450	22,450	0	0.0%	Taxation
	242,854	234,570	240,952	6,382	2.7%	
Treasurer's Department						
9. Salary	107,738	112,026	120,035	8,009	7.1%	Taxation
10. Expenses	10,109	11,400	10,350	(1,050)	-9.2%	Taxation
	117,846	123,426	130,385	6,959	5.6%	
Collector's Department						
11. Salaries	122,431	120,041	123,156	3,115	2.6%	Taxation
12. Expenses	73,361	85,450	84,350	(1,100)	-1.3%	\$42,500 Ambulance receipts/Taxation
	195,792	205,491	207,506	2,015	1.0%	
Legal Department						
13. Salary	109,637	101,140	103,163	2,023	2.0%	Taxation
14. Expenses	111,350	114,000	129,000	15,000	13.2%	Taxation
	220,987	215,140	232,163	17,023	7.9%	
Human Resources Department						
15. Salary	232,679	244,116	255,065	10,949	4.5%	Taxation
16. Expenses	2,670	7,500	7,500	0	0.0%	Taxation
	235,350	251,616	262,565	10,949	4.4%	
Information Systems Department						
17. Salaries	283,740	302,578	311,025	8,447	2.8%	Taxation
18. Expenses	74,500	76,500	78,500	2,000	2.6%	Taxation
	358,240	379,078	389,525	10,447	2.8%	

**Appendix D**  
**Proposed FY2021 Departmental Salary/Expense Budgets**

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
Town Clerk Department						
Salaries	170,265	178,212	185,277	7,065	4.0%	Taxation
Expenses	61,302	76,300	85,800	9,500	12.5%	Taxation
19. Total Town Clerk Department	231,567	254,512	271,077	16,565	6.5%	
WAHA/Housing Authority						
20. Salary	18,437	21,798	22,793	995	4.6%	Taxation
21. Expenses	3,400	11,600	11,600	0	0.0%	Taxation
	21,837	33,398	34,393	995	3.0%	
Outside Professional Services						
22. Expenses	46,069	46,500	46,500	0	0.0%	Taxation
Training/Professional Development						
23. Expenses	12,170	15,000	15,000	0	0.0%	Taxation
<b>Total General Government</b>	<b>2,669,583</b>	<b>2,769,734</b>	<b>2,885,209</b>	<b>115,475</b>	<b>4.2%</b>	

Police Department						
Salaries	3,932,819	4,349,870	4,443,217	93,347	2.1%	Taxation
Expenses	248,508	288,500	306,000	17,500	6.1%	Taxation
	4,181,326	4,638,370	4,749,217	110,847	2.4%	
Auxiliary Police/Civil Defense						
Expenses	3,000	3,000	3,000	0	0.0%	Taxation
	3,000	3,000	3,000	0	0.0%	
Animal Control						
Salary	62,705	59,952	61,204	1,252	2.1%	Taxation
Expenses	5,881	10,300	10,350	50	0.5%	Taxation
	68,586	70,252	71,554	1,302	1.9%	
24. Total Police	4,252,913	4,711,622	4,823,771	112,149	2.4%	
Fire Department						
Salaries	4,108,394	4,485,158	4,649,924	164,766	3.7%	\$324,000 Ambulance Receipts/Taxation
Expenses	353,769	282,000	288,000	6,000	2.1%	\$40,000 Ambulance Receipts/Taxation
25. Total Fire	4,462,163	4,767,158	4,937,924	170,766	3.6%	
<b>Total Public Safety</b>	<b>8,715,076</b>	<b>9,478,780</b>	<b>9,761,695</b>	<b>282,915</b>	<b>3.0%</b>	

**Appendix D  
Proposed FY2021 Departmental Salary/Expense Budgets**

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
Conservation Division						
Salary	75,739	77,661	79,235	1,574	2.0%	\$17,000 Conservation Receipts/Taxation
Expenses	1,835	6,400	6,400	0	0.0%	Taxation
	77,574	84,061	85,635	1,574	1.9%	
Planning Division						
Salaries	99,033	95,383	103,154	7,771	8.1%	Taxation
Expenses	3,142	4,500	4,500	0	0.0%	Taxation
	102,176	99,883	107,654	7,771	7.8%	
Housing/Zoning Division						
Salaries	67,494	75,329	78,755	3,426	4.5%	Taxation
Expenses	447	3,500	3,150	(350)	-10.0%	Taxation
	67,941	78,829	81,905	3,076	3.9%	
Community & Economic Development Department						
Salaries	199,978	217,669	230,733	13,064	6.0%	Taxation
Expenses	1,416	4,000	3,600	(400)	-10.0%	Taxation
	201,394	221,669	234,333	12,664	5.7%	
Building Inspection Division						
Salaries	314,139	338,179	348,348	10,169	3.0%	Taxation
Expenses	25,887	42,000	41,500	(500)	-1.2%	Taxation
	340,026	380,179	389,848	9,669	2.5%	
Health Division						
Salaries	248,894	263,698	270,739	7,041	2.7%	Taxation
Expenses	6,521	12,200	12,200	0	0.0%	Taxation
	255,415	275,898	282,939	7,041	2.6%	
Outside Health Agencies	11,016	13,416	13,416	0	0.0%	Taxation
<b>26. Total Community and Economic Development</b>	<b>1,055,541</b>	<b>1,153,935</b>	<b>1,195,730</b>	<b>41,795</b>	<b>3.6%</b>	
Department of Public Works						
Salaries	1,638,778	1,685,286	1,734,231	48,945	2.9%	Taxation
Expenses	523,127	515,600	559,600	44,000	8.5%	Taxation
Total DPW Admin/Operations	2,161,905	2,200,886	2,293,831	92,945	4.2%	
Building Maintenance						
Salaries	258,512	298,174	311,749	13,575	4.6%	Taxation
Expenses	893,533	948,900	1,039,100	90,200	9.5%	Taxation
Total Building Maintenance	1,152,044	1,247,074	1,350,849	103,775	8.3%	
Municipal & School Field Maintenance	154,989	170,000	180,000	10,000	5.9%	Taxation
Street / Traffic Lighting Maintenance	103,351	115,000	115,000	0	0.0%	Taxation
<b>27. Total DPW</b>	<b>3,572,289</b>	<b>3,732,960</b>	<b>3,939,680</b>	<b>206,720</b>	<b>5.5%</b>	
<b>28. Snow &amp; Ice</b>	<b>537,560</b>	<b>450,000</b>	<b>450,000</b>	<b>0</b>	<b>0.0%</b>	<b>Taxation</b>
<b>Total Public Works</b>	<b>4,109,849</b>	<b>4,182,960</b>	<b>4,389,680</b>	<b>206,720</b>	<b>4.9%</b>	

Please note: the Waste Collection budget has been moved and restated to "Shared/Other Fixed Costs"

**Appendix D**  
**Proposed FY2021 Departmental Salary/Expense Budgets**

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
29. Disability Commission Expenses	0	500	500	0	0.0%	Taxation
Council On Aging						
30. Salaries	342,755	357,488	371,940	14,452	4.0%	Taxation
31. Expenses	28,514	36,650	38,850	2,200	6.0%	Taxation
	<u>371,269</u>	<u>394,138</u>	<u>410,790</u>	<u>16,652</u>	<u>4.2%</u>	
Youth and Family Services Department						
32. Salaries	291,872	272,387	281,320	8,933	3.3%	Taxation
33. Expenses	14,954	15,000	15,000	0	0.0%	Taxation
	<u>306,826</u>	<u>287,387</u>	<u>296,320</u>	<u>8,933</u>	<u>3.1%</u>	
Veterans Services Department						
Salaries	60,651	62,788	64,831	2,043	3.3%	Taxation
Expenses	72,228	70,533	71,640	1,107	1.6%	Taxation
34. Total Veterans Services	<u>132,879</u>	<u>133,321</u>	<u>136,471</u>	<u>3,150</u>	<u>2.4%</u>	
<b>Total Human Services</b>	<b>810,975</b>	<b>815,346</b>	<b>844,081</b>	<b>28,735</b>	<b>3.5%</b>	
Public Library						
Salaries	1,033,114	1,109,512	1,162,531	53,019	4.8%	Taxation
Expenses	301,502	321,050	322,800	1,750	0.5%	Taxation
Lost Books	1,511	1,600	1,600	0	0.0%	Taxation
35. Total Library	<u>1,336,127</u>	<u>1,432,162</u>	<u>1,486,931</u>	<u>54,769</u>	<u>3.8%</u>	
Recreation Department						
Salaries	318,495	479,939	472,520	(7,419)	-1.5%	\$332,442 Recreation Funds/Taxation
Expenses	15,088	15,784	15,784	0	0.0%	Taxation
36. Total Recreation Department	<u>333,583</u>	<u>495,723</u>	<u>488,304</u>	<u>(7,419)</u>	<u>-1.5%</u>	
37. Memorial/Veteran's Day/Westwood Day Expenses	15,952	23,800	23,800	0	0.0%	Taxation
<b>Total Culture and Recreation</b>	<b>1,685,662</b>	<b>1,951,685</b>	<b>1,999,035</b>	<b>47,350</b>	<b>2.4%</b>	
<b>Other</b>						
Operating Capital						
38. Hardware/Software Maintenance	321,066	392,600	415,365	22,765	5.8%	\$4,575 Ambulance Receipts/Taxation
39. Communications Systems	154,496	163,000	163,000	0	0.0%	Taxation
<b>Total Other</b>	<b>475,562</b>	<b>555,600</b>	<b>578,365</b>	<b>22,765</b>	<b>4.1%</b>	
<b>Total Municipal Budget</b>	<b>19,522,247</b>	<b>20,908,040</b>	<b>21,653,795</b>	<b>745,755</b>	<b>3.57%</b>	

**Appendix D**  
**Proposed FY2021 Departmental Salary/Expense Budgets**

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
<b>Westwood Public Schools</b>						
Salaries	38,607,786	40,275,301	42,089,531	1,814,230	4.5%	Taxation
Expenses	6,295,349	6,237,730	6,097,969	(139,761)	-2.2%	Taxation
40. Total School Salary and Expenses	44,903,135	46,513,031	48,187,500	1,674,469	3.60%	
41. Westwood Schools Additional FY20 State Aid	0	0	160,000	160,000		Taxation
42. Blue Hills Regional School	135,579	149,576	159,576	10,000	6.7%	Taxation
Crossing Guards						
Salaries	102,650	107,176	113,077	5,901	5.5%	Taxation
Expenses	1,607	3,500	3,000	(500)	-14.3%	Taxation
43. Total Crossing Guards	104,257	110,676	116,077	5,401	4.9%	
<b>Total School Budgets</b>	<b>45,142,971</b>	<b>46,773,283</b>	<b>48,623,153</b>	<b>1,849,870</b>	<b>4.0%</b>	

**Fixed Costs Budgets - School and Municipal**

**School Employee Benefits/Costs**

Retirement Assessments	1,515,966	1,621,869	1,736,211	114,342	7.1%	Taxation
Worker's Compensation	238,089	321,485	353,629	32,144	10.0%	Taxation
Unemployment Compensation	94,683	107,993	118,792	10,799	10.0%	Taxation
Health Insurance	4,147,618	4,654,041	4,886,743	232,702	5.0%	Taxation
Life Insurance	6,562	11,200	8,000	(3,200)	-28.6%	Taxation
Payroll service/Other	31,269	34,000	36,900	2,900	8.5%	Taxation
Medicare Part B	132,603	175,033	183,785	8,752	5.0%	Taxation
Social Security Tax	5,669	10,000	10,000	0	0.0%	Taxation
Medicare Payroll Tax	555,371	768,249	845,074	76,825	10.0%	Taxation
<b>School Employee Benefits/Costs</b>	<b>6,727,829</b>	<b>7,703,870</b>	<b>8,179,134</b>	<b>475,264</b>	<b>6.2%</b>	

Appendix D  
Proposed FY2021 Departmental Salary/Expense Budgets

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
<b>Municipal Employee Benefits/Costs</b>						
Retirement Assessment	3,550,373	3,784,364	4,051,323	266,959	7.1%	Taxation
Worker's Compensation	113,116	151,399	166,539	15,140	10.0%	Taxation
Unemployment Compensation	20,103	15,246	16,771	1,525	10.0%	Taxation
Health Insurance	1,530,785	1,541,233	1,618,295	77,062	5.0%	Taxation
Life Insurance	3,244	6,800	5,000	(1,800)	-26.5%	Taxation
Pre-Hire/Payroll/Other	98,073	127,000	139,200	12,200	9.6%	Taxation
Public Safety Medical/111F ins	28,856	90,000	96,000	6,000	6.7%	Taxation
Medicare Part B	55,762	70,997	74,547	3,550	5.0%	Taxation
Social Security Tax	1,562	10,000	10,000	0	0.0%	Taxation
Medicare Payroll Tax	235,458	302,111	332,322	30,211	10.0%	Taxation
<b>Municipal Employee Benefits/Costs</b>	<b>5,637,332</b>	<b>6,099,150</b>	<b>6,509,997</b>	<b>410,847</b>	<b>6.7%</b>	
<b>Shared/Other Fixed Costs</b>						
Comprehensive & Liability Ins.	364,146	552,000	579,600	27,600	5.0%	Taxation
Waste Collection/Disposal Expenses	1,375,726	1,398,600	1,538,200	139,600	10.0%	Taxation
Audit Services	71,855	81,250	81,250	0	0.0%	Taxation
<b>Total Shared/Other Fixed Costs</b>	<b>1,811,727</b>	<b>2,031,850</b>	<b>2,199,050</b>	<b>167,200</b>	<b>8.2%</b>	
<b>44. Total Benefits/Shared Fixed Costs</b>	<b>14,176,888</b>	<b>15,834,870</b>	<b>16,888,181</b>	<b>1,053,311</b>	<b>6.7%</b>	
<b>Reserve Funds</b>						
45. Other/Energy Reserve Fund*	0	295,000	295,000	0	0.0%	Taxation
46. Special Town Mtg Reserve	7,700	25,000	25,000	0	0.0%	Taxation
47. Reserve Fund	0	400,000	405,000	5,000	1.3%	Taxation
<b>Total Reserves</b>	<b>7,700</b>	<b>720,000</b>	<b>725,000</b>	<b>5,000</b>	<b>0.7%</b>	
<b>Total Fixed Costs Budget</b>	<b>14,184,588</b>	<b>16,554,870</b>	<b>17,613,181</b>	<b>1,058,311</b>	<b>6.4%</b>	

Reserve Accounts -Actual expenditures are shown in the budgets to which transfers were made.

\* This reserve budget may be transferred to budgets upon vote by the Select Board.

**Debt Service Budget**

Municipal Related Debt Service	3,461,860	3,486,431	3,483,661	(2,770)	-0.1%	\$92,250 Cemetery Funds/ \$12,453 Bond Premium/ Taxation
School Related Debt Service	2,676,118	2,570,348	2,466,118	(104,230)	-4.1%	\$1,401,276 Sch Bld Reimb/ \$6,468 Bond Premium/Taxation
<b>48. Total Debt Budget</b>	<b>6,137,978</b>	<b>6,056,779</b>	<b>5,949,779</b>	<b>(107,000)</b>	<b>-1.8%</b>	

**FY21 Debt Change**

Non Exempt	<b>\$0</b>
Exempt	(\$107,000)
<b>Total</b>	<b>(\$107,000)</b>



Appendix D  
Proposed FY2021 Departmental Salary/Expense Budgets

Description	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vs FY20	% Change FY21 vs FY20	Funding Source
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**Sewer Enterprise**

Salaries	315,569	442,300	455,037	12,737	2.9%	Sewer Enterprise Funds
Expenses	303,893	194,500	194,500	0	0.0%	Sewer Enterprise Funds
Pumping Stations	164,439	172,000	172,000	0	0.0%	Sewer Enterprise Funds
MWRA Assessment	2,988,061	3,163,487	3,290,026	126,539	4.0%	Sewer Enterprise Funds
Mandated Inspections	27,499	120,000	120,000	0	0.0%	Sewer Enterprise Funds
Sewer Debt & Interest	371,994	217,688	214,588	(3,100)	-1.4%	Sewer Enterprise Funds
System Ext./Repairs	0	25,000	25,000	0	0.0%	Sewer Enterprise Funds

49. <b>Total Sewer Enterprise</b>	<b>4,171,454</b>	<b>4,334,975</b>	<b>4,471,151</b>	136,176	3.1%	
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Note: Sewer revenue budget will be Operating Budget: 4,471,151

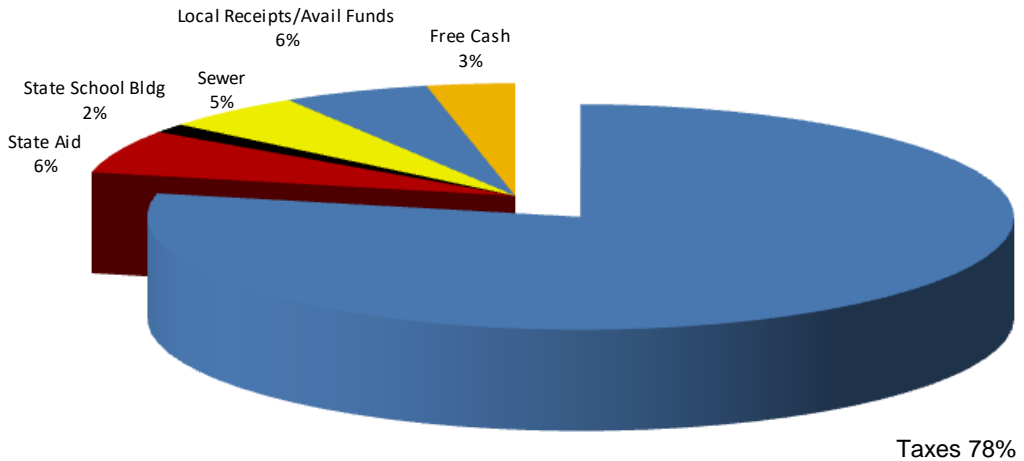
Plus: Indirect Costs 414,219

Total 4,885,370

<b>Total Operating Budget</b>	<b>89,159,238</b>	<b>94,627,947</b>	<b>98,311,059</b>	<b>3,683,112</b>	<b>3.89%</b>	
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# FY2021 Projected Budget Revenue

## FY2021 Projected Budget Revenue



### FY2021 Projected Budget Revenue

	FY2020 Per Recap	FY2021 Proj	\$ Change	% Change
Taxes	\$80,224,068	\$83,363,930	\$3,139,862	3.9%
State Aid	\$6,395,080	\$6,638,070	\$242,990	3.8%
State School Bldg Reimbursement	\$1,401,276	\$1,401,276	\$0	0.0%
Sewer Enterprise	\$5,790,177	\$5,650,370	(\$139,807)	-2.4%
Local Receipts	\$4,195,857	\$4,195,857	\$0	0.0%
Available Funds	\$527,176	\$539,246	\$12,070	2.3%
Available Funds - prior yr/other articles	\$167,000	\$64,720	(\$102,280)	-61.2%
Meals/Hotels Tax	\$515,000	\$1,075,000	\$560,000	
Free Cash	\$3,288,500	\$3,508,900	\$220,400	6.7%
<b>Total</b>	<b>\$102,504,134</b>	<b>\$106,437,369</b>	<b>\$3,933,235</b>	<b>3.8%</b>

# The Tax Levy

The Town's main revenue source is property tax revenue. In Massachusetts, tax revenue is governed by State law.

## What is Proposition 2 ½?

Proposition 2 ½, passed in November 1980, places a limit on the property taxes a community can levy each year. The taxing capacity of the Town is limited to a 2.5 percent increase of the prior year's levy limit. In addition, the total levy may increase by taxes attributable to new growth. A town may choose to "override" these limits.

Therefore, without any overrides, the total levy limit is increased by 2.5 percent and a new growth amount certified by the Department of Revenue.

There are Different types of Overrides

## What is a General Override?

A general override can be passed to obtain additional funds for any municipal purpose. A general override permanently increases the Town's levy limit. An override question may be placed on the ballot by a majority vote of the Board of Selectmen and must be passed by a majority of voters.

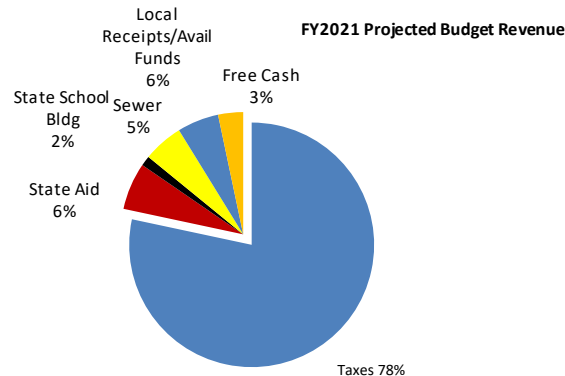
What is a Debt Exclusion?

## What is a Capital Outlay Expenditure Exclusion?

Proposition 2 ½ allows communities to raise funds for certain purposes above the amount of their levy limits or levy ceilings. Subject to voter approval, a community can assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects and for the payment of specified debt service costs. An exclusion for the purpose of raising funds for debt service costs is referred to as a debt exclusion and an exclusion for the purpose of raising funds for capital projects costs is referred to as a capital outlay expenditure exclusion.

The additional amount for the payment of debt service is added to the levy limit or levy ceiling for the life of the debt only. The additional amount for the payment of the capital project cost is added to the levy limit or levy ceiling only for the year in which the project is being undertaken. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated in future years.

The history of Westwood's total tax levy and the history of Westwood's override questions are presented on the following pages.



## Proposition 2 ½ Overrides

Project Date of Vote	Amount	Type of Override	Year Cost Impact to be Completed
School Override 1995 Annual Town Election	\$560,413	General Override	Permanent change to the allowable taxation levy limits
School Override 1999 Special Town Election	\$999,164	General Override	Permanent change to the allowable taxation levy limits.
School Override 2002 Annual Town Election	\$1,615,203	General Override	Permanent change to the allowable taxation levy limits.
School Override 2007 Annual Town Election	\$2,777,387	General Override	Permanent change to the allowable taxation levy limits.
<b><i>Debt/Capital Exemption Overrides Approved &amp; Still Ongoing</i></b>			
High School - New Construction 2000 Special Town Election	\$35,962,000	Debt Exemption*	Will be completed in 2023. Net cost to average home \$4,693 or \$233/yr. for 20 years.
High School – Additional Appropriation for New High School 2002 Annual Town Election	\$8,333,640	Debt Exemption*	
Library – New Construction 2010 Annual Town Election	\$9,300,000	Debt Exemption	Will be completed in 2031. Net cost to average home \$1,947 total, or \$97/yr. for 20 years.
*Amount of taxation is directly reduced by state reimbursement (59% of total project).			
For debt exemption overrides - debt payment each year is raised outside of Proposition 2 1/2.			
<b><i>Debt/Capital Exemption Overrides Completed</i></b>			
Vote to Exempt Sewer Construction Bonds 1982 Annual Town Election	\$4,000,000	Debt Exemption	Completed – FY1993
Capital Equipment 1989 Annual Town Election	\$298,000	Capital Exemption	Completed – FY1990
Road Improvement Program 1990 Special Town Election	\$1,703,000	Debt Exemption	Completed - FY2001
Reconstruction of Middle School 1990 Special Town Election	\$2,282,000	Debt Exemption*	Completed - FY2002
Road Improvement Program 1994 Annual Town Election	\$2,200,000	Debt Exemption	Completed - FY2005
Middle School/Fields 1997 Annual Town Election	\$2,373,430	Debt Exemption*	Completed – FY2009
Middle School/Gymnasium 1997 Annual Town Election	\$550,000	Debt Exemption*	Completed – FY2009
Downey School Expansion 1999 Annual Town Election	\$6,500,000	Debt Exemption*	Completed - FY2012
Martha Jones School Expansion 2000 Special Town Election	\$7,200,000	Debt Exemption*	Completed – FY2012

## Proposition 2 ½ Overrides (Continued)

<i>Overrides Not Approved</i>			
1984 Annual Town Election		Debt Exempt	Exempt Sewer Bond for Sewer Work
1988 Annual Town Election		Debt Exempt	Exempt Road/Sewer Bond
1989 Special Town Election	\$1,500,000	General	General Override for Budget
1991 Special Town Election	\$394,435	Capital Excl	Specific Capital Items
1991 Special Town Election	\$1,282,000	Debt Exempt	Bond for Road Improvement Work
1991 Special Town Election	\$250,000	Debt Exempt	Bond for Purchase of Conservation Land
1993 Annual Town Election	\$500,000	General	General Override to fund teaching positions/curbside recycling
1999 Annual Town Election	\$1,285,320	General	General Override for School Budget
2005 Annual Town Election	\$525,616	General	General Override for Municipal Budget
2005 Annual Town Election	\$2,394,199	General	General Override for School Budget
2005 Annual Town Election	\$1,500,000	General	General Override to fund Capital Stabilization Fund

# History of Tax Levy – Budget FY2021

Tax Levy Calculation	FY2017	FY2018	FY2019	FY2020	FY2021	
Prior Year Levy Limit	\$66,435,457	\$70,367,740	\$73,558,364	\$76,623,854	\$79,703,916	
Plus 2.5% Increase	\$1,660,886	\$1,759,194	\$1,838,959	\$1,915,596	\$1,992,598	Plus 2.5%
Plus New Growth**	\$1,099,667	\$1,252,430	\$950,531	\$661,466	\$450,000	New growth
New Tax Levy - University Station	\$1,171,730	\$179,000	\$276,000	\$503,000	\$200,000	Uni Station growth
General Overrides	\$0	\$0	\$0	\$0	\$0	General Override
<b>Tax Levy Limit</b>	<b>\$70,367,740</b>	<b>\$73,558,364</b>	<b>\$76,623,854</b>	<b>\$79,703,916</b>	<b>\$82,346,514</b>	
<b>Exempt Debt*</b>	<b>\$1,642,706</b>	<b>\$1,523,690</b>	<b>\$1,429,505</b>	<b>\$1,320,986</b>	<b>\$1,217,416</b>	Exempt Debt
<b>Levy Capacity</b>	<b>\$72,010,446</b>	<b>\$75,082,054</b>	<b>\$78,053,359</b>	<b>\$81,024,902</b>	<b>\$83,563,930</b>	What we could tax
Actual Levy Assessed	\$70,500,803	\$74,005,710	\$76,955,697	\$80,224,068	\$83,363,930	What we actually tax
Excess Levy(Taxes not raised )	\$1,509,643	\$1,076,344	\$1,097,662	\$800,834	\$200,000	Unused tax levy
Increase in Actual Levy (including new growth)	4.2%	5.0%	4.0%	4.2%	3.9%	
<b>Increase in Levy without new growth</b>	<b>0.88%</b>	<b>2.94%</b>	<b>2.33%</b>	<b>2.73%</b>	<b>3.10%</b>	

Unused Tax Levy Detail	FY2018	FY2019	FY2020	FY2021
Unused University Station new Growth	\$279,000	\$555,000	\$378,000	\$200,000
Other New Growth Higher Than Budgeted/Other	\$797,344	\$542,662	\$422,834	\$0
<b>Total Unused Levy</b>	<b>\$1,076,344</b>	<b>\$1,097,662</b>	<b>\$800,834</b>	<b>\$200,000</b>

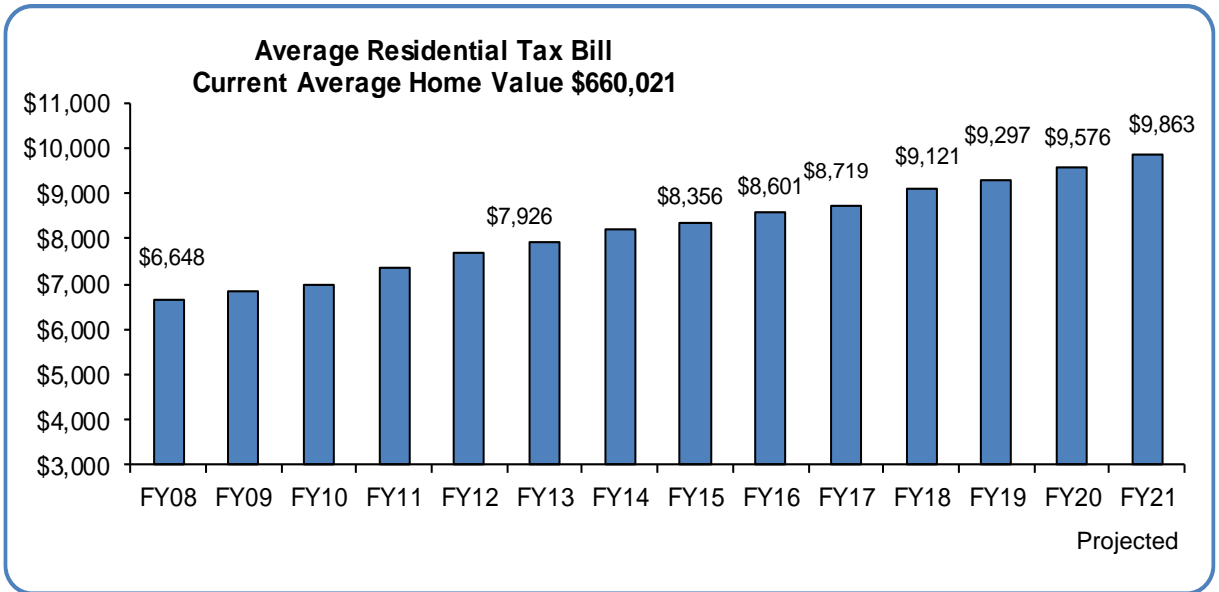
\* Exempt debt - This is the net principal and interest payment required each year for borrowing projects approved outside Proposition 2 1/2.

\*\*New Growth - This represents taxes from new residential and commercial development.

- No general override since 2007
- Exempt debt declines each year, High School bond ends in 2023

# Tax Rate/Tax Bill History

Tax Rate per Thousand	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Projected FY21
Residential	\$15.40	\$15.24	\$14.66	\$14.57	\$15.09	\$14.65	\$14.51	
Commercial	\$28.18	\$28.79	\$28.27	\$28.20	\$29.30	\$28.24	\$28.22	
<b>% of Total Town Value</b>								
Residential Property	86.8%	87.5%	85.5%	85.1%	84.9%	84.1%	84.8%	
Commercial Property	13.1%	12.5%	14.4%	14.8%	15.1%	15.9%	15.3%	
Tax Shift Factor	1.65	1.70	1.70	1.70	1.70	1.68	1.70	
<b>% of Total Town Taxes</b>								
Residential Properties	78.3%	78.7%	75.4%	74.8%	74.3%	73.3%	74.1%	
Commercial Properties	21.6%	21.3%	24.5%	25.2%	25.7%	26.7%	25.9%	
<b>Average Residential Tax Bill</b>								
Home Value	\$532,345	\$548,315	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	
Tax Bill	\$8,198	\$8,356	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,863
<b>Average Tax Bill Increase</b>	3.4%	1.9%	2.9%	1.3%	4.6%	2.0%	3.0%	3.0%
Single Tax Rate	\$17.08	\$16.93	\$16.63	\$16.59	\$17.24	\$16.81	\$16.60	
<b>Savings to Average Tax Bill from Having Split Tax Rate</b>	\$894	\$926	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	



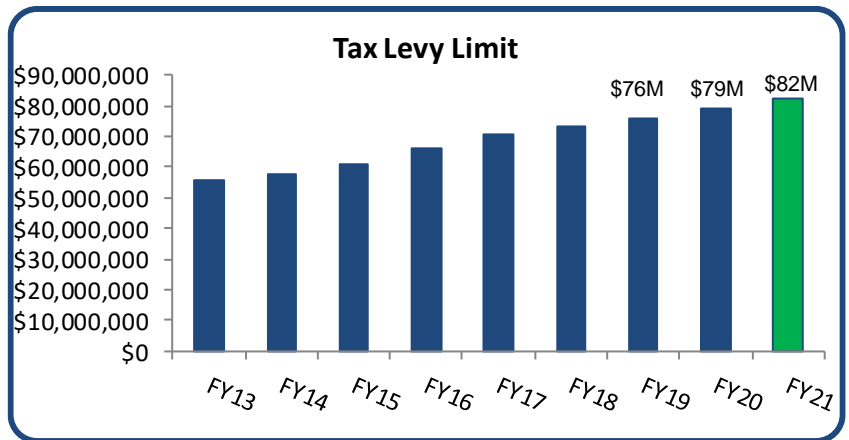
# The Components of the Tax Levy

Property tax levy:

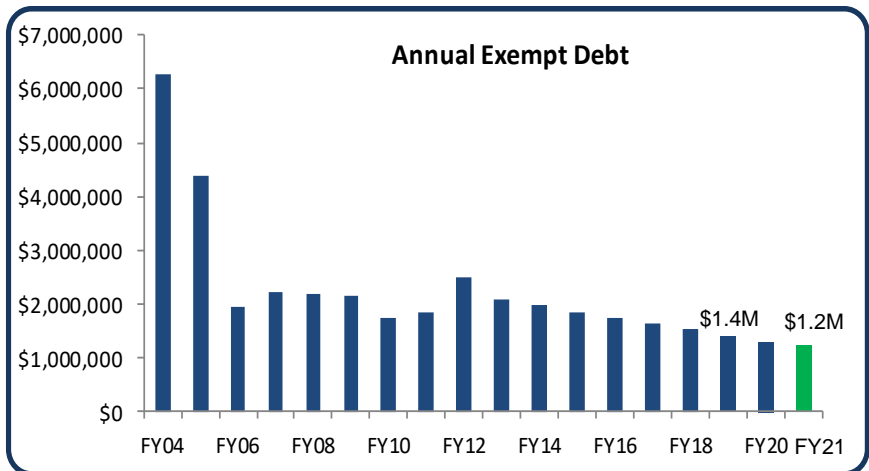
- Revenue a community can raise through property taxes.
- Proposition 2 ½ places constraints on the amount of the levy raised by a community and on how much the levy can be increased from year to year.

There are 2 categories of the tax levy:

- General Taxes:
  - Can increase by 2.5% each year.
  - Also can include taxes from new construction.
  - Can increase more than 2.5% with a voter approved override.



- Exempt Debt:
  - Principal & interest for bonds for projects voted outside of Proposition 2 ½.
  - Exact amount of debt cost is taxed.
  - Not limited to 2.5% increase – It is what it is.



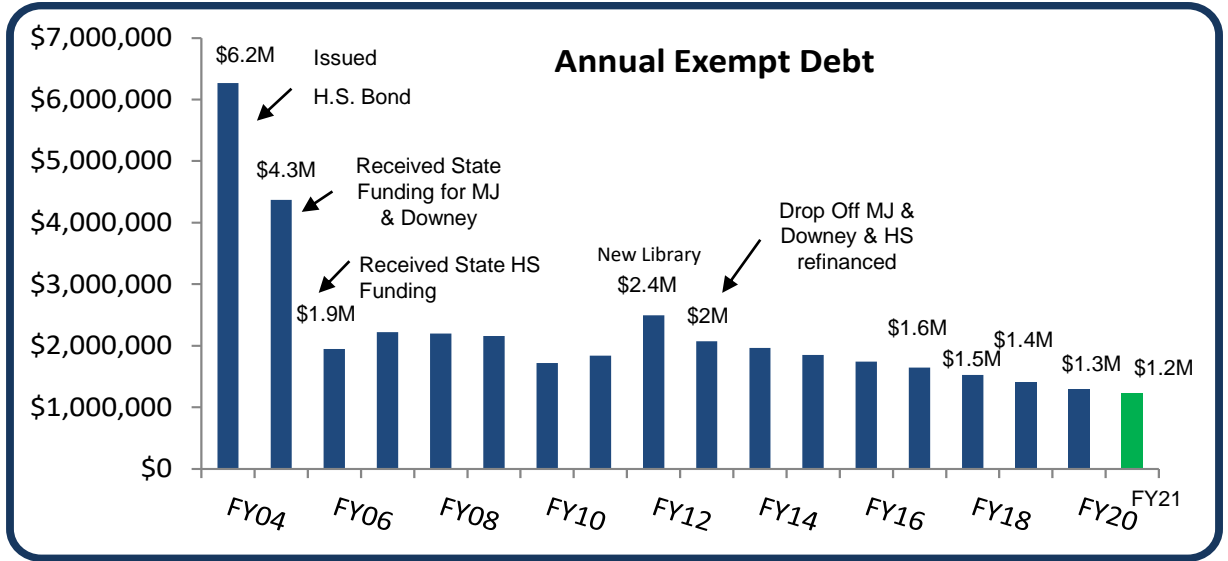
Proposition 2 ½ governs total taxes raised by the Town,  
 Info to Know - 7  
not an individual home's bill.



# Exempt Debt – Changes Each Year with Debt Payments

- Principal and interest payments for projects approved outside Proposition 2 ½.
- Exact amount of debt cost, net of state school reimbursement, is raised in taxes.
- When bond ends, exempt taxes end.

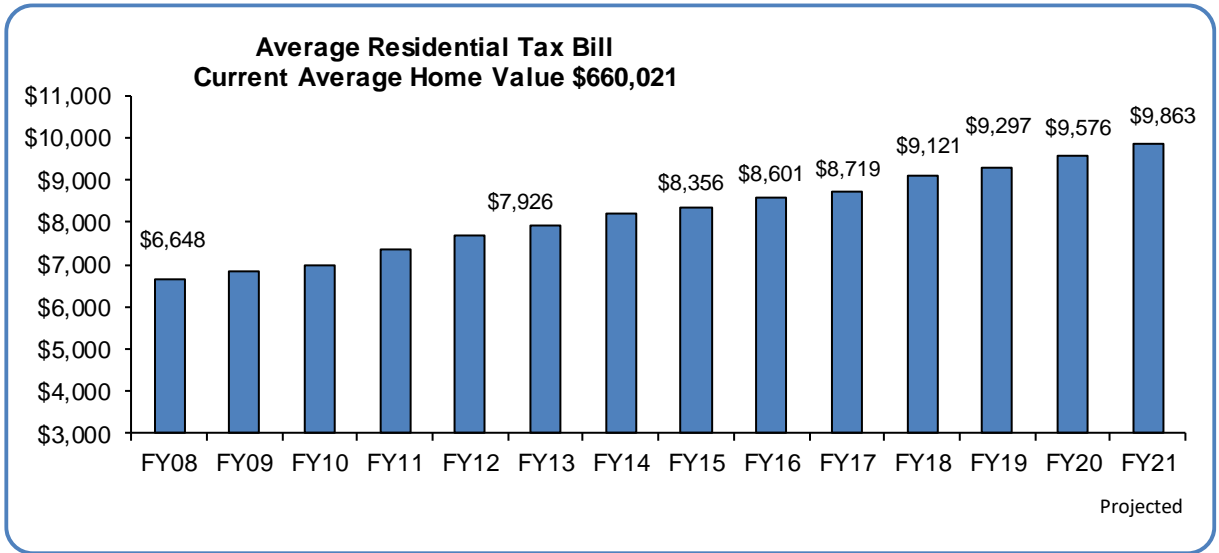
## Annual Exempt Debt



- FY12:
  - New library bond added to exempt debt.
- FY13:
  - MJ and Downey bonds completed in FY12.
  - High School bond refinanced.
- Exempt debt will decrease approximately \$100K a year until the high school bond is completed in 2023. Library Bond ends 2031.
- FY21 Exempt Debt:
 

High School	\$567,071
Library	<u>\$650,345</u>
Total	\$1,217,416

# A Look At the Average Tax Bill



- FY21 bill projected increase of \$287 or 3%.
  - Based on net tax levy change only, not any change in commercial/residential shift.

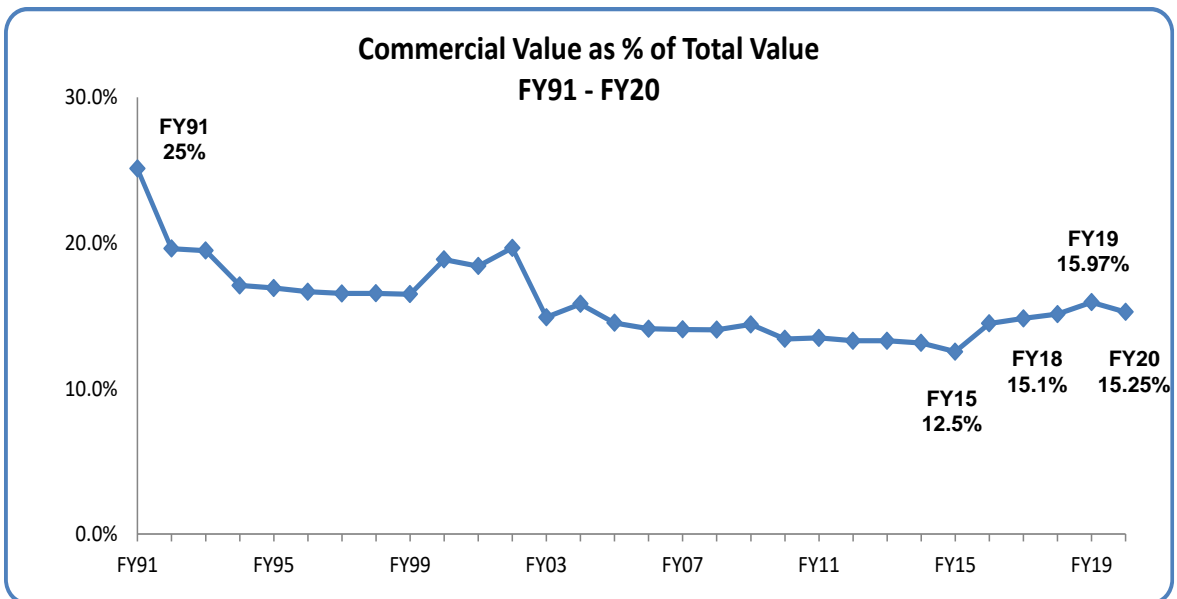
	FY16	FY17	FY18	FY19	FY20	Projected FY21
Average Tax Bill Increase	2.9%	1.3%	4.6%	2%	3%	3%
Savings to Average Tax Bill Resulting from Split Tax Rate	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	
Average Residential Tax Bill Home Value	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	
Average Tax Bill	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,863

Westwood's Ranking in the State Average Tax Bill						
FY14	FY15	FY16	FY17	FY18	FY19	FY20
18	17	17	18	17	18	18

# Assessed Value by Classification

- The Town’s total value includes both commercial and residential property
- A split tax rate is utilized, with the Town charging a higher tax rate to commercial properties than to residential

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2015	\$3,201,759,309	\$15.24	\$305,143,078	\$104,513,800	\$48,705,000	\$458,361,878	\$28.79	12.5%	\$16.94	\$3,660,121,187
2016	\$3,479,561,719	\$14.66	\$429,192,713	\$100,498,400	\$58,369,200	\$588,060,313	\$28.27	14.5%	\$16.63	\$4,067,622,032
2017	\$3,620,229,895	\$14.57	\$467,768,522	\$90,401,550	\$71,406,300	\$629,576,372	\$28.20	14.8%	\$16.59	\$4,249,806,267
2018	\$3,644,725,298	\$15.09	\$479,097,796	\$91,967,650	\$77,631,000	\$648,696,446	\$29.30	15.1%	\$17.24	\$4,293,421,744
2019	\$3,848,500,382	\$14.65	\$549,160,539	\$93,693,650	\$85,728,200	\$728,582,389	\$28.24	15.9%	\$16.81	\$4,577,082,771
2020	\$4,095,829,530	\$14.51	\$557,002,679	\$93,617,500	\$86,218,300	\$736,838,479	\$28.22	15.2%	\$16.59	\$4,832,668,009

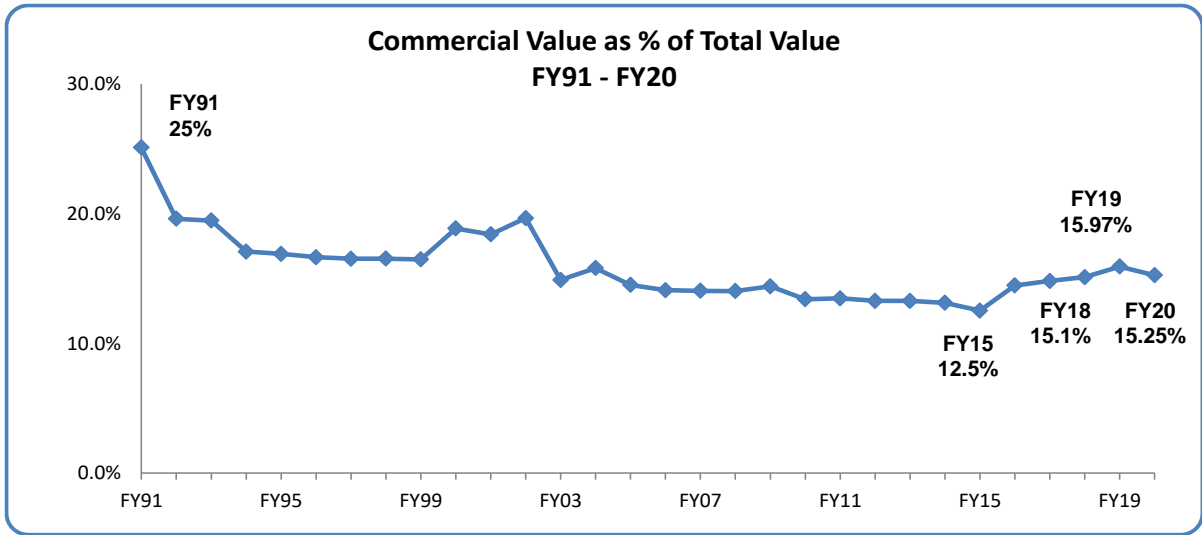


University Station has significantly strengthened the Town’s commercial value since opening in 2015.

A report listing all individual property values for FY19 and FY20 can be found on the Town’s web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us).

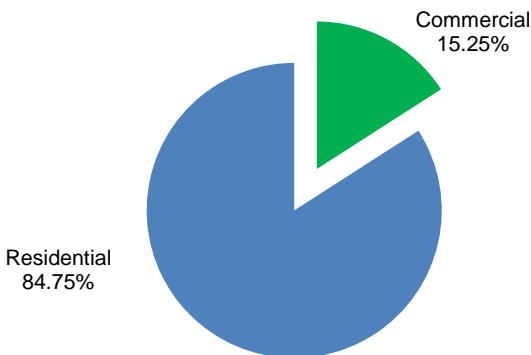
# Commercial Value is Important to Town Finances, and Serves to Moderate Residential Tax Bills

Commercial Property is taxed at a higher rate than Residential Property, this is called a “split tax rate”.



Type of Property	Tax Rate
Commercial	\$28.22
Residential	\$14.51

FY20 Total Value



FY20 Taxes Paid



Commercial is 15.25% of value, but pays 25.9% of taxes

In FY20, the split tax rate saves the average homeowner \$1,380 or 14% of their tax bill

## ***Information about your Fiscal Year 2020 Real Estate Tax Bill***

This insert is intended to provide you with some information about your enclosed tax bill. The following questions are most commonly asked by residents about their tax bills.

### ***Did overall property value in Westwood change from FY19 to FY20?***

Yes. The value of all real estate in Town increased by 5.6%, with residential value increasing 6.43 % and commercial value increasing 1.13%.

### ***Did my individual home value change?***

Yes. Almost all of the residential homes in Town had a change in value for FY20. Values are required to be updated annually to reflect market conditions and sales activity. As always, values also change due to home renovation or improvements.

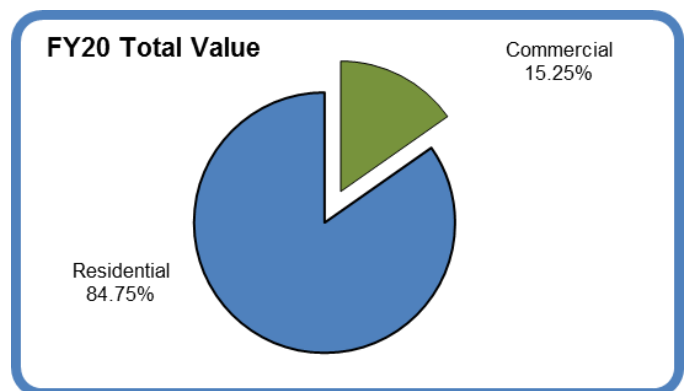
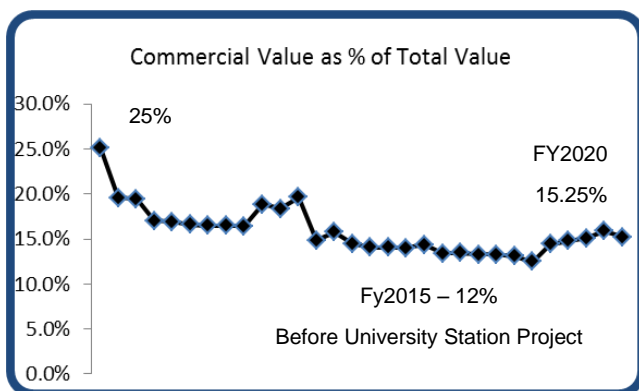
Approximately 86% of homes had a value increase in the range of 3% to 8%, with the median home value increasing to \$660,000. Approximately 2% of homes experienced a decrease in value.

A report listing all home values for FY19 and FY20 can be found on the Town's web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us). From the Home page, select "Residents". Click the link for "Tax Rates and Property Assessments". It is important to remember that state tax law dictates that your FY20 tax bill is based on the assessed value of your home as of **January 1, 2019** based on home sales that occurred during calendar year **2018**.

If you notice any data errors when viewing the on-line Assessors' database, please contact the Assessors' Office. The Board of Assessors is committed to ensuring that each property is fairly and accurately assessed.

### ***Did commercial property increase in value for FY20?***

Yes. The total commercial property saw an overall increase in value of approximately \$8.2 million or 1.13%. It is important to remember that state tax law looks at the value of new construction as of June 30, 2019. Current commercial development activity in University Station will be included in the next year's values.

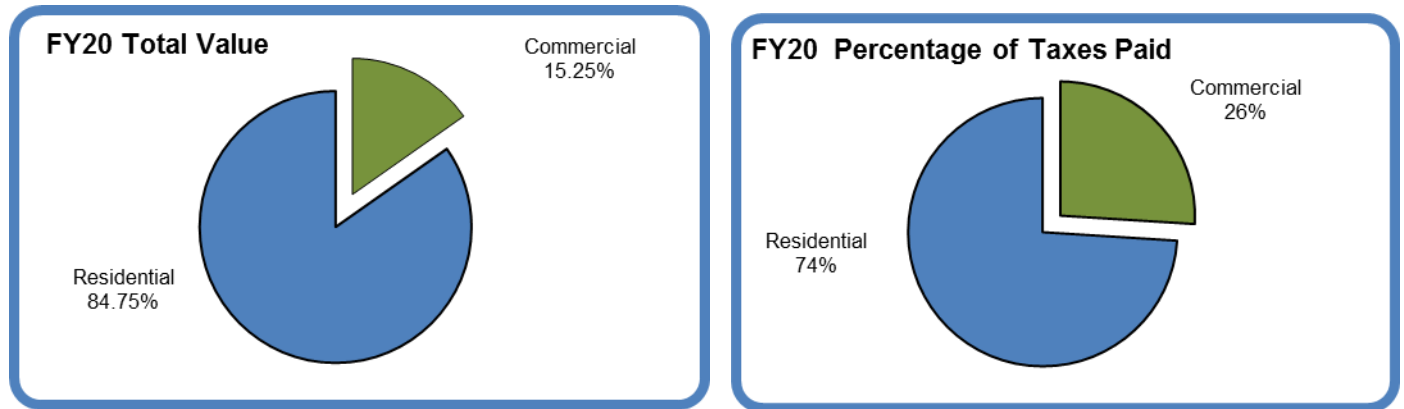


In FY20, commercial properties are 15.25% of the Town's total value, but will pay 26% of total taxes.

***Does the commercial property pay a higher tax rate than residential?***

Yes. The Town has a split tax rate, charging commercial property a higher rate than residential. The Select Board, in consultation with the Board of Assessors, voted to set the FY20 shift factor, which sets the different rates, at 1.70.

In FY20, commercial property, while only representing 15.25% of the Town's value, will pay 26% of the total taxes, approximately the same as the 26.7% in FY19.



***Does the higher commercial rate help my residential tax bill?***

Yes. Without this higher commercial split rate, the average tax bill would increase an additional 14% or \$1,380. This is a significant savings to the average residential tax bill.

***What is the change in real estate tax rates for FY20?***

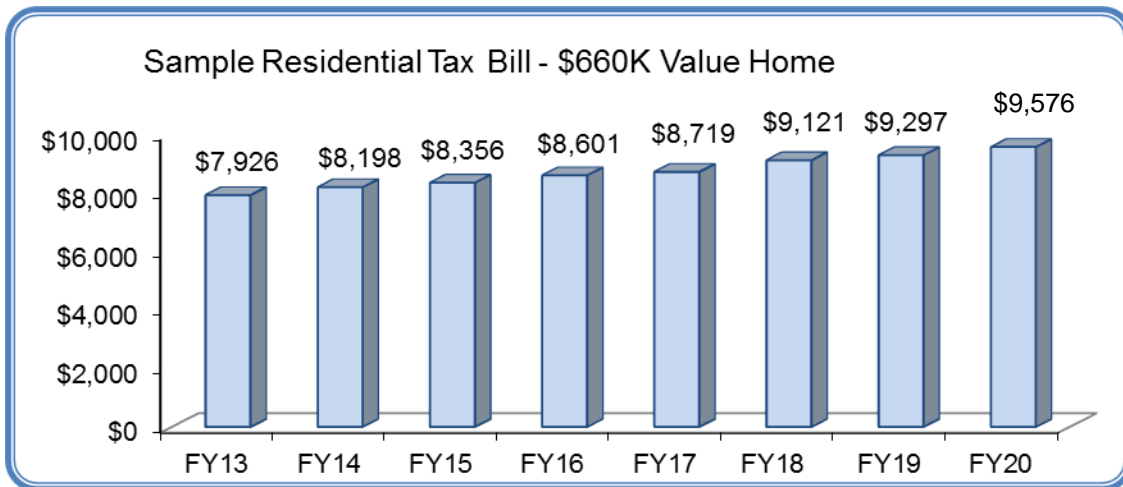
The FY20 tax rates per \$1,000 of valuation are as follows:

Tax Rate	FY19	FY20	Rate Change FY19 to FY20	% Change in Rate FY19 to FY20
Residential	\$14.65	\$14.51	-\$0.14	-1%
Commercial	\$28.24	\$28.22	-\$0.02	-.1%

***What happened to my individual tax bill?***

The tax rate on your bill is based upon the value of the residential and commercial property in the Town and the amount of money that was voted to be spent at the May 2019 Town Meeting. It also includes debt currently approved outside of Proposition 2 ½. This tax rate is then multiplied by the value of your house to arrive at your new tax amount.

Proposition 2 ½ places limits on the total amount of taxes that can be raised by a city or town. It does not apply to an individual tax bill. While the total taxes collected by the Town including new growth increased by 4%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



***This sample home has a tax increase of \$279, or 3% from FY19 to FY20 and has a 4% increase in assessed value from FY19 to FY20.***

***Sampling of Individual Home Values/Tax Bills***

This chart lists a sampling of actual homes at varying value levels.

Home Value			Tax Bill		
FY19	FY20	% Change	FY19	FY20	% Change
\$1,862,200	\$1,966,850	5.6%	\$27,281	\$28,539	4.6%
\$1,213,250	\$1,275,100	5.1%	\$17,774	\$18,502	4.1%
\$1,032,800	\$1,070,750	3.7%	\$15,131	\$15,537	2.7%
\$875,600	\$909,450	3.9%	\$12,828	\$13,196	2.9%
\$745,550	\$768,700	3.1%	\$10,922	\$11,154	2.1%
633,950	674,250	6.4%	\$9,287	\$9,783	5.3%
566,600	588,950	3.9%	\$8,301	\$8,546	3.0%

***What debt outside Proposition 2 ½ is included in this bill?***

There are two components to the total taxes collected by the Town: 1) the general tax levy, and 2) the exempt debt, which is the principal and interest costs for the debt approved outside the limits of Proposition 2 ½.

The FY20 tax levy includes principal and interest payments that the Town will be making for the Proposition 2 ½ debt exclusion projects listed below. All other debt projects approved outside of Proposition 2 ½ have been completed, meaning the bond has been fully repaid and the cost removed from the tax levy.

<b>Project/Bond Issued</b>	<b>Fiscal Year Debt Will Be Completed</b>	<b>FY20 Debt Payments</b>	<b>Net Amount of Debt in FY20 Levy</b>
High School Construction - \$39.2 million	2023	17 <sup>th</sup> of 20	\$659,234
Library Construction - \$9.3 million	2031	9 <sup>th</sup> of 20	\$661,752

All other Town debt is being funded within Proposition 2 ½.

***Were Steps Taken to Address Residential Tax Relief?***

Yes. The Select Board proposed and Town Meeting approved several measures to continue efforts to try to mitigate the increase in the residential tax bill. These measures include:

- Striving to keep all operating and capital budgets within Proposition 2 ½.
- Not utilizing the entire available tax levy (approximately \$800,000) permitted by state law for FY20. This continues a tax relief measure as done in the past several years.
- Maintaining beneficial commercial/residential split tax rate.



The Select Board has worked to structure tax relief into recent budget proposals. As the University Station project has come on line, a portion of the new revenue has been used to mitigate the growth of the average residential tax bill.

## Tools for Tax Relief

There are several methods to try to limit the growth of the annual property tax bill. These include:

- General tax relief for all taxpayers:
  - Not use full levy limit
  - Keep annual school and municipal operating budgets with Proposition 2 ½ limits.
  - Pay for debt for new projects within Proposition 2 ½ vs. debt exemption outside of Prop 2 ½.
  - Commercial tax shift – higher commercial tax rate
  - Apply free cash to tax rate – general appropriation to reduce overall tax levy
    - Each \$100K appropriated provides approximately \$13 in annual tax savings to the average home
    - So \$500K appropriation provides approximately \$65 tax savings to the average home
- Targeted tax relief for the senior population:
  - Assist most vulnerable residents through the Aid to the Elderly and Disabled Fund.
  - Promote available state programs including senior exemptions and tax deferral.

## Recent Steps Taken to Address Residential Tax Relief

### FY17:

- Approved new police station debt within Proposition 2 ½.
- Not utilizing all of the available tax levy (approximately \$1.5 million) permitted by state law. Historically, the Town had used all of the available levy.
- Allocating the unused tax levy of \$1.5M to provide general tax relief to all homeowners.
- Appropriating \$500K from free cash to directly reduce the tax rate.

These measures resulted in an average tax bill increase of 1.37% vs. a potential 4.73% increase.

Without these tax measures, the average home bill would have been \$9,008 vs. the actual \$8,719.

### FY18:

The Board of Selectmen continued with tax relief measures in FY18.

These included:

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Appropriate \$500K free cash to directly reduce the tax rate.
- Allocating the unused tax levy of \$1.1M to provide general tax relief to all homeowners.

### FY19:

The Board of Selectmen continued with tax relief measures in FY19.

These included:

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Allocating the total unused tax levy of \$1.1M to provide general tax relief to all homeowners.

### FY20:

The Select Board continued with tax relief measures in FY20.

These included:

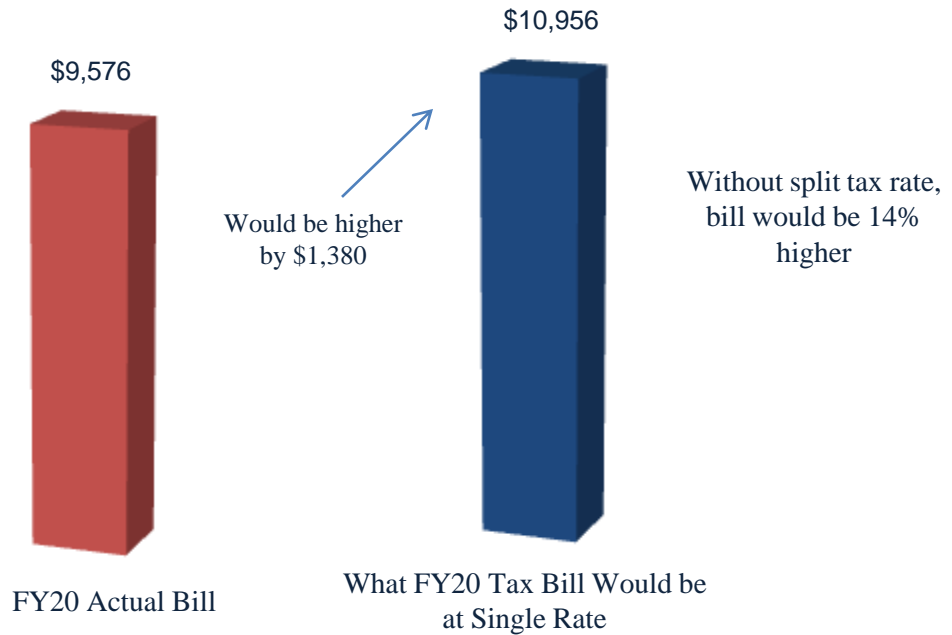
- Keeping all debt and operating budget requests within Proposition 2 ½.
- Paying for increased public safety service impact with University Station revenue.
- Maintain the beneficial commercial/residential tax split.
- Allocating the total unused tax levy of \$800K to provide general tax relief to all homeowners.

### FY21:

The Select Board will continue with tax relief measures in FY21.

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Allocating unused tax levy to provide general tax relief to all homeowners.

## Benefits of Commercial Tax Rate



The commercial split tax rate provides significant relief for homeowners.

In FY20 that relief is \$1,380.

The Town has a split tax rate, charging commercial property a higher rate than residential. The Select Board, in consultation with the Board of Assessors, voted to set the FY20 shift factor, which sets the different rates, at 1.70.

In FY20, commercial property, while only representing 15.25% of the Town's value, will pay 25.9% of the total taxes, a slight decrease from 26.7% in FY19.

### FY20 Tax Rates

Residential	\$14.51
Commercial	\$28.22

# University Station

Commercial value can provide additional new growth revenue for the town

Through significant work by so many in Town for so many years, the University Station project is now in place and continues to provide a significant enhanced revenue opportunity for the Town.

University Station has provided important new commercial tax revenue for the community.

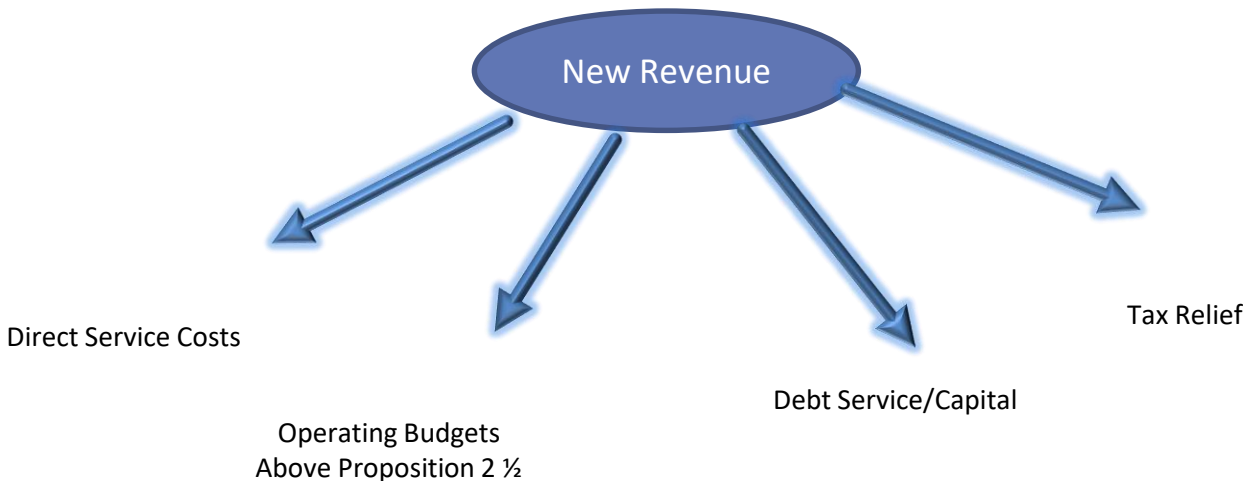
The Town, as planned before the start of the project, has utilized this new revenue for several important financial areas including:

- Providing for direct service impact costs of the project (such as public safety and schools impact)
- Providing for sustainable growth for the school and municipal budgets above the limits of Proposition 2 ½%.
- Helping to limit the annual tax bill increase.
- Funding debt service for major capital projects within Proposition 2 1/2.
- Funding the Capital Stabilization reserve.
- Stabilizing the commercial/residential split tax rate.
- Providing support to maintain the Town's AAA bond rating

Estimated annual new tax revenue from initial impact study before start of project.

- |                             |             |
|-----------------------------|-------------|
| • Increased new revenue -   | \$5M        |
| • Associated direct costs - | <u>\$2M</u> |
| • Public Safety             |             |
| • School Enrollment         |             |
| • Net new annual revenue -  | \$3M        |

**University Station new commercial tax revenue can provide for multiple areas:**



# University Station

University Station has provided important new commercial tax revenue:

## University Station New Growth Tax Revenue

FY15	FY16	FY17	FY18	FY19	FY20	Total
\$565,000	\$3,242,307	\$1,171,730	\$179,000	\$276,000	\$503,000	\$5,937,037

This chart shows the additional tax revenue each year from the project. The additional annual revenue is now \$5.9M. As taxes on the property before development were approximately \$2million, the total current University Station development pays over \$7.9M in annual taxes.

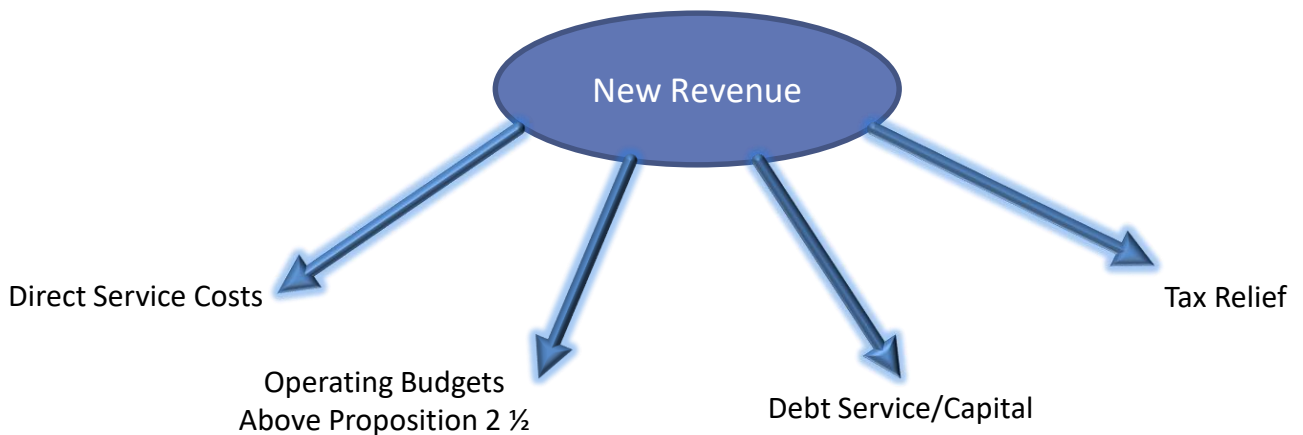
FY21 additional new revenue is budgeted at \$200,000

Actual revenue by year:

- **In FY15**, the initial revenue (\$565K) was used to implement identified direct service needs for the project. These funds, combined with previously received mitigation funds, allowed for important increases to police and fire staffing levels. These staffing needs had been identified at the project review and initial acceptance as direct services to be funded from the new tax revenue, and were the first increases to public safety staffing in decades.
- **In FY16**, new tax revenue from the project was \$3.2M. Approximately \$1.5M was voted toward the FY16 operating budget to provide an increase over the base 2 ½% to 5.2% for both school and municipal departments. This means that the FY16 school and municipal operating budgets were significantly funded and benefited from University Station revenue. In addition, the 2015 Fall Town Meeting allocated \$925K of the FY16 revenue as a one-time appropriation to the Capital Stabilization Fund to be used for important capital needs by future Town Meetings. This was the first ever significant infusion of funds to the important Capital Stabilization Fund.
- **In FY17**, final new tax revenue from University Station was \$1.17M. Appropriation of \$1.15M was voted toward the FY17 operating budget to provide an increase over the base 2 1/2 % to provide higher increases to both the school and municipal operating budgets. In addition, in FY17 direct services costs of \$215,000 were allocated for school services for University Station expenses. Additionally, \$800,000 of University Station revenue was allocated for additional debt service for the police station construction. This allowed the debt to remain within Proposition 2 ½, providing relief to taxpayers. In FY17 a balance of \$670,000 of revenue was not utilized. This left unused tax levy, which provided significant tax relief to our residents.

# University Station

- **In FY18**, \$570,000 was allocated for direct service costs for public safety staffing needs. These funds provided for additional police and fire staffing, the first since FY15. In addition, \$279K of new revenue was not utilized in the budget. This left unused tax levy, which provided significant tax relief to our residents.
- **In the FY19** budget, new tax revenue was \$276,000. There was no allocation of that revenue into the budget. Combined with \$279,000 of prior year unused levy, there was \$555,000 of tax levy revenue not utilized for additional budget items. This unused tax levy of \$555,000 provided tax relief for our residents.
- **In the FY20** budget, new tax revenue was \$503,000. This, combined with prior year unused levy of \$555,000, provided \$1,058,000 of tax levy revenue for budget items. A portion of this revenue was used for direct services, including \$537,500 for public safety needs, including two new firefighters, two new police officers, and one Communications Center Director. In addition, \$50,000 was allocated to the school budget to provide for costs of additional University Station related transportation needs. \$92,500 was used towards the debt service for a portion of the Route 109 bond costs, keeping this within Proposition 2 ½. The remaining unused tax levy of \$378,000 provided tax relief for our residents.



**Balance Many Needs**

# University Station

## University Station Revenue Significantly Helps Multiple Budget Areas

### Summary of How Funding Has Been Used:

#### Operating Budgets: Support operating budgets outside the constraints of Proposition 2 ½

<b>Total Increase in funding to Operating Budgets</b>	<b>\$2.639M</b>
School	\$1.9M
Municipal	\$ 700K

- School and Municipal services have been enhanced without need for an override.

#### Direct Service Costs: Provides for increases in service costs especially public safety

<b>Total Funding for Direct Service Costs</b>	<b>\$1.938M</b>
School	\$ 265K
Municipal	\$ 1,672,500

- The increase in direct services has been funded by the project revenue itself, causing no additional budget impact.

#### Capital: Revenue to fund capital projects within Proposition 2 ½

##### Ongoing:

Debt Service – Police Bond	\$800,000
Debt Service – Route 109 Road Bond	\$92,500
Total Ongoing	\$892,500
One Time – Capital Fund	\$975,000

- Important capital has been funded without the need for an override.

#### Tax Bill Relief: Apply revenue to subsidize tax bills for all residents

	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
Unused Tax Levy	\$500,000	\$670,000	\$279,000	\$555,000	\$378,000

- Each year, a portion of the new revenue has been used to mitigate residential tax bills.

## University Station Detail by Year of Use of New Tax Revenue

### Operating Budgets - Support Operating Budgets Outside the Constraints of Proposition 2 ½

#### **Operating Budgets**

Revenue used to supplement budgets beyond the limits of Prop 2 ½. These funds have allowed the Town to provide a high level of services, without a Prop 2 ½ override. Funds listed are then added annually to the ongoing budget. For example, the School Department budget is now \$1.9M higher each year than it was before the University Station project.

	FY15/FY16	FY17	Total
School	\$1,020,225	\$883,000	\$1,903,225
Municipal	\$461,578	\$272,000	\$733,578

- School and Municipal services have been enhanced without need for an override.

### Direct Service Costs – Provides for Increases in Service Costs Primarily Public Safety

#### **Direct Service Costs**

Revenue used to provide for increases in service costs due to the project. Funds listed are then added annually to the ongoing budget. School costs provide for any impact/transportation costs for students in the development. The municipal costs provide for additional public safety staff. Police and Fire staffing and services have been significantly enhanced, with the addition of 14 new firefighters, 7 police, and 2 dispatch positions.

	FY15/FY16	FY17	FY18	FY19	FY20	Total
School		\$215,000			\$50,000	\$265,000
Municipal	\$565,000		\$570,000		\$537,500	\$1,672,500

- The increase in direct services has been funded by the project revenue itself, causing no additional budget impact.



## University Station Detail by Year of Use of New Tax Revenue - Continued

Capital – Revenue to Fund Capital Projects Within Proposition 2 1/2	
One Time appropriation to Capital Fund in FY16	\$975,000
<b>Capital - Ongoing</b> Revenue used to fund capital projects. The debt service is permanently added for the life of the bond.	
Debt Service – Police Station bonding beginning in FY17	\$800,000
Debt Service – Route 109 Road Bond beginning in FY20	\$92,500

- Important capital has been funded without the need for an override.

Tax Bill Relief – Apply Revenue to Subsidize Tax Bills for all Residents					
<b>Tax Bill Relief</b> Each year some of the new revenue is left “unused”. This means that the budget is not increased to spend this money, but instead the funds are applied to existing budgets providing relief to all Town residents.					
	FY15/FY16	FY17	FY18	FY19	FY20
Unused Tax Levy	\$500,000	\$670,000	\$279,000	\$555,000	\$378,000

- Each year, a portion of the new revenue has been used to mitigate residential tax bills.

# State Aid

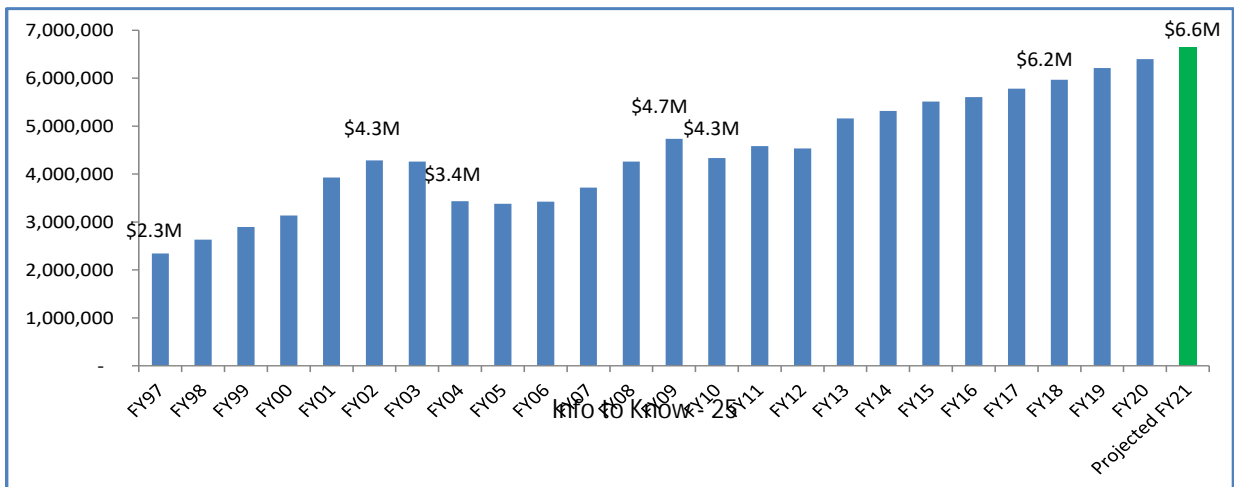
State Aid is annual revenue from the state of Massachusetts and consists of distributions, reimbursements, and offsets. Distributions are aid programs through which towns receive funds according to varying formulas, such as Chapter 70 Education and Municipal aid. Reimbursements are amounts paid to reimburse towns for certain activities or services provided, such as veteran's programs. Offsets are reimbursements for special programs that must be spent for a particular purpose by local officials without appropriation in the local budget, such as library funding.

The Town's two main categories of aid are Chapter 70 education aid and general municipal aid. The State also annually charges the Town for programs including a County Tax and MBTA assessment. These charges do not need to be voted by Town Meeting and are deducted from the State payments. The detail on amounts received and charged are shown in the table below. Every year, State aid is subject to the State budget process and often amounts are not known until very late in the Spring.

- Proposed FY21 budget utilizes the Governor's estimate of 3.8% increase.
- Governor's preliminary FY21 local aid projections are the initial step of the State budget process. We will monitor the State budget process and update the estimate accordingly.

				<b>Governor Projected</b>
	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>
Chapter 70-Education	\$5,111,033	\$5,336,202	\$5,496,384	\$5,725,253
Municipal Aid	\$728,832	\$754,341	\$774,708	\$796,400
Other	\$107,188	\$102,862	\$101,157	\$93,471
Offsets (Restricted to Metco, Library, School Lunch)	\$18,602	\$19,478	\$22,831	\$22,946
<b>Total Receipts</b>	<b>\$5,965,655</b>	<b>\$6,212,883</b>	<b>\$6,395,080</b>	<b>\$6,638,070</b>
Charges				
County Tax	196,478	201,390	200,141	205,145
MBTA Assessment	325,361	353,806	363,653	361,219
Other	\$102,505	\$121,416	\$139,352	\$138,044
<b>Total Charges</b>	<b>\$624,344</b>	<b>\$676,612</b>	<b>\$703,146</b>	<b>\$704,408</b>
<b>Net State Aid</b>	<b>\$5,341,311</b>	<b>\$5,536,271</b>	<b>\$5,691,934</b>	<b>\$5,933,662</b>

## Long Term History of State Aid



# State School Building Assistance

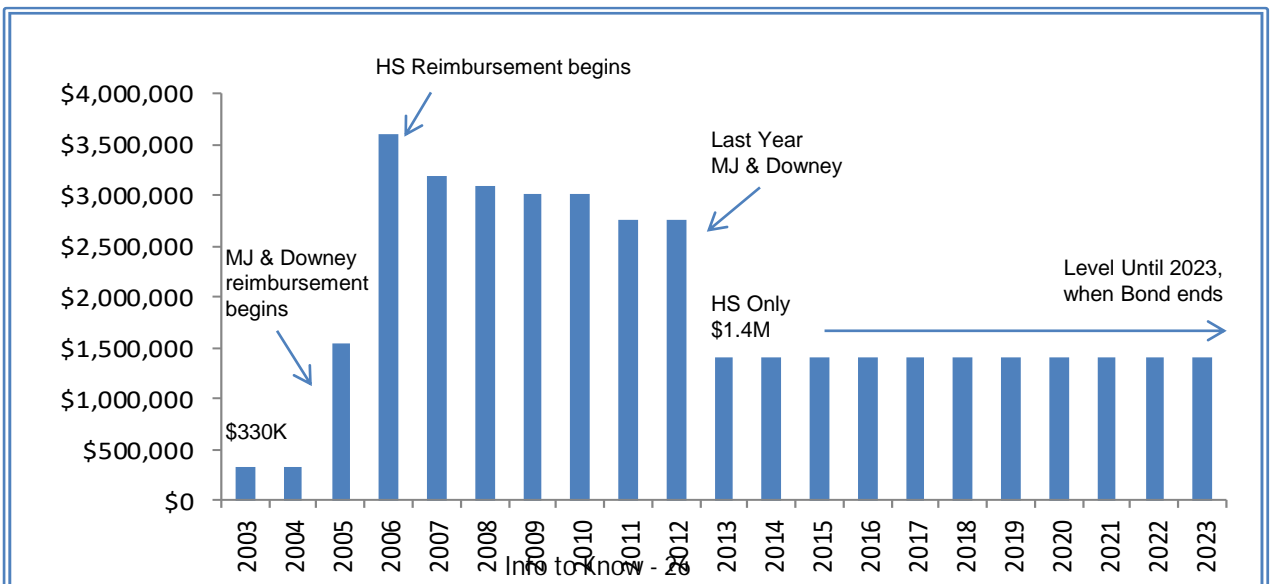
School building projects have been done as part of the Massachusetts School Building Assistance Program. Through this program, the State pays a significant portion of the total cost of the project. The Town renovated and expanded the Martha Jones and Downey schools and constructed the new High School all through the state program.

- The Town is currently receiving State School Building reimbursement on the high school construction project. The State paid 59% of the total project cost.
- The debt service and reimbursement for Martha Jones and Downey projects have been completed.

School Building Reimbursement			
Project	Payment Years	Total State Reimbursement (59% of Project)	Remaining Annual State Payments
High School-Annual Payments	FY06-FY2023	\$31,755,382	\$1,401,276/yr

- High school reimbursement continues until FY2023, when the debt ends.
- High school bond was refinanced to a lower interest rate in FY13.
- The State payment is applied directly to the current debt.

## School Building Reimbursement History

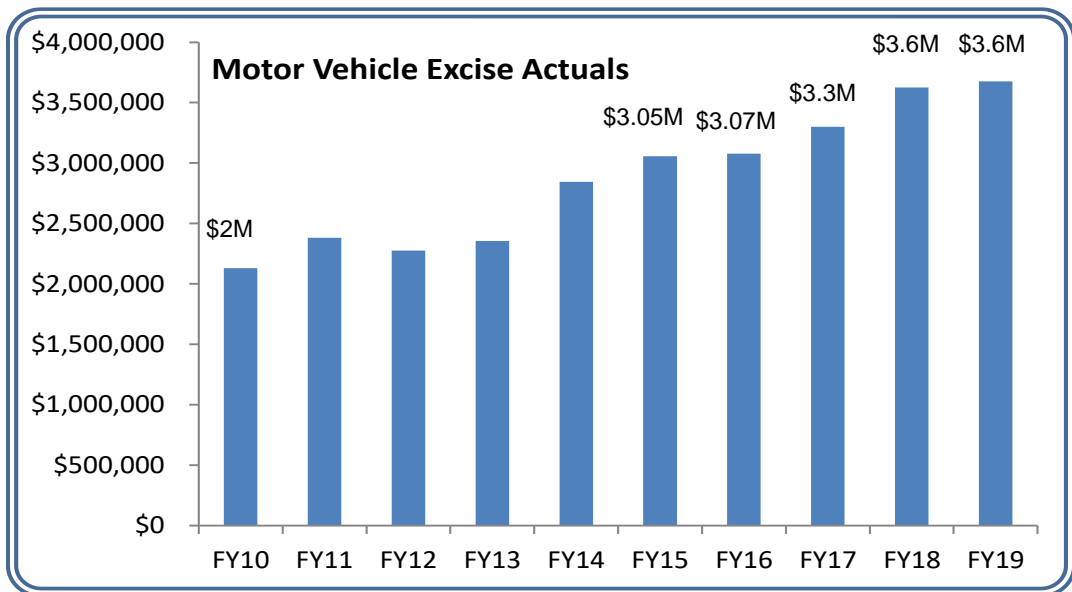


## FY2021 Local Receipts

Local receipts are various revenue sources collected at the local level – categorized as such by the Department of Revenue and used to fund the budget.

	FY17	FY18	FY19	FY19	FY20	FY21
	Actual	Actual	Budget	Actual	Budget	Budget
Motor Vehicle Excise Tax	\$3,300,477	\$3,624,505	\$2,673,415	\$3,675,895	\$2,680,000	\$2,680,000
Penalties and Interest	\$147,442	\$244,434	\$90,000	\$210,068	\$90,000	\$90,000
License/Permits	\$1,007,287	\$1,060,376	\$550,000	\$1,200,836	\$590,000	\$590,000
Departmental Receipts	\$365,321	\$804,325	\$474,500	\$397,861	\$388,415	\$388,415
Investment Income	\$119,026	\$173,501	\$40,500	\$216,319	\$80,000	\$80,000
Recreation	\$180,000	\$180,000	\$341,064	\$180,000	\$332,442	\$332,442
Other	\$225,518	\$98,217	\$35,000	\$80,560	\$35,000	\$35,000
	<b>\$5,345,071</b>	<b>\$6,185,358</b>	<b>\$4,204,479</b>	<b>\$5,961,539</b>	<b>\$4,195,857</b>	<b>\$4,195,857</b>

- As a financial policy, the budget is set to be a conservative estimate for local receipts. All actual receipts higher than budget flow to free cash each year. Maintaining a conservative budget protects the Town from fluctuations in actual receipts that may occur.
- Major revenue in this category is motor vehicle excise tax. Motor vehicle revenue has recently been very strong after several years of fluctuations due to the economy. Actual revenue over budget flows to free cash.



## FY2021 Available Funds

Available funds are local revenue used to fund the budget, in accordance with State regulations.

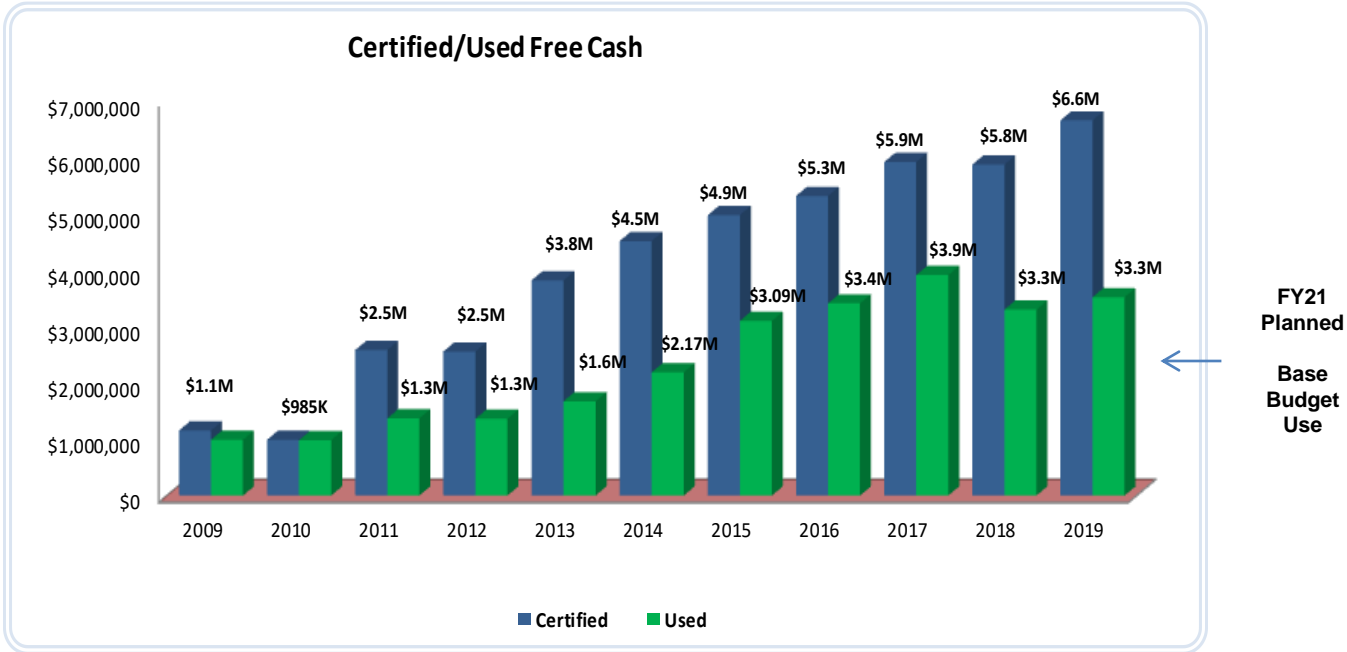
<b>Available Funds Allocated</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Conservation Receipts	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
Cemetery Trust	\$0	\$0				
Cemetery Lot Sales		\$110,250	\$105,750	\$101,250	\$96,750	\$92,250
Ambulance Receipts for Ongoing Budget	\$376,500	\$376,500	\$376,500	\$376,500	\$391,075	\$411,075
High School Bond Premium	\$17,812	\$15,738	\$13,084	\$10,912	\$8,690	\$6,468
Additional One Time Use Ambulance for Operating Budget						
Library Bond Premium	\$17,963	\$16,755	\$16,000	\$15,170	\$13,661	\$12,453
	<b>\$429,275</b>	<b>\$536,243</b>	<b>\$528,334</b>	<b>\$520,832</b>	<b>\$527,176</b>	<b>\$539,246</b>

<b>Available Funds for Prior Year/Misc Warrant Articles</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Additional Ambulance (equipment/salaries/purchase ambulance)	\$131,000	\$208,000	\$372,800	\$514,760	\$141,000	\$64,720
Sale of Assets Account						
Overlay Surplus	\$35,000			\$35,000	\$26,000	
Cemetery Lot Sales for special article						
Additional State Aid						
Bond Premium	\$725,000		\$397,000			
Miscellaneous Funding		\$20,000		\$489,000		
	<b>\$891,000</b>	<b>\$228,000</b>	<b>\$769,800</b>	<b>\$1,038,760</b>	<b>\$167,000</b>	<b>\$64,720</b>

- Available funds are transferred from these accounts to the general fund to support the corresponding appropriation.
  - Major available fund is ambulance receipts – used to offset costs of providing service.
    - Current balance in ambulance account (1/20) before appropriation - \$697K.
  - High School and library bond premium – this is a required annual apportionment of bond premium received from the sale of bonds to fund the high school and library debt. As the debt was approved outside of Proposition 2 ½, an apportionment of the premium must be used each year to offset the exempt taxes.
  - The FY17 - FY21 budgets include cemetery lot sales to pay for cemetery debt service for a 5-year bond approved at May 2015 Town Meeting. This will end in FY21.

# A Look at Free Cash

- Certified Free Cash as of June 30, 2019 is \$6,637,200.
- Good FY19 budget to actual results and continued strong motor vehicle revenue.
- Disciplined use of prior year balance.
  - Not applied to operating budgets. Not using full allowance.
  - In line with Financial Policy, apply higher amounts to capital needs.
- FY21 budget uses \$3.3M for capital, and \$125,000 for Stabilization.



Certified Date	July 2019	July 2018	July 2017	July 2016	July 2015	July 2014	July 2013	July 2012	July 2011
Amount	\$ 6,637,200	\$5,854,683	\$5,900,219	\$5,386,795	\$4,961,737	\$4,502,878	\$3,806,582	\$2,547,593	\$2,572,798
<b>Proposed 2020 ATM:</b>									
Fall Town Meeting/ Other			\$801,000	\$256,000	\$456,000	\$155,000			
Stabilization	\$125,000	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$344,000
Capital	\$3,383,900	\$3,163,500	\$2,198,118	\$1,769,050	\$1,652,050	\$1,523,000	\$1,308,150	\$800,000	\$700,000
Articles			\$861,000	\$1,295,000	\$883,000	\$401,509	\$260,500	\$58,000	\$320,000
<b>Total Used</b>	<b>\$ 3,508,900</b>	<b>\$3,288,500</b>	<b>\$3,960,118</b>	<b>\$3,420,050</b>	<b>\$3,091,050</b>	<b>\$2,179,509</b>	<b>\$1,668,650</b>	<b>\$1,358,000</b>	<b>\$1,364,000</b>
<b>Unallocated</b>	<b>\$ 3,128,300</b>	<b>\$2,566,183</b>	<b>\$1,940,101</b>	<b>\$1,966,745</b>	<b>\$1,870,687</b>	<b>\$2,323,369</b>	<b>\$2,137,932</b>	<b>\$1,189,593</b>	<b>\$1,208,798</b>

- Financial Policy target is approximately \$3.3M unallocated.

# Meals/Hotel Tax

## Background

In 2009 the State allowed municipalities to adopt by local vote a local revenue component of the State Meals and Hotel tax. The Department of Revenue collects the fee and sends the Town's portion on a quarterly basis.

### Meals Tax

- Municipalities are allowed to add a .75% charge to the State 6.25% excise tax on restaurant meals.
- Westwood adopted the additional meals tax at the 2014 Fall Town Meeting and it became effective January 1, 2015.

### Hotel Tax

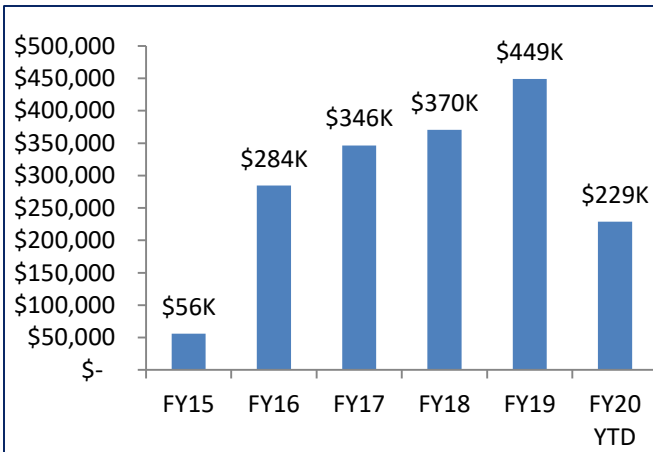
- Municipalities are allowed to charge a local hotel tax up to 6%.
- Westwood adopted the 6% charge at the 2016 Annual Town Meeting.

### Restricted Funding

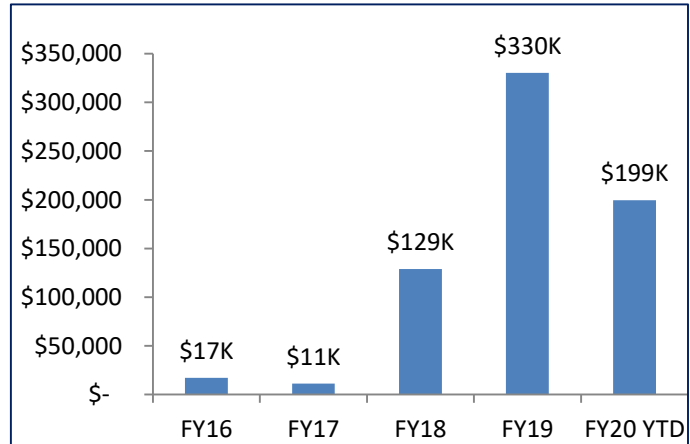
- At the November 2017 Town Meeting, the residents approved establishing a special purpose fund to hold all Hotel and Meals Tax revenue until appropriated by future Town Meetings. All use of funding requires a 2/3 vote by Town Meeting.

## Revenue

**Annual Meals Tax Revenue**



**Annual Hotels Tax Revenue**



\* New Hotel came online October of 2018

### Most Recent Quarterly Receipts

	Meals	Hotels
9/30/19	\$114,522	\$94,311
12/31/19	\$114,171	\$105,110

# Meals/Hotel Tax

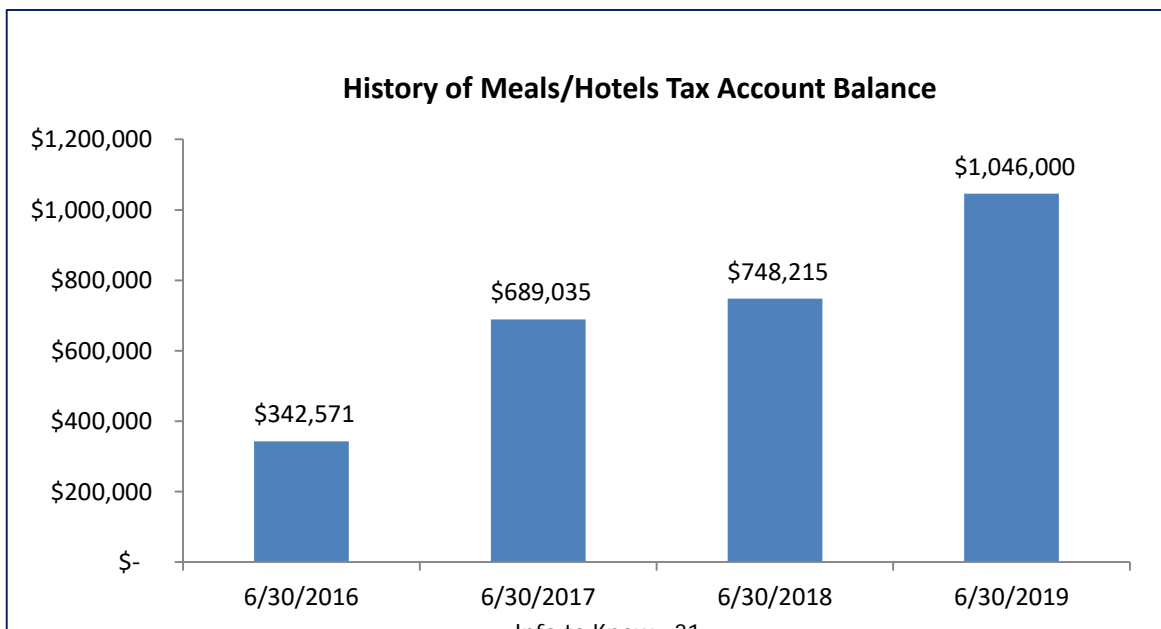
## Use of Funds

Any use of funds must be appropriated by Town Meeting. All use requires a 2/3 vote by Town Meeting.

- Funds have been used for capital projects.
- May 2018 Town Meeting appropriated \$432K of funds:
  - Lighting of the High School tennis courts
  - HVAC project at the High School pool
  - These facilities receive extensive use by residents of all ages.
- May 2019 Town Meeting appropriated \$515K of funds:
  - Design of Recreation Field Lighting
  - Thurston Middle School HVAC project
  - Council on Aging HVAC project
  - These facilities receive extensive use by residents of all ages.
- May 2020 Town Meeting – budget proposal \$1,075,000 for additional School, Municipal and Recreation capital projects.

## Balance in the Account

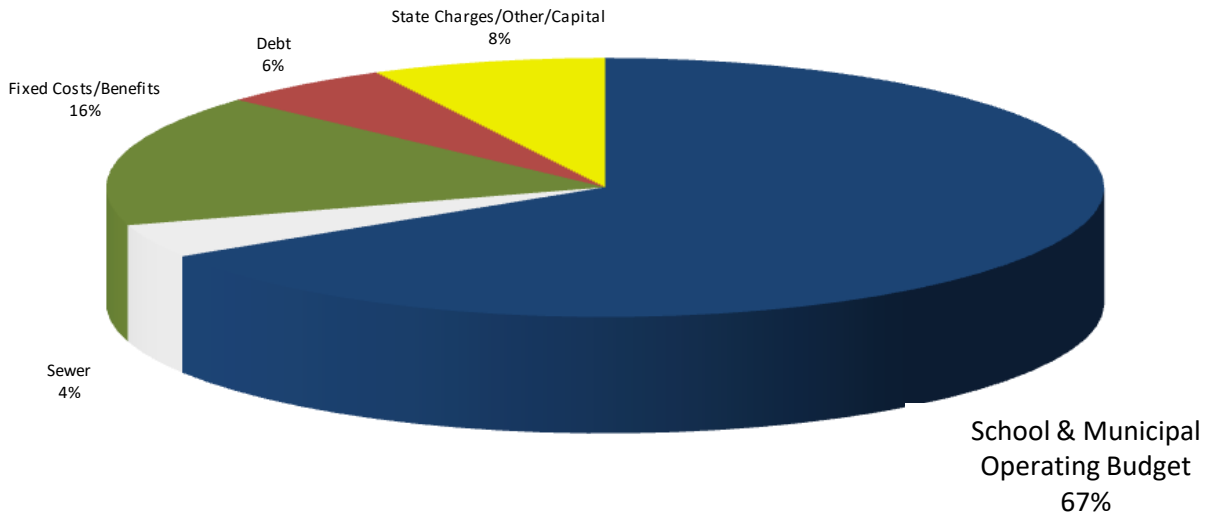
- The balance in the account as of June 30, 2019 is \$1,046,000.
- The current balance as of 12/31/2019 is \$1,474,000





# FY2021 Proposed Expenditure Summary

## FY2021 Expenditure Summary

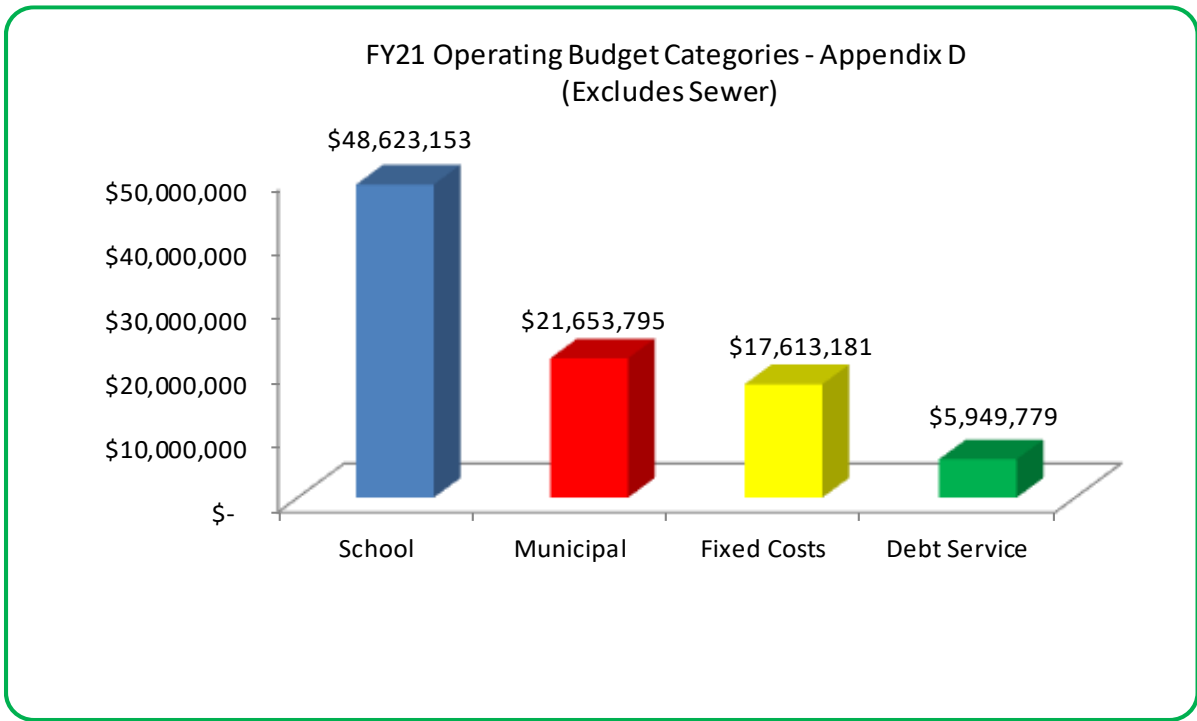


### FY2021 Proposed Expenditure Summary

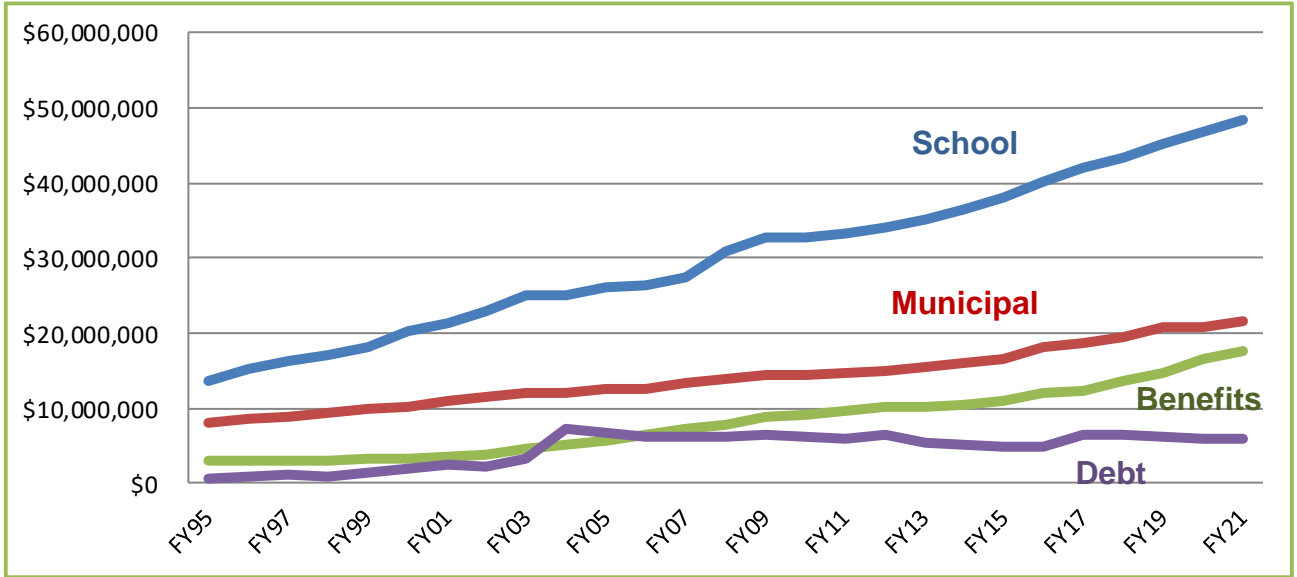
	FY2020 Budget	FY2021 Projected	\$ Change	% Change
Operating Budget - School Categories	\$46,773,283	\$48,463,153	\$1,689,870	3.6%
Operating Budget - Municipal	\$20,908,040	\$21,653,795	\$745,755	3.57%
School Additional FY20 State Aid	\$0	\$160,000	\$160,000	
Benefits/Reserves/Insurance	\$16,554,870	\$17,613,181	\$1,058,311	6.4%
Sewer - Operating	\$4,334,975	\$4,471,151	\$136,176	3.1%
Debt Service	\$6,056,779	\$5,949,779	(\$107,000)	-1.8%
<b>Total Operating</b>	<b>\$94,627,947</b>	<b>\$98,311,059</b>	<b>\$3,683,112</b>	<b>3.9%</b>
Capital Base Budget - School & Municipal	\$2,339,000	\$2,321,400	(\$17,600)	-0.8%
Capital - Sewer	\$1,050,000	\$765,000	(\$285,000)	-27.1%
<b>Other Appropriations:</b>				
To Stabilization	\$125,000	\$125,000	\$0	0.0%
Additional Capital	\$1,407,000	\$2,202,220	\$795,220	56.5%
To OPEB Trust	\$1,440,000	\$1,465,000	\$25,000	1.7%
Prior Year/Other Articles	\$99,500	\$0	(\$99,500)	-100.0%
State Charges/Offsets/Overlay/Snow	\$1,415,687	\$1,247,691	(\$167,996)	-11.9%
<b>Total Expenditures</b>	<b>\$102,504,134</b>	<b>\$106,437,370</b>	<b>\$3,933,236</b>	<b>3.8%</b>

# Operating Budget Categories

FY20Budget	Category	FY21 Select		
		Board Proposed	\$ Change FY21 v FY20	% Change FY21 v FY20
\$ 46,513,031	School Operating	\$ 48,187,500	\$ 1,674,469	3.6%
	FY20 Ch70 Aid for Schools	\$ 160,000	\$ 160,000	
\$ 20,908,040	Municipal Operating	\$ 21,653,795	\$ 745,755	3.6%
\$ 149,576	Blue Hills (Estimate)	\$ 159,576	\$ 10,000	6.7%
\$ 110,676	Traffic Supervisors	\$ 116,077	\$ 5,401	4.9%
\$ 16,554,870	Fixed Costs (Includes Trash)	\$ 17,613,181	\$ 1,058,311	6.4%
\$ 6,056,779	Debt Service	\$ 5,949,779	\$ (107,000)	-1.8%
\$ 4,334,975	Sewer	\$ 4,471,151	\$ 136,176	3.1%
<b>\$ 94,627,947</b>	<b>Total</b>	<b>\$ 98,311,059</b>	<b>\$ 3,683,112</b>	<b>3.9%</b>



# A Look at the Budget History

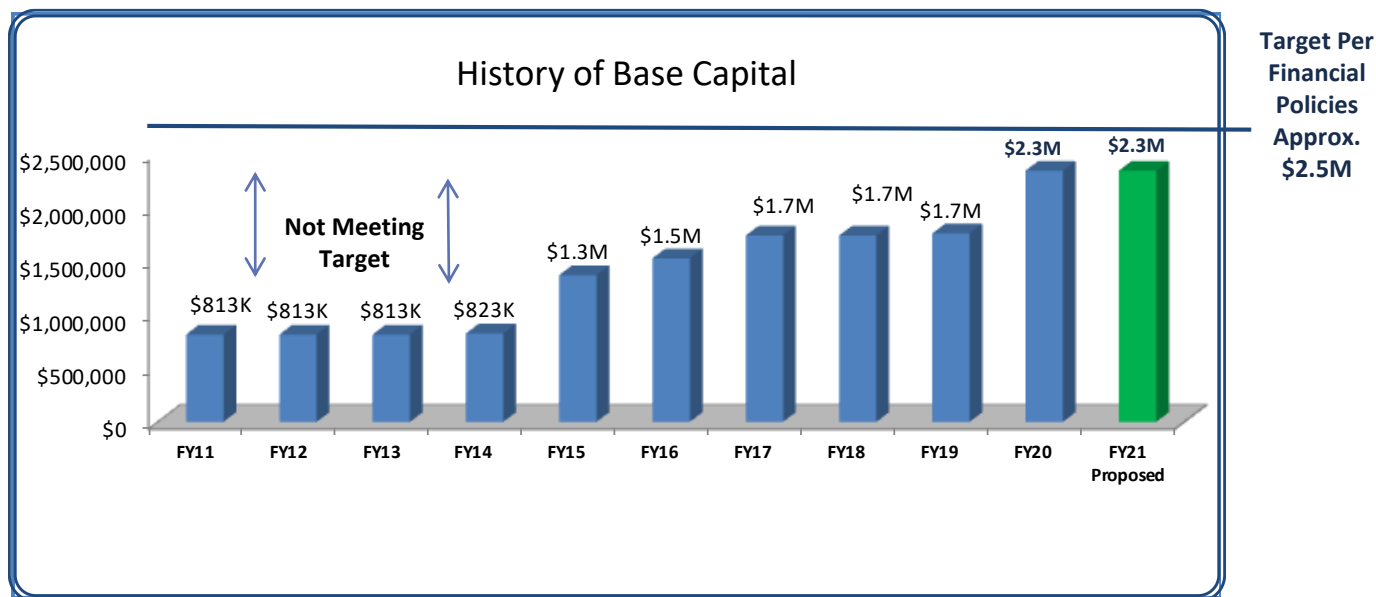


Budget	% Change in Budget													
	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
School Budgets	12.9%	5.8%	0%	1.7%	2%	3.3%	3.8%	4.2%	5.3%	4.9%	3.3%	3.4%	3.47%	3.6%
Municipal Budgets	3.7%	5.4%	0%	0.6%	2.3%	3%	3.2%	3.4%	5.2%	3.7%	3.6%	3.8%	3.5%	3.57%
Benefits/ Insurance/ Reserves	7.6%	12.3%	3.7%	5.5%	5.6%	0.5%	2.5%	5.5%	3.1%	8.8%	10.6%	8.1%	4.1%	6.4%
Debt Service	-0.7%	4.1%	-3.9%	-3.7%	11.1%	-18%	-4.7%	-2.3%	-2.3%	30%	-1.4%	-3.6%	-1.3%	-1.8%

# Capital Funding

## Capital – Continued Improvement in Ongoing Base Capital Funding

- Important to maintain Town and School assets – buildings, infrastructure, and equipment.
- Financial Policy on capital spending indicates that ongoing capital should be approximately \$2.5M.
  - Policy was not met for many years during difficult economic budget cycles.
- The Town has recently made steady progress in increasing the ongoing capital budget.
- FY21 continues improvement in ongoing capital funding.



FY21 current proposed:

- Fund base capital at \$2.32 million
  - School - \$1,017,000
  - Municipal - \$1,304,400

# Capital Funding

## Capital Budget – Other Capital Article

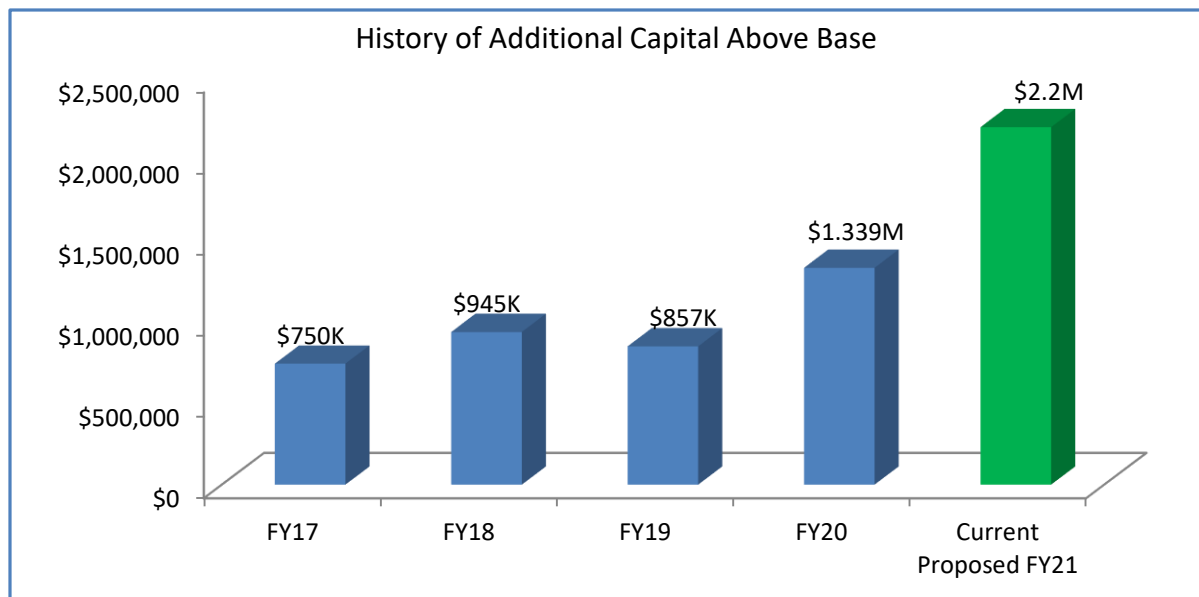
- Since FY17, the Town Meeting has approved an “additional” capital budget article beyond the main base articles.
- Effort to fund:
  - Capital that has been deferred by years of not meeting financial goal
  - Larger items that do not easily fit within base capital budget articles:

### Prior Years

- School IT network
- High School Tennis Court Lighting
- Pool Renovations

### FY20

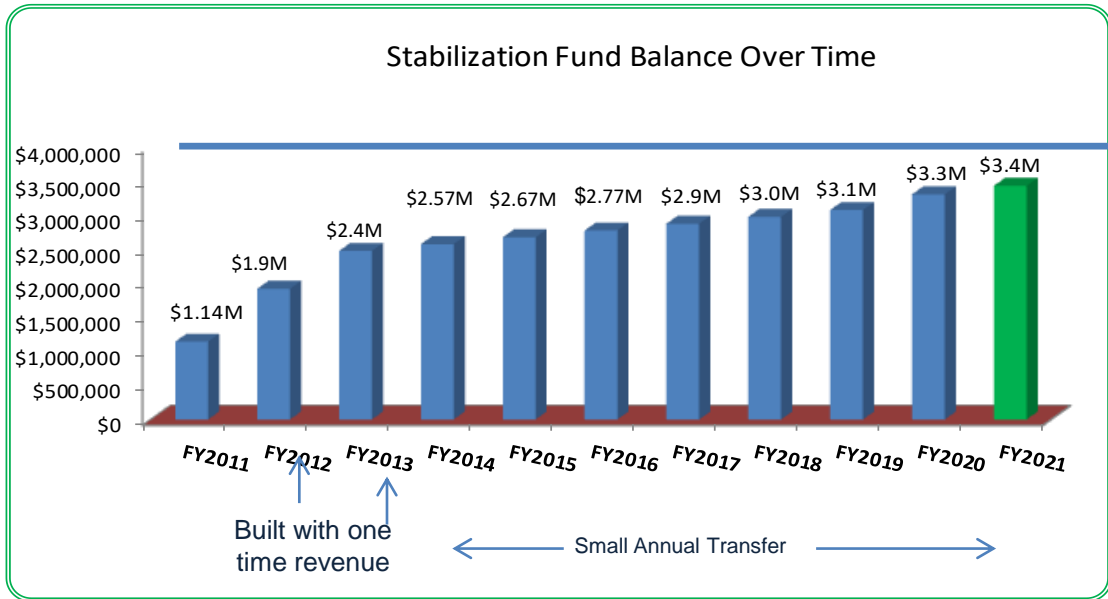
- Thurston HVAC Project
- COA HVAC Project
- Field Design Projects



- Other Capital Articles for FY2021 of \$2,202,220 are funded by free cash and meals/hotels tax.
- FY21 current proposed includes Town and School projects and Town wide recreation projects.
  - Addresses important capital needs with available funding, such as free cash and meals/hotels tax.

# Stabilization Fund

- The Stabilization Fund is the Town’s reserve account to provide for unforeseen emergencies or future expenditures.
- Prudent use of a reserve fund is vital to good financial management, protection for the Town against unforeseen emergencies, and maintenance of a top credit rating.
- Financial target approximately 4% of net general fund revenue.
- Appropriations into this Fund requires a majority vote.
- Use of this Fund require a 2/3 vote of Town Meeting.
- Funds may be used for any purpose approved by Town Meeting.

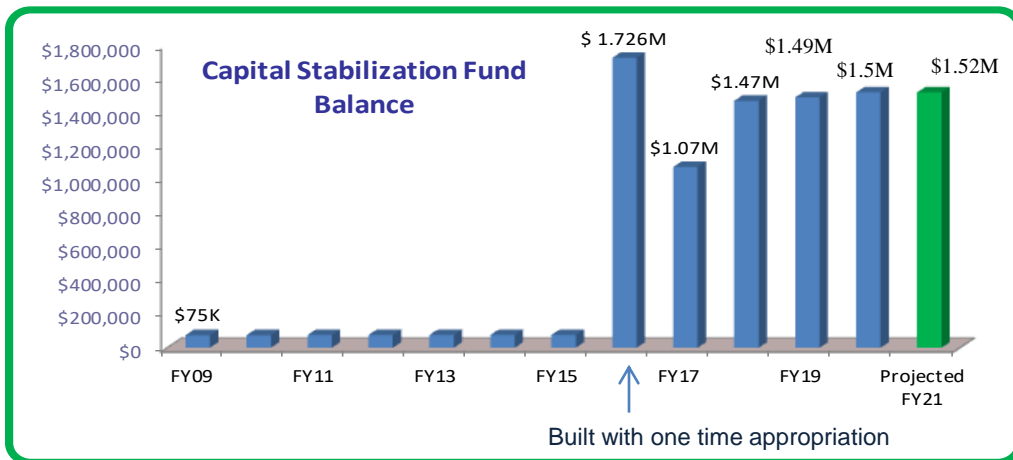


Stabilization Fund						
	FY2016	FY2017	FY2018	FY2019	FY2020	Budget Plan FY2021
<b>Annual Appropriation</b>	\$100,000	\$100,000	\$100,000	\$100,000	\$125,000	\$125,000
<b>One Time Additional Appropriation</b>	\$0	\$0	\$0	\$0	\$0	\$0

- The FY21 budget provides for a \$125,000 annual appropriation funded by free cash transfer.

# Capital Stabilization Fund

- The Capital Stabilization Fund was established by Town Meeting in 2005 for the purpose of investing in the long term maintenance of the Town’s capital assets – primarily buildings and equipment.
- Appropriations into this Fund require a majority vote and uses from this Fund require a 2/3 vote of Town Meeting.
- This Fund can be a useful tool to provide funding for important capital needs.
- At the 2008 Annual Town Meeting, \$75,000 was appropriated to this account funded by some initial Westwood Station payments.
- At the 2015 Fall Town Meeting, two articles appropriated one time revenue in the account:
  - \$925,000 was appropriated into this account funded by available FY16 new taxes from the University Station project.
  - \$725,000 was appropriated into the account from one time bond premium.
- In FY17, \$650,000 was used from the account to fund replacement of the high school turf field and track resurfacing.
- In FY18, \$397,000 of one time funding was appropriated into the account



Capital Stabilization Fund						
	FY2016	FY2017	FY2018	FY2019	FY2020	Projected FY2021
Annual Appropriation	\$0	\$0	\$0	\$0	\$0	\$0
One Time Appropriation	\$1,650,000	\$0	\$397,000	\$0	\$0	\$0
Town Meeting Voted Use		\$650,000				

# Debt Management

Prudent use of debt financing is an important part of the Town’s overall fiscal planning. The primary objective of any debt management approach is to borrow at the least cost over the term of repayment of the debt. Attainment of this objective requires clear positions regarding for what purposes to borrow, when to schedule debt-financed projects and how long to extend the repayment (generally, debt issued for longer periods bears a higher interest rate).

The Town Treasurer and Selectmen support a rapid repayment schedule of ten years or less whenever possible. This ensures cost savings to the community and seeks to avoid strapping future generations with large debt loads. The High School, Library and Fire Station were bonded for 20 years and the Police Station for 30 years to mitigate the effect of the annual tax burden and to match the long term nature of the project.

All debt is issued as general obligation debt. This means that the full faith and credit of the Town is pledged to the bondholder. Debt issued on behalf of the Town’s enterprise operation (sewer) is, however, supported by sewer user revenues when authorized by vote of Town Meeting.

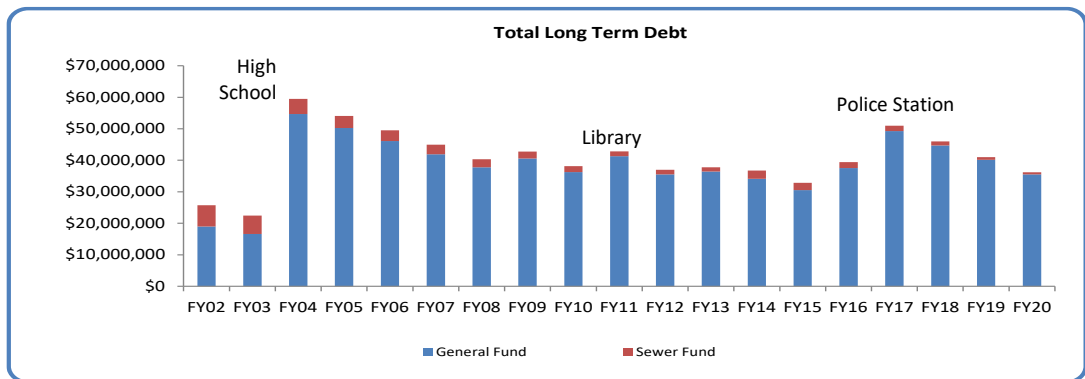
## Credit Rating

As with a personal credit rating, the Town’s credit rating is a statement of its overall fiscal health as a government and as a community. The benefit of a strong credit rating is realized in lower interest costs on the Town’s long-term debt issues.

The Town underwent an updated credit review in August 2016, in conjunction with the sale of a \$16.64M bond. Current Credit Ratings:

AAA Standard & Poor’s (2016)  
Aa1 Moody’s (2013).

These ratings are excellent ratings for a small community. The ratings reflect the Town’s commitment to both fiscal discipline as well as quality services.



Total Long Term Debt Issued and Outstanding	FY15	FY16	FY17	FY18	FY19	FY20
General Fund	30,545,000	37,525,000	49,355,000	44,710,000	40,120,000	35,545,000
Sewer Fund	2,277,620	2,122,060	1,680,000	1,274,700	868,600	666,800
Total	32,822,620	39,647,060	51,035,000	45,984,700	40,988,600	36,211,800



# Debt Management

## Town Debt – Utilized Favorable Borrowing Climate

### Favorable Borrowing Climate

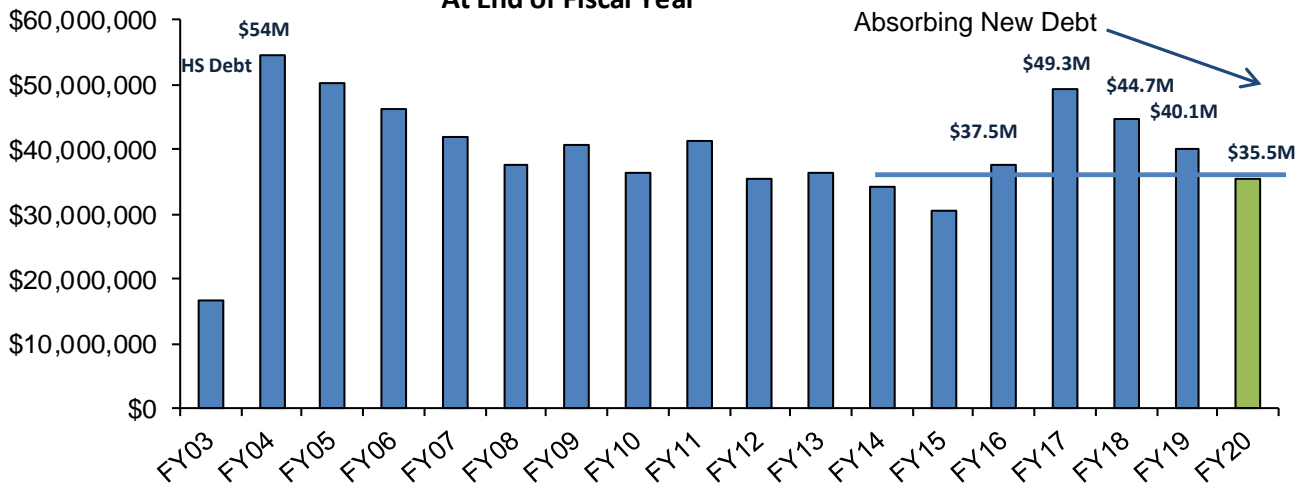
- Very strong credit ratings.
  - Standard & Poor’s AAA.
  - Moody’s AA1
- Excellent interest rate environment.
- Portion of recent bond sales replaced debt dropping off
  - Next debt drop off 2023.

### Recent Bond Sales

- Bond sold August, 2016:
  - \$16.64M, 10-30 year term, 2.4%.
- Bond sold August, 2015:
  - \$10.45M, 5-20 year term, 2.6%.

Debt Authorized, Not Yet Issued		
School MSBA <u>Initial</u> Phase	ATM 2018	\$1,750,000
Redevelop Islington/Wentworth Library	ATM 2018	\$3,500,000
Sidewalk Improvements Route 109	ATM 2019	\$900,000
<b>Total</b>		<b>\$6,150,000</b>

**General Fund Total Long Term Debt  
At End of Fiscal Year**



# Long Term Debt Outstanding

## Long Term General Fund Debt Outstanding

Description	Rate of Interest	Date Issued	Maturity Date	Amount Issued	Total Outstanding 30-Jun-20
<b>Outside of Prop 2 1/2</b>					
High School Project	1.63	5/2012	06/01/2023	\$39,262,300	\$5,360,000
Library Construction	3.37	3/10/11	03/10/2031	\$9,300,000	\$5,115,000
<b>Within Prop 2 1/2</b>					
High School Completion	3.48	8/1/08	02/01/2023	\$1,950,000	\$390,000
Middle Sch Modular Construction	3.79	6/15/09	06/15/2029	\$3,500,000	\$1,575,000
School Roof	1.43	12/20/12	06/01/2022	\$935,000	\$183,000
DPW Roads/Equipment	1.43	12/20/12	06/01/2022	\$3,700,000	\$732,000
DPW Roads/Equipment	1.62	5/15/14	05/15/2024	\$1,400,000	\$560,000
Design Fire Station	2.66	9/1/2015	09/01/2035	\$850,000	\$680,000
Construct Fire Station	2.66	9/1/2015	09/01/2035	\$8,650,000	\$6,920,000
LED Lights Upgrade	2.66	9/1/2015	09/01/2025	\$500,000	\$300,000
Cemetery Expansion	2.66	9/1/2015	09/01/2020	\$450,000	\$90,000
Deerfield Rd/Parking Imprvments	2.42	9/1/2016	06/30/2026	\$2,000,000	\$1,200,000
Land Purchase	2.42	9/1/2016	06/30/2026	\$890,000	\$530,000
Police Station Design	2.42	9/1/2016	06/30/2045	\$1,000,000	\$860,000
Police Station Construction	2.42	9/1/2016	06/30/2046	\$12,755,000	\$11,050,000
<b>Total General Fund</b>					<b>\$35,545,000</b>

### General Fund Debt Authorized - Not Yet Issued Long Term

School MSBA Eligibility Phase	ATM 2018	\$1,750,000
Redevelopment Islington /Wentworth Library	ATM 2018	\$3,500,000
Road Improvement Project	ATM 2019	\$900,000
<b>Total</b>		<b>\$6,150,000</b>

There is no short term debt outstanding.

## Long Term Sewer Fund Debt Outstanding

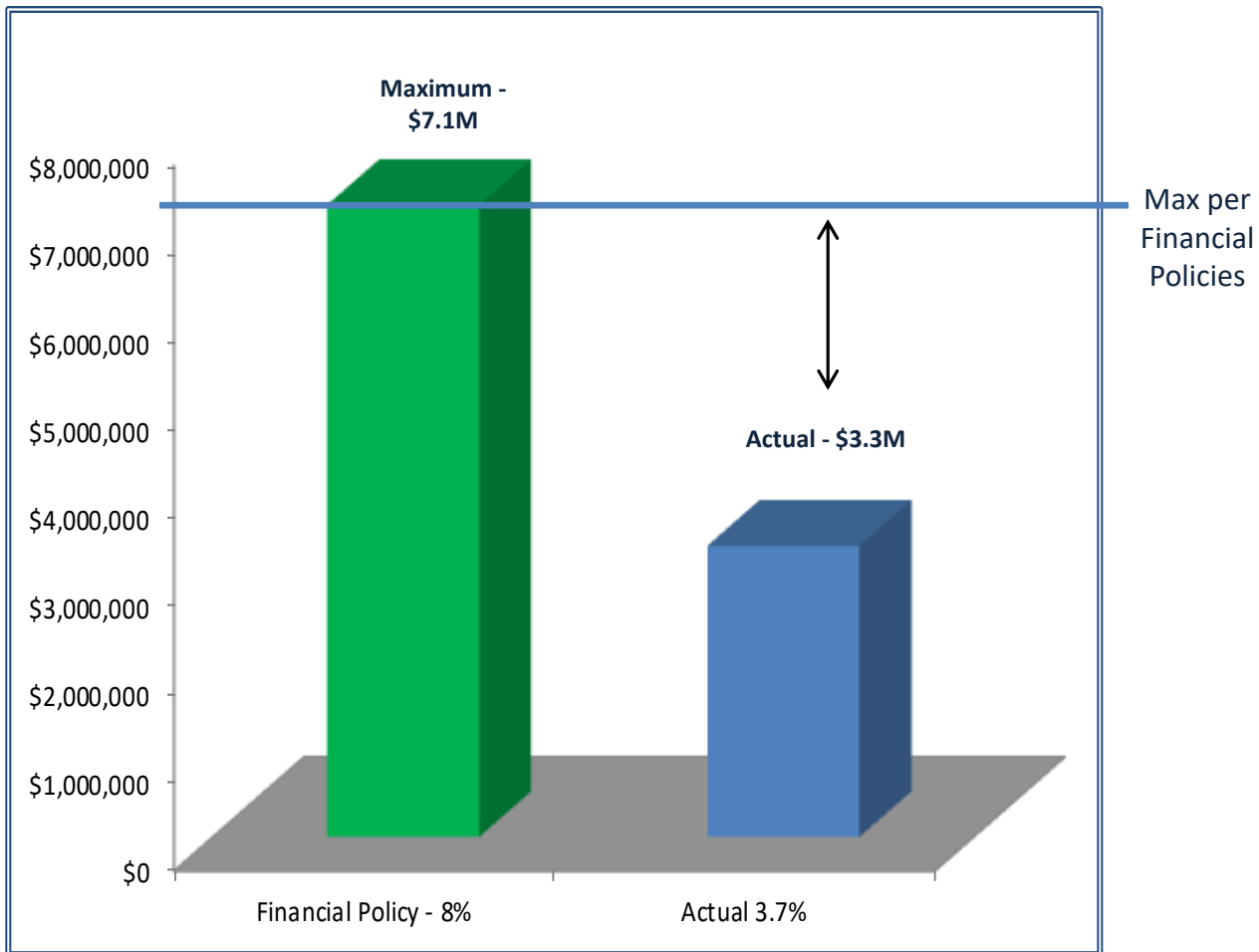
Description	Rate of Interest	Date Issued	Maturity Date	Amount Issued	Outstanding 30-Jun-20
MWRA - no interest loan	0.00	6/1/2016	6/2021	\$234,000	\$46,800
Sewer Bond	2.50	5/1/2014	6/2024	\$1,570,000	\$620,000
<b>Total Sewer Fund</b>					<b>\$666,800</b>

Info to Know - 41  
**Total General Fund and Sewer Debt Outstanding \$36,211,800**

# Debt Level

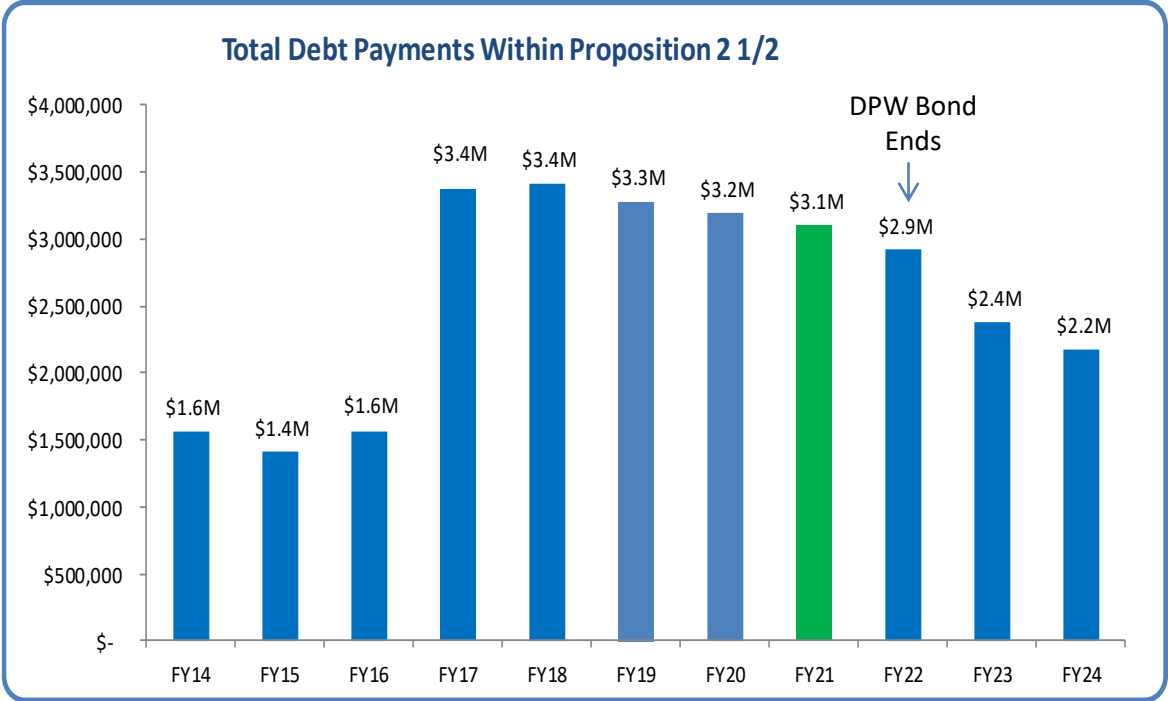
## Debt Level – Well Within Guidelines

- Financial Policies – annual debt payments should not exceed 8% of net general fund revenue.
- Debt levels are an important component of credit ratings. The Town holds a AAA rating.



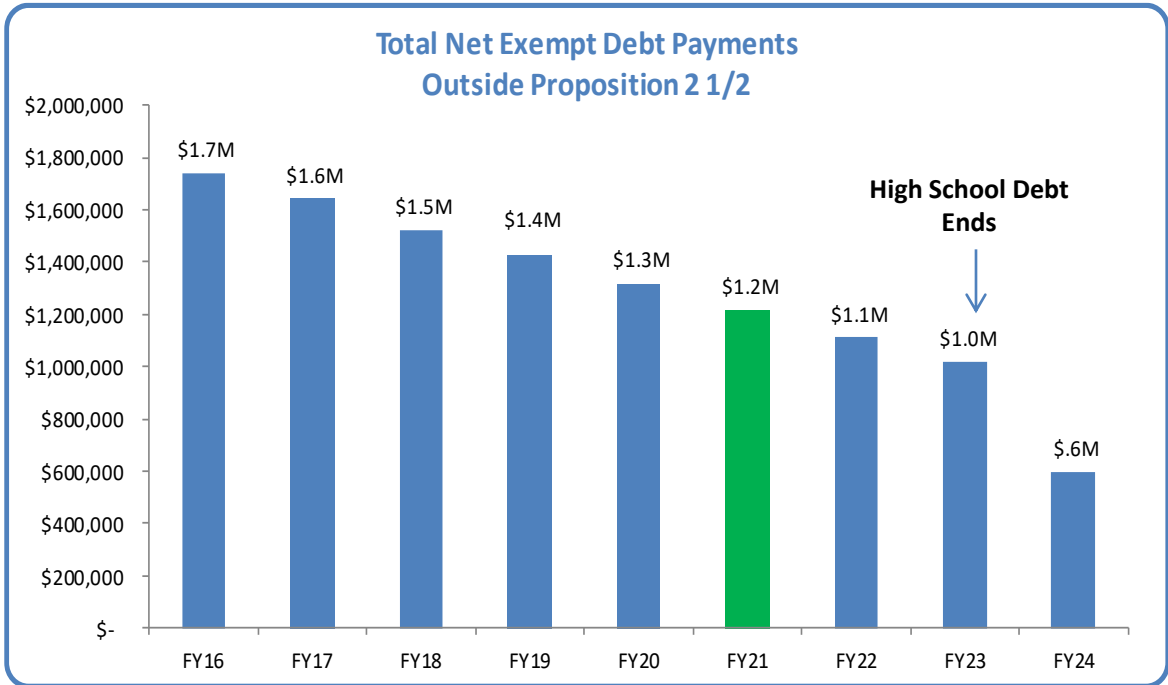
Debt is well within guidelines

# Non-Exempt Debt



## Debt within Proposition 2 ½

- Debt drop off FY23:
  - \$4.6M, 10 year DPW bond for Roads, Equipment, and School Roofs, issued in 2012, is completed in 2022.
  - Provides space to issue new road bond within Proposition 2 ½ .



## Debt outside of Proposition 2 ½

- High School and Library Bonds.
- Principal and interest payments for projects approved outside Proposition 2 ½.
- Exact amount of debt cost, net of state school reimbursement, is raised in taxes.
- When bond ends, exempt taxes end.
- FY21: High School \$567K, Library \$650K.
- High School bond ends FY2023, Library FY2031.
- Payments decline approximately \$100K per year.
  
- High School bond ends 2023
  - Debt rollover will help with Elementary School Project

# Total Principal and Interest Payments

Outstanding as of 30-Jun-20	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28-46	Total FY21-FY46	
<b>Principal and Interest for Current Long term Debt Outstanding</b>													
<b>Debt Outside of Proposition 2 1/2</b>													
HS Construct (Exempt)-Refi 3/12	5,360,000	2,242,600	2,158,200	2,069,200	1,980,800	1,891,200	1,807,650	0				\$5,679,650	
Library Construct (Exempt) 3/11	5,115,000	711,450	698,663	675,413	656,813	638,213	624,263	609,150	592,875	575,438	558,000	2,046,000	\$6,300,750
<b>Debt Within Proposition 2 1/2</b>													
High School Field 8/08	0	46,800	0										
High School Completion 8/08	390,000	161,590	156,390	151,190	145,990	140,660	135,330	0					\$421,980
Middle School Modulares 6/09	1,575,000	263,463	257,338	248,588	239,838	232,838	225,838	218,838	211,838	204,838	197,619	372,838	\$1,904,481
DPW Roadway 12/12	300,000	169,500	166,500	162,000	159,000	154,500	0						\$313,500
School Roof 12/12	183,000	106,070	104,190	101,370	99,490	91,670	0						\$191,160
DPW Equipment 12/12	92,000	51,980	51,060	49,680	48,760	47,380	0						\$96,140
DPW Drainage 12/12	40,000	27,950	27,450	26,700	21,200	20,600	0						\$41,800
DPW Equipment 12/12	300,000	169,500	166,500	162,000	159,000	154,500	0						\$313,500
DPW Roads 5/14	120,000	34,275	33,675	33,075	32,475	31,875	31,275	30,675	0				\$126,300
DPW Drainage 5/14	240,000	68,550	67,350	66,150	64,950	63,750	62,550	61,350	0				\$252,600
DPW Equipment 5/14	200,000	57,125	56,125	55,125	54,125	53,125	52,125	51,125	0				\$210,500
Fire Station Design 8/15	680,000	72,994	70,869	68,744	66,619	64,494	62,369	60,244	58,119	55,994	54,400	434,881	\$857,119
Fire Station Construction 8/15	6,920,000	742,819	721,194	699,569	677,944	656,319	634,694	613,069	591,443	569,818	553,600	4,425,556	\$8,722,442
Street Lights Replacement 8/15	300,000	71,250	68,750	66,250	63,750	61,250	58,750	56,250	53,750	51,250	0		\$345,000
Cemetery Expansion 8/15	90,000	105,750	101,250	96,750	92,250	0							\$92,250
Deerfield Rd/Parking 8/16	1,200,000	272,000	264,000	256,000	248,000	240,000	232,000	224,000	216,000	208,000	0		\$1,368,000
Land Purchase 8/16	530,000	122,000	118,400	114,800	111,200	107,600	104,000	100,400	91,800	88,400	0		\$603,400
Police Design 8/16	860,000	64,694	63,294	61,894	60,494	59,094	57,694	56,294	54,894	53,494	52,094	773,731	\$1,167,788
Police Construction 8/16	11,050,000	803,781	786,781	769,781	752,781	735,781	718,781	701,781	684,781	667,781	650,781	10,337,594	\$15,250,062
New Debt - Budget Adjustment			122,502	214,302	214,302	214,302	214,302	214,302	214,302	214,302	214,302	2,143,020	\$3,643,134
<b>Total General Fund Debt</b>	<b>35,545,000</b>	<b>6,366,140</b>	<b>6,137,978</b>	<b>6,056,779</b>	<b>5,949,779</b>	<b>5,659,150</b>	<b>5,021,620</b>	<b>2,997,477</b>	<b>2,769,801</b>	<b>2,689,314</b>	<b>2,280,796</b>	<b>20,533,620</b>	<b>47,901,557</b>
<b>Total Non - Exempt Debt</b>	<b>25,070,000</b>												
<b>Non - Exempt Debt Payments</b>	<b>3,412,090</b>	<b>3,281,115</b>	<b>3,312,167</b>	<b>3,312,167</b>	<b>3,129,737</b>	<b>2,589,707</b>	<b>2,388,327</b>	<b>2,176,926</b>	<b>2,113,876</b>	<b>1,722,796</b>	<b>18,487,620</b>	<b>\$35,921,157</b>	
<b>Change in non- Exempt Debt</b>	<b>40,750</b>	<b>(130,975)</b>	<b>31,052</b>	<b>0</b>	<b>(182,430)</b>	<b>(540,030)</b>	<b>(201,380)</b>	<b>(211,401)</b>	<b>(63,050)</b>	<b>(391,080)</b>			
<b>Total Exempt Debt</b>	<b>10,475,000</b>												
<b>Total Exempt Debt Payments</b>	<b>2,954,050</b>	<b>2,856,863</b>	<b>2,744,613</b>	<b>2,637,613</b>	<b>2,529,413</b>	<b>2,431,913</b>	<b>609,150</b>	<b>592,875</b>	<b>575,438</b>	<b>558,000</b>	<b>2,046,000</b>	<b>\$11,980,400</b>	
<b>Change in Gross Exempt Debt</b>	<b>(122,425)</b>	<b>(97,188)</b>	<b>(112,250)</b>	<b>(107,000)</b>	<b>(108,200)</b>	<b>(97,500)</b>	<b>(1,822,763)</b>	<b>(16,275)</b>	<b>(17,438)</b>	<b>(17,438)</b>			
<b>State Reimbursement Being Received - for School Projects - all project audits completed</b>													
High School Project - FY06 - FY23	1,401,276	1,401,276	1,401,276	1,401,276	1,401,276	1,401,276	0					\$4,203,828	
High School Bond Premium	13,084	10,912	8,690	6,468	4,197	2,098	0					\$12,763	
Library Bond Premium	16,000	15,170	13,661	12,453	11,246	10,340	9,359	8,302	7,170	6,038	12,076	\$76,984	
Total State/Bond Premium Annual payments	<b>1,430,360</b>	<b>1,427,358</b>	<b>1,423,627</b>	<b>1,420,197</b>	<b>1,416,719</b>	<b>1,413,714</b>	<b>9,359</b>	<b>8,302</b>	<b>7,170</b>	<b>6,038</b>	<b>12,076</b>	<b>4,293,575</b>	
<b>Net annual Exempt Debt</b>	<b>1,523,690</b>	<b>1,429,505</b>	<b>1,320,986</b>	<b>1,217,416</b>	<b>1,112,694</b>	<b>1,018,199</b>	<b>599,791</b>	<b>584,573</b>	<b>568,268</b>	<b>551,962</b>	<b>2,033,924</b>	<b>7,686,825</b>	
<b>Change in annual Exempt Debt</b>	<b>(119,016)</b>	<b>(94,186)</b>	<b>(108,519)</b>	<b>(103,570)</b>	<b>(104,722)</b>	<b>(94,495)</b>	<b>(418,408)</b>	<b>(15,218)</b>	<b>(16,306)</b>	<b>(16,306)</b>			

# Sewer Total Principal and Interest Payments

Outstanding as of 30-Jun-20	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Total
<b>Principal and Interest payments for current Sewer Debt Outstanding</b>								
								<b>Total FY21-24</b>
Balance								
Sewer - MWPAT 11/98	0	145,735	151,207	0	0	0	0	\$0
MWRA no interest loans - 2016	46,800	46,800	46,800	46,800	0	0	0	\$46,800
Sewer - \$1.5m bond 5/14 (ends 2024)	620,000	182,188	173,988	167,788	164,688	161,588	158,488	\$652,550
<b>Total Sewer Debt</b>	<b>666,800</b>	<b>374,723</b>	<b>371,995</b>	<b>214,588</b>	<b>164,688</b>	<b>161,588</b>	<b>158,488</b>	<b>699,350</b>
All debt funded by sewer user fees								

# Other Post Employment Benefit Costs (OPEB)

## What is it?

Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. The most common type of these post employment benefits is a pension. As the name suggests, other post employment benefits (OPEB) are post employment benefits other than pension. OPEB generally takes the form of health insurance and dental, vision, prescription, or other health care benefits provided to eligible retirees, including in some cases their beneficiaries.

OPEB is a part of the compensation that employees earn each year, even though these benefits are not received until after employment has ended. Therefore, as benefits accrue, they are a cost of providing public services today, and should be a part of the municipality's accounting statements.

However, most governments report their cash outlays for OPEB in the year of actual distribution, rather than in the year benefits are earned. These two amounts may be vastly different and represent the unfunded liability.

GASB 45 now requires municipalities to disclose the unfunded liability as part of their financial statements. Municipalities are required to update an actuarial analysis of the liability every other year. There is currently no requirement to fund the liability.

### OPEB Liability – Most Recent Study – 6/30/17

Westwood is required to update the valuation of the liability every other year. The most recent valuation was completed in early 2018 for the period ending 6/30/17. The full report is available on the Town's website.

	6/30/13	6/30/15	6/30/17
Discount Rate		7.75%	7.25%
Unfunded Actuarial Liability	\$55.9M	\$35.6M	\$39.1M
Funded Ratio		4.6%	11.4%

As shown, there has been significant progress made on the unfunded liability. This is due to the actions taken by the Town over the last few years including:

- Transition to the State GIC health insurance.
- Elimination of Medi B payment.
- Investment of trust funds with State Prit program.
- Using health care savings to provide for base \$1.35M in annual appropriation within the budget:
  - \$700K from transition to GIC in FY16.
  - \$400K from change in health plans in FY13.

The \$39M liability is comprised as follows:

Schools	\$23.8M
Public Safety	\$8.8M
DPW/Gen Government/Other	\$6.5M
<b>Total</b>	<b>\$39.1M</b>



## Other Post Employment Benefit Costs (OPEB)

The OPEB liability has been addressed on both the revenue and expense sides. It is only through a combination of efforts on both sides that the Town will be able to address this long term liability.

### Funding

- The effort to fund started in FY11, with a \$20K budget item. The \$20K was funded by the exact amount another fixed cost line item, social security, was decreasing. In the FY12 budget, we continued, within the fixed costs budget, to fund the OPEB obligation with \$26K allocation.
- In FY13, we continued the funding within the fixed cost allocation at \$38K. In addition, in FY13 significant savings from changes to the health care benefits provided for a \$435K annual contribution to the OPEB liability.
- In FY14, funding continued with a \$68K appropriation from savings in the fixed costs budget and the annual health care savings costs of \$435K.
- In FY15, a \$550K annual appropriation built into the budget continued the funding program.
- The FY16 appropriation of \$650K was supplemented at the Fall 2015 Town Meeting with the savings from the GIC conversion, calculated at \$700K, bringing the new annual appropriation to \$1.35M.
- The \$1.35M appropriation will be increased incrementally by approximately \$25K - \$40K per year.
- The FY18 appropriation was \$1.39M, FY19 was \$1.415M, FY20 was \$1.44M, and the planned appropriation for FY21 is \$1.465M.

### Benefits/Expense

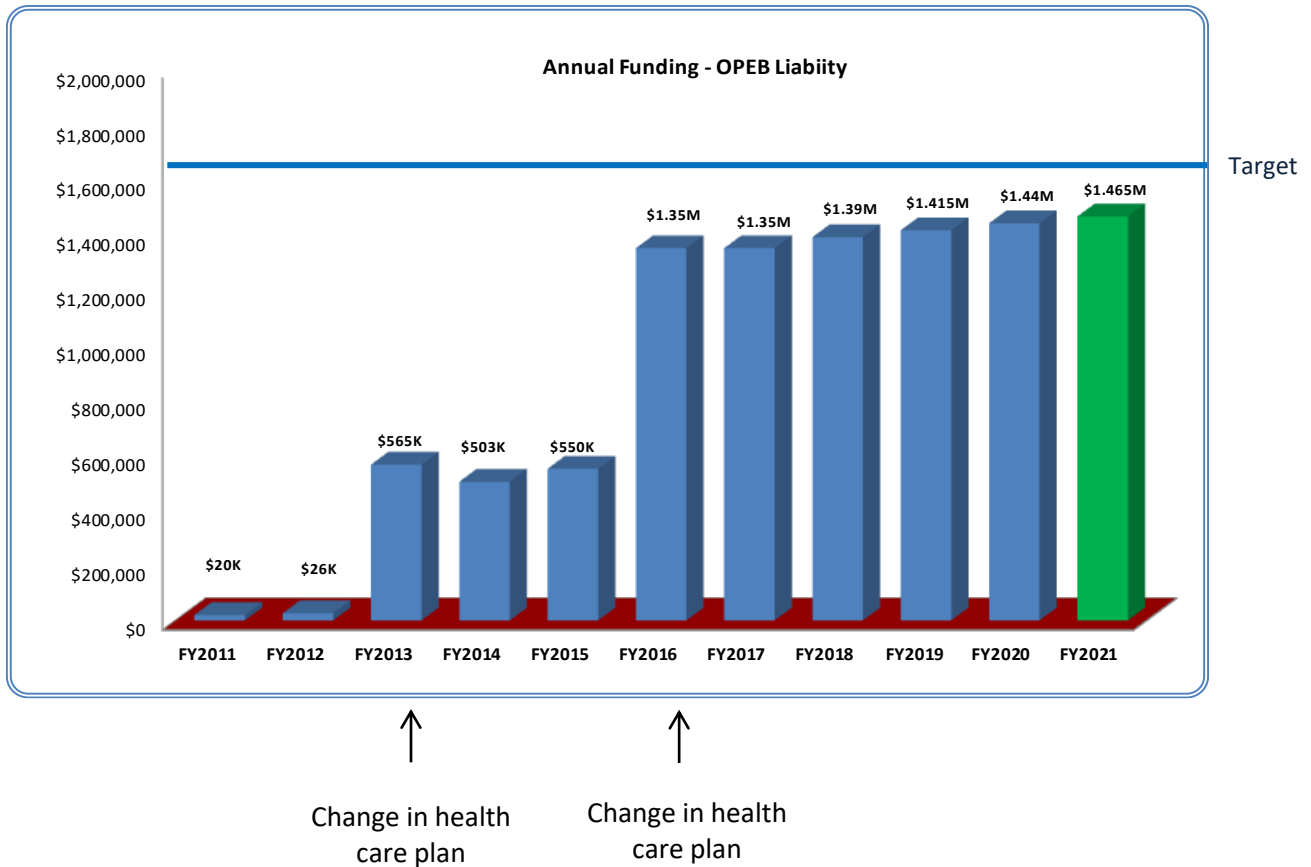
- The liability has also been addressed by making changes on the benefit/expense side.
- In FY14, the Selectmen eliminated the 50% Medicare B premium payment for all new retirees as of 7/1/2014. This action reduced the full liability by 10% or \$5M and reduces the annual funding requirement by \$400K or 25%.
- In FY15, the Board of Selectmen approved the transition of the Town's health insurance to the State Group Insurance Commission (GIC). This transition resulted in significant savings for health insurance costs for both the employees and the Town. The full amount of the annual savings was added at the Fall 2015 Town Meeting to the annual OPEB appropriation.
- The health care cost savings will also help reduce the overall OPEB liability.
- Efforts should continue on the expense side to contain costs and reduce the liability.

### Investment of Funds

- In FY15, the Town Treasurer, with approval from the Board of Selectmen, transferred funding in the OPEB Trust to the State PRIM program for OPEB funds, allowing the funds to earn a greater investment return. PRIM currently invests over \$60 billion of State and municipal retiree funds and \$600M of OPEB funds. The investments match the long term nature of these funds.
- The balance in the OPEB trust fund is \$10.7M as of 12/31/19.

# OPEB Liability – FY21 Funding

- The Town transitioned its health insurance program to the GIC effective July 1, 2015, and has been able to build the OPEB appropriation into the ongoing annual budget, through savings in health care costs. The appropriation now increases by approximately \$25,000 a year. The FY21 funding will be \$1,465,000.



- The current balance in the OPEB trust fund account as of 12/19 is \$10.7M.

# Pension System

## Teachers:

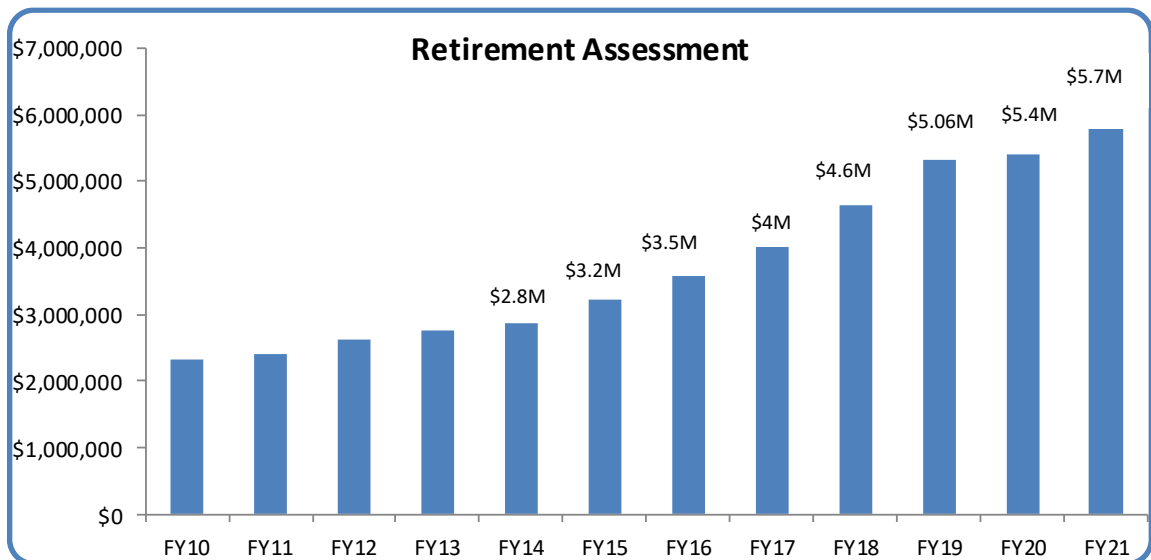
- All MA teachers are part of State Teachers' Retirement System (MTRB).
- Employees required to contribute 5 - 11% of weekly earnings, depending on hire date.
- State, not Westwood, pays an annual assessment (employers' share) for Westwood teachers to MTRB.

	FY15	FY16	FY17	FY18	FY19
Westwood Assessment	\$4.4M	\$6.78M	\$9.3M	\$9.9M	\$9.9M

## Non teaching staff:

Westwood is part of Norfolk County Pension System:

- All non-teacher staff working 20 hours per week are required to join the system.
- Employees required to contribute 5 - 11% of weekly earnings, depending on hire date.
- Town is charged annual assessment, which is appropriated at Town Meeting.
- Norfolk County Pension System overseen by State Public Employee Retirement Commission.
- Pension System is required to be fully funded by 2031.
- The System is currently funded at approximately 62%.
- Westwood is approximately 7% of overall Norfolk system.



- The Town is required to annually appropriate sufficient funds to cover the annual assessment of the Norfolk County Retirement System, which covers the ongoing cost, the unfunded pension liability for all current employees, and current administration costs.
- The annual assessment from Norfolk County includes an appropriation towards the unfunded liability, approximately 70% of the annual assessment is for the unfunded liability.

# Fixed Costs

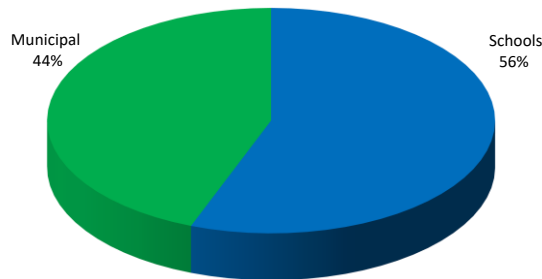
The Fixed Costs budget provides for all Employee Benefit Accounts, Shared Fixed Costs,, and Insurance and Reserve Accounts. The Employee benefits /cost accounts include pension, health insurance, unemployment, workmen’s compensation and other payroll taxes.

Current Budget Provides For:	
Employee Benefits Cost – all school and municipal	\$13,803,020
Insurance/Reserve Accounts/Other Shared Costs	\$2,751,850
<b>Total FY20</b>	<b>\$16,554,870</b>

## Employee Benefit Costs

	FY20	FY21	\$ Change	% Change
School	\$7,703,870	\$8,179,134	\$475,264	6.2%
Municipal	\$6,099,150	\$6,509,997	\$410,847	6.7%
<b>Total</b>	<b>\$13,803,020</b>	<b>\$14,689,131</b>	<b>\$886,111</b>	<b>6.4%</b>

## Employee Benefit Cost



This increase in benefit costs includes:

- FY21 Pension Assessment of \$5.7M, an increase of 7% or \$381K .
- FY21 Health Insurance budget of \$6.5M, an increase of 5% or \$309K.

	FY20	FY21	\$ Change	% Change
<b>Fixed Costs</b>	<b>\$16,554,870</b>	<b>\$17,613,181</b>	<b>\$1,058,311</b>	<b>6.4%</b>

The total FY21 Fixed costs budget is \$17,613,181 an increase of \$1,058,311 or 6.4% over FY20.

## Westwood Financial Policies

- Westwood's *Financial Policies* were originally adopted in 2004 and were revised in 2014.
  - The Town of Westwood has an important responsibility to carefully account for public funds, to manage municipal finances wisely, and to plan and provide for the adequate funding of services desired by the public and as required by laws, rules, or regulations, including the provision and maintenance of public facilities and improvements. The Board of Selectmen has set forth the financial objectives and policies in the *Financial Policies* document intended to establish guidelines for the continued financial strength and stability of the Town of Westwood.
- The *Policies* can be viewed in the finance section of the Town's web site at: [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us).
- The current status of the *Policies* can be seen on the following pages.

# Financial Policies Status Update September 2019

	Target	Actual	Comments	Target Status	Comparison to Previous Year
<b>B. 2. Operating Reserve Fund</b> – shall be .5% of total general fund operating budget, net of debt service. Per new policy.	\$419,180 .5%	FY20 Budget \$400,000	At approximate target. \$400,000 is a comfortable budget, but should increase to \$425K in FY21.	✓	Continue to Meet Target
<b>B. 3. Free Cash</b> – shall maintain at 4% of general fund operating budget, net of debt service.	\$3,353,447 4%	\$6,637,200 7.9%	Actual is at goal. Full amount <u>before</u> use of any free cash. This allows us to utilize standard free cash amount for FY21 budget and still meet target. FY19 unused was \$2.6M which is below target.	X	Continued Improvement
<b>D. 3. Reserve accounts</b> – shall maintain at 8% of general fund operating revenues, net of debt service. Total reserve goals should be maintained at 4% in general fund and 4% in stabilization account.	Stabilization Target 4% \$3,580,927  Total 8% or \$7,161,855	Stabilization 3.7% \$3,334,981  Total 11.1% or \$9,972,181	Stabilization approximately \$245K short of target.  Total is over target. This would be <u>before</u> use of free cash. Allows for standard use of free cash, and then remain at target.	✓	Stable On Track With Target
<b>D.4 Annual OPEB appropriation</b> – the Town will appropriate no less than \$550,000 per year to the OPEB Liability Trust Fund.	Minimum \$550,000	\$1,440,000	FY20 budget includes \$1,440,000 appropriation. Above minimum target and on track with required funding.	✓	Significant Improvement Target Could be Increased
<b>E. 4. General fund nonexempt debt service</b> should not exceed 8% of net general fund revenues.	Not exceed 8% Or \$7,161,855	3.7% \$3,312,165	Target is met. Non exempt debt service is at approximately ½ of maximum target.	✓	Continue to Meet Target
<b>E. 4. Total General fund exempt and nonexempt debt</b> should not exceed 10-12% of net general fund revenues.	Not exceed 12% Or \$10,742,782	6.8% \$6,056,779	Target is met. Total debt is well below target. There is approved, but not yet issued debt of \$6.1M	✓	Continue to Meet Target
<b>F. 5. Investment in capital stock</b> – will maintain 3% of general fund operating budget, net of debt, on ongoing capital maintenance and replacement.	\$2,515,085 3%	\$2,339,000 2.8%	Actual is approximately \$176K short of target. Actual at 93% of target. Base capital has been increased incrementally from \$823K to \$2.33M. In each of the last 4 years, we have added an additional \$700-\$1.3M of capital <u>above</u> the base.	Close to Target	Continued Improvement and Additional Capital
<b>G. 5. Maintain sewer retained earnings</b> – will maintain 10% of sewer fund revenues.	\$579,017 10%	\$4,110,222 71%	Actual is well above target, due to new commercial connect fees to be used for capital maintenance of system and other reserve requirements.	✓	Well Above Target

# Financial Policies Status Update September 2019

Other Policies	Comments	Target Status	Comparison to Previous Year
<b>B.1. General Fund</b> – Annual budget should be prepared covering operating expenditures with current operating revenue, not non-recurring revenue sources.	No Free Cash used for operating budget.	✓	Target has been met consistently
<b>D.3. Reserves</b> – Town will strive to make annual appropriation to the Stabilization Fund	\$125,000 appropriation to stabilization reserve at 2019 Annual Town Meeting, funded by free cash. Will continue in FY21 budget plan.  Current balance in stabilization account is \$3.3M	✓	Target has been met consistently
<b>D.4. OPEB</b> – Town will strive to move towards fully funding ARC (Annual Required Contribution).	\$1,440,000 appropriated to OPEB reserve at 2019 Annual Town Meeting, within budget funds. This is currently on target with required annual payment (ARC).  OPEB trust account now has a balance of \$10.3M.	✓	Greatly Improved On Target with ARC from Current Valuation
<b>F.2. Capital Planning</b> – Town will develop a multi-year plan for capital improvements.	Produced 5-year Capital Improvement Plan document; will continue to improve document and produce on an annual basis.	✓	Same

## What Do Those Financial Terms Really Mean?

<b>Abatement:</b>	A complete or partial cancellation of a levy imposed by a governmental unit; applicable to tax levies and special assessments.
<b>Appropriation:</b>	An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and the time when it can be expended. Only a vote of town meeting or the school committee can authorize money appropriated for one purpose to be used for another. Any amount appropriated may be encumbered. Any part of the general appropriation not spent or encumbered by June 30 automatically reverts to surplus.
<b>Assessed valuation:</b>	The value placed on a particular property by the local Board of Assessors for the purpose of apportioning the town's tax levy among individual property owners equitably and in accordance with the legal requirement that property be assessed at "full and fair cash value," certified periodically by the Commonwealth's Commissioner of Revenue, no less frequently than once every three years.
<b>Audit:</b>	Work done by accountants in examining financial reports, reviewing compliance with applicable laws and regulations, reviewing efficiency and economy of operations and reviewing effectiveness in achieving program results. A basic audit examines only the financial reports and legal compliance. An outside certified public accountant (CPA) audit is directed primarily toward the expression of an opinion as to the fairness of the financial statements and submission of a management letter. An auditor must be independent of the executive branch of government. A state auditor, private CPA or public accountant, or elected auditor meets this test.
<b>Balance sheet:</b>	A statement that discloses the assets, liabilities, reserves and equities of a fund or government unit at a specified date.
<b>Budget:</b>	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the town meeting) or final (the plan approved by that body).
<b>Capital budget:</b>	A plan of proposed capital outlays and the means of financing them for the current fiscal period.
<b>Cherry sheet:</b>	An annual statement received from the Massachusetts Department of Revenue detailing estimated receipts for the next fiscal year from the various state aid accounts and estimated state and county government charges payable to the state. The actual receipts and charges may vary from the estimates.
<b>Classification:</b>	The division of the real estate tax by the selectmen into one rate for residences, another rate for business, and another rate for open space.
<b>Debt service:</b>	Payment of interest and principal related to long-term debt.
<b>Encumbrance:</b>	Obligations such as purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved.
<b>Enterprise fund:</b>	A fiscal entity with a self-balancing set of accounts that is utilized to account for a governmental service when it is the intent to recover the total cost of service primarily through user charges.



## What Do Those Financial Terms Really Mean?

<b>Expenditure:</b>	The spending of money by the town for the programs or projects within the approved budget.
<b>Fiscal year:</b>	A 12-month period, commencing July 1 and ending June 30, to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. The number of the fiscal year is that of the calendar year in which it ends: FY2000 is the fiscal year that ends June 30, 2000.
<b>Free cash:</b>	Now referred to as "undesignated fund balance." Certified each July 1 by the state, this is the portion of fund balance available for appropriation. It is not cash, but rather is approximately the total of cash and receivables less current liabilities and earmarked reserves, reduced also by reserves for uncollected taxes.
<b>Fund:</b>	An accounting entity with a self-balancing set of accounts segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.
<b>General fund:</b>	The fund into which the general (non-earmarked) revenues of the town are deposited and from which money is appropriated to pay expenses.
<b>Overlay:</b>	The amount raised in excess of appropriations and other charges. It is used to cover abatements and exemptions granted locally or on appeal.
<b>Override:</b>	A vote to increase the amount of property tax revenue that may be raised over the levy limit.
<b>Personal services:</b>	The cost of salaries, wages and related employment benefits.
<b>Property tax levy:</b>	The amount produced by multiplying the assessed valuation of property by the tax rate. The tax rate is expressed per thousand dollars of assessed valuation, for example: <i>House value:</i> \$200,000 <i>Tax rate:</i> \$10 (which means \$10 per thousand) <i>Levy:</i> \$10 multiplied by \$200,000 and divided by \$1,000 <i>Result:</i> \$2,000
<b>Reserve fund:</b>	This is a reserve account established by vote at annual town meeting for the purpose of funding any unforeseen and extraordinary expenses that occur during the fiscal year. Funds are transferred to individual departments only upon recommendation of the Finance Commission.
<b>Revolving fund:</b>	Funds that may be used without appropriation and that are established for special uses. Fees, as for recreation, may be paid into a revolving fund. Revolving funds are established by state law or town bylaw.
<b>Tax levy:</b>	Total amount of dollars assessed in property taxes imposed by the Town each fiscal year.
<b>Undesignated fund balance or surplus revenue account:</b>	The amount by which cash, accounts receivable and other assets exceed liabilities and restricted reserves. It is akin to the stock holders equity account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)
<b>Warrant:</b>	A list of items to be voted on at Town Meeting.



Fiscal Year 2021 Municipal, Fixed Costs, School and  
Capital Budget Summaries

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The following pages include summaries of the requested FY21  
Municipal, Fixed Costs, School and Capital budgets.

For further detail please  
Refer to the separate documents:

FY2021 Proposed Municipal Budget Detail  
Available at:  
[www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us)



FY2021 Proposed School Operating Budget  
Available at:  
[www.westwood.k12.ma.us](http://www.westwood.k12.ma.us)



FY2021 Fixed Costs Detail  
Available at:  
[www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us)



Five Year Capital Improvement Plan  
Available at:  
[www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us)

# Town of Westwood, Massachusetts

## Proposed Municipal Budget Detail For the Fiscal Year July 1, 2020 – June 30, 2021



# TOWN OF WESTWOOD

Commonwealth of Massachusetts



Office of the Assistant Town Administrator/Finance Director

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January 23, 2020

To the Honorable Select Board:

I hereby submit to you the proposed FY21 municipal budget. This document contains the budget proposal for overall municipal operations for FY21. Included are department narratives and detailed budget requests for all the individual municipal departments, including our main services areas of police, fire, and public works.

The budgets for each department are displayed in a clear, easy to read format, allowing readers to review several years of budget and actual expenditures and staffing levels for each department. Each department narrative also provides significant information on services provided in each area and current activities.

The budget book also contains a summary section following this letter. This summary section outlines the overall dollar and percent changes to the proposed municipal budget, and quickly lists all major salary and expense items contributing to the change. Readers will find this easy to understand summary provides a concise assessment of the FY21 budget proposal.

## **Municipal Budget – Delivering Service to Many Areas in the Community**

The municipal budget encompasses such a wide range of services to the community. Municipal government doesn't just serve one segment of the population – we service residents of all ages in a wide range of program areas. A hallmark of Westwood government is the collaboration that occurs between all of our departments to provide a high level of service to the whole community.

Public safety services, in the area of police and fire programs, are the most important area of the budget, and are often what people think of when they think of municipal government. Included in this area are police and fire prevention, community programs, and advance life support ambulance services. But the municipal budget consists of so many more areas of services, including the major services produced by the DPW department including weekly trash removal, plowing and upkeep of streets and roadways and maintenance of all playing fields in Town. The public works and public safety budgets comprise approximately 65% of the total municipal budget.

But the municipal budget goes even further in providing services to the community that enhance the lives of all residents. These include the programs offered through the public Library, the Council on Aging, and the Recreation departments. Residents of all ages, young and old alike, participate in these programs on a daily basis and consider them part of their quality of life in Westwood.

In addition, the municipal budget is charged with carrying out many state and federal regulations. These include public health inspections, state, local and federal elections, services for our veterans, compliance with state building, zoning, planning and conservation issues.

The municipal budget covers all of these varied services – touching many aspects of the daily health, safety, and well being of Westwood residents of all ages. The challenge has been to continuously try to become more efficient and try to respond to increasing demand for services and programs – still doing it all with a responsible funding plan.

### **FY21 Budget Requests – Striving to Continue High Quality Services for the Community**

The municipal base budget request, while providing high quality services, is a proposed increase of approximately 3.57%. Changes in the budget over the prior year are primarily driven by standard contract obligations in salary accounts.

The FY21 budget is structured to maintain the high level of service delivery provided by all municipal departments. Over the last few years, the budget has provided for increased staffing and programming in several departments to help maintain services against a growing demand, particularly for the University Station project, with the addition of 14 fire and 9 police positions since the inception of University Station.

There are no additional positions included in the FY21 budget.

The FY21 base budget also includes an increases in:

- **Building Maintenance:** This is necessary as newly constructed buildings, including police headquarters and fire station 2, have fully come on line. The Town is committed to proactively maintaining these buildings to ensure they operate efficiently and effectively at a high quality for years to come.
- **Waste Collection and Disposal:** An area to highlight is the Waste Collection budget, particularly the Recycling line item. The recycling industry, both state and nationwide, is undergoing tremendous upheaval, with traditional methods of disposal no longer in place. This has resulted in a 22% increase in this budget. It is expected that this significant industry change will continue over the next several years. This change may result in significant changes to our current recycling programs, perhaps requiring an end to single stream curb side recycling. Due to the significant uncertainty and required focus, this budget has been reformatted to the Shared/Fixed Costs section of the budget. This will allow for clearer focus on this service as changes continue to occur.

### **University Station Direct Service Costs for Public Safety Services**

The municipal departments continue to strive to provide high quality of services in all program areas. The University Station project has placed increasing demand on some staffing, primarily public safety. The demands had been projected and outlined in the project impact studies at the time of development review. The revenue analysis of the project was designed to cover these direct service costs with new tax revenue from the project, for school and municipal direct University Station service costs.

Additional staffing for Public Safety has been phased in as University Station has come on line. Specifically, new University Station revenue was used in the FY15, FY18 and FY20 budgets to supplement Public Safety staffing.

The increased staffing levels not only provided the necessary service for the University Station project impact, but have increased the overall Public Safety service to all Town residents.

Additional detail is included on the University Station page of this document. No additional municipal direct service costs are included in the FY21 budget.

### **Acknowledgements**

I would like to thank all the municipal department heads for their cooperation and diligence in preparing their department's information. Year after year municipal department heads continue to provide excellent service to the community. The department heads continue to work very hard to meet this increasing demand, while recognizing financial limitations. The municipal staff goes above and beyond to make Westwood a special community and I applaud them for their service.

The quality of services provided to the community by the municipal departments is so impressive for a small community like Westwood and is the direct result of the Select Board's clear directives on quality services and the staff's ability to implement.

I would also like to thank Marie O'Leary, Town Accountant, Kathy Foley, Assistant Treasurer, and particularly Laura Bucari, Financial Analyst, for the significant contribution they make to this document and the overall budget process. They continue showing their commitment to quality, accuracy, and full public disclosure.

Respectfully submitted,

A handwritten signature in cursive script that reads "Pamela Dukeman".

Pamela Dukeman  
Assistant Town Administrator/Finance Director

# FY21 Proposed Municipal Budget Summary

## What Does the Municipal Budget Provide?

- **Quality services that respond to all areas and all age groups throughout the Town.**

The municipal budget provides for many diverse programs throughout the Town. While many think of the municipal budget as “Town Hall”, or the “Police-Fire Departments”, the budget comprises a much broader category of departments.

- The municipal budget includes all public safety operations including police, fire, ambulance, and inspectional services.
- It also delivers all Department of Public Works programs including maintenance of all Town and School fields, municipal buildings, roadway upkeep, trash collection, and snow and ice services.
- This budget also provides services to residents of every age in Town, including programs for our seniors through the Council on Aging as well as programs for all ages through the Recreation Department and Library.
- State required oversight of many programs is also provided including Board of Health, Planning, Zoning and Conservation requirements, alcohol licensing issues, and administration of State subsidized veterans’ programs. In addition, efforts to provide economic development for the Town is important to generate appropriate commercial growth.
- The municipal budget also provides for the administrative areas of Town government. This includes the Town wide administration for all school and municipal financial needs, including collection of taxes and fees, payroll and benefits, accounts payable and cash management. Administrative services also include the overall Town administration including the Select Board and Town Administrator, legal services, human resources and information systems programs.

The municipal budget is always challenged to provide for this wide range of programs and services. Our residents have come to expect and rely on a high quality of service in each area, and they seek increasing services in areas of direct community services such as our public safety, culture and recreation and human services areas. It is important that each area remains funded and able to perform at the level expected by our residents.



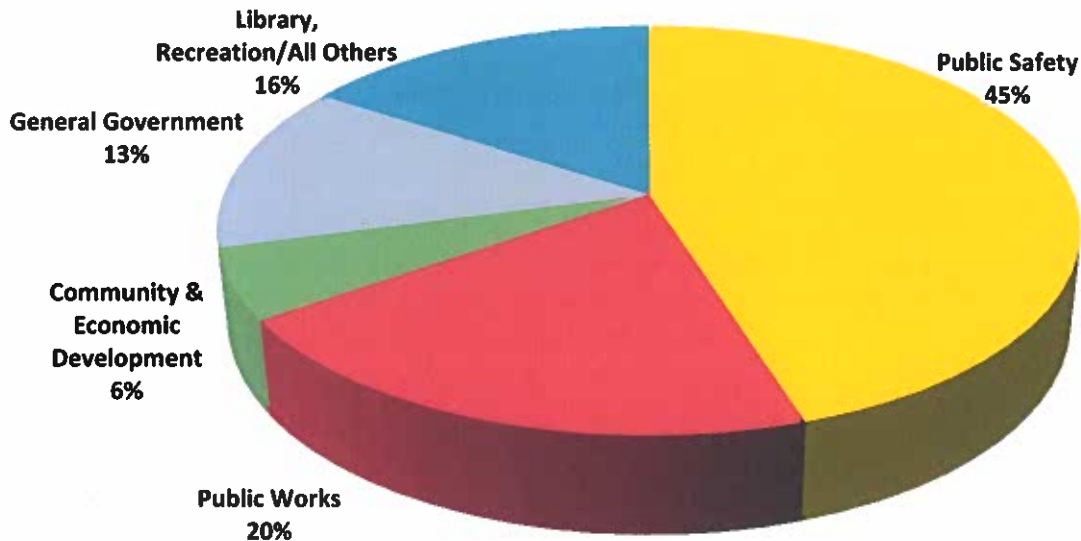
**Core Primary Services - Public Safety and Public Works**

# FY21 Proposed Municipal Budget Summary

## How is the Municipal Budget Funding Allocated Among Service Areas?

- The majority of spending in the municipal budget is in the public safety and public works areas.

The following graph and chart display how the current and proposed FY21 municipal budget is allocated to each area.



FY20 Budget	Function	FY21 Requested Budget	% of Total
\$9,478,780	Public Safety	\$9,761,695	45%
\$4,182,960	Public Works	\$4,389,680	20%
\$1,153,935	Community & Economic Development	\$1,195,730	6%
\$2,769,734	General Government	\$2,885,209	13%
\$3,322,631	Library, Recreation/All Others	\$3,421,481	16%
<b>\$20,908,040</b>		<b>\$21,653,795</b>	<b>100%</b>

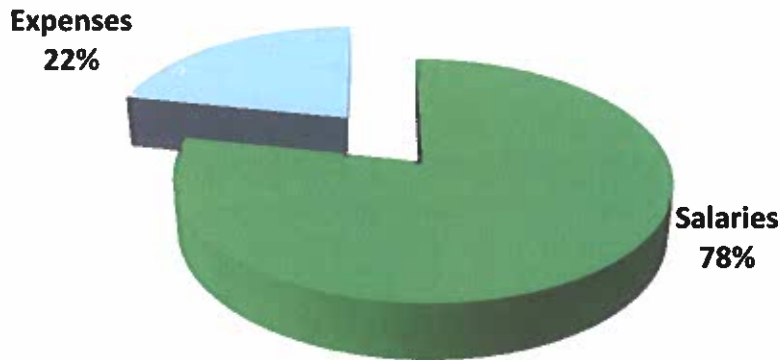
- Public safety comprises the primary service area of municipal government. Accordingly, this area has the largest piece of the municipal budget and is the area experiencing the most growth.
- It is a challenge to fund and maintain quality services in all areas of municipal government.



# FY21 Proposed Municipal Budget Summary

## The Municipal Budget is Salary Driven.

- The major portion of the municipal budget is spent on personnel for providing Police, Fire, and DPW services.
- Our primary service delivery is through our staff – police officers, firefighters, DPW workers, providing direct services to our residents.



FY20 Budget	Function	FY21 Requested Budget	% of Total
\$16,427,118	Salaries	\$16,950,190	78%
\$4,480,922	Expenses	\$4,703,605	22%
<b>\$20,908,040</b>	<b>Total</b>	<b>\$21,653,795</b>	<b>100%</b>

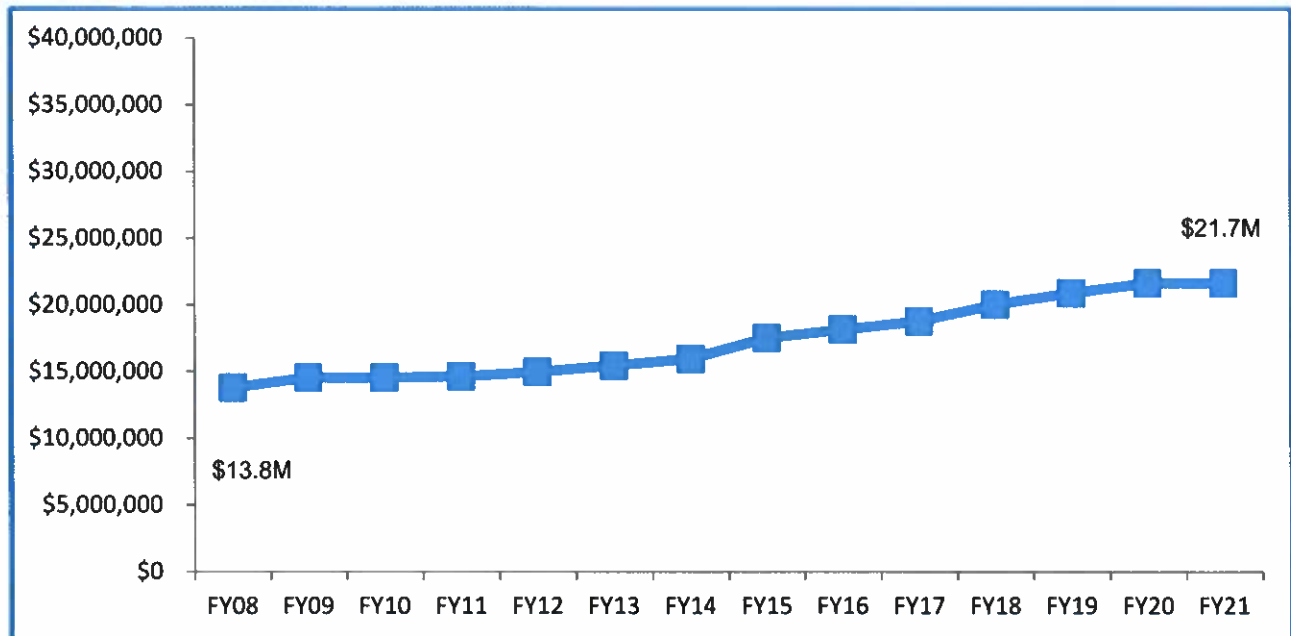
FY21 Municipal Staffing	
Full Time	178
Part Time	44
<b>Total</b>	<b>222</b>

- Of the 178 full time FY21 staff, 125 or 70% are in the DPW/Public Safety departments.

# FY21 Proposed Municipal Budget Summary

## How has the municipal budget increased over the last several years?

- The municipal base budget has had relatively moderate growth. The Select Board strives for sustainable budget growth.
- In addition, separate University Station funding has been used to help target increase the staffing in municipal departments, particularly Public Safety, as planned, in the Proposed Project Impact analysis. This staffing has helped serve not only the University Station project, but also enhanced overall service delivery to the community



- In FY21 the proposed municipal budget growth is 3.57%.

	% Change in Budget												
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Municipal Budgets	5.4%	0%	.6%	2.3%	3%	3.2%	3.4%	5.2%	3.7%	3.6%	3.1%*	3.5%	3.57%

\* With Snow & Ice adjustment, FY19 was 3.8%

## FY21 Proposed Municipal Budget Summary

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Category	Current FY20 Budget	Proposed FY21 Budget	Difference	
			\$	%
Salaries	\$ 16,427,118	\$ 16,950,190	\$ 523,072	3.2%
Expenses	4,480,922	4,703,605	\$ 222,683	5.0%
<b>Total</b>	<b>\$ 20,908,040</b>	<b>\$ 21,653,795</b>	<b>\$ 745,755</b>	<b>3.57%</b>

The requested FY21 base municipal budget includes contractual salary obligations, necessary increases to maintain services, as well as continuation of adjustments made in FY20.

The following chart shows the requested increases by function area of the budget:

	FY20	FY21	\$ Increase	% Increase
General Government	\$2,769,734	\$2,885,209	\$115,475	4.2%
Public Safety	\$9,478,780	\$9,761,695	\$282,915	3.0%
Community & Eco Dev	\$1,153,935	\$1,195,730	\$41,795	3.6%
Public Works	\$4,182,960	\$4,389,680	\$206,720	4.9%
Human Services	\$815,346	\$844,081	\$28,735	3.5%
Culture & Recreation	\$1,951,685	\$1,999,035	\$47,350	2.4%
Other	\$555,600	\$578,365	\$22,765	4.1%
<b>Total</b>	<b>\$20,908,040</b>	<b>\$21,653,795</b>	<b>\$745,755</b>	<b>3.57%</b>

- Public works and public safety combined total budgets of \$14,151,375 with approximately 66% of the total requested increase coming in these areas.

## FY21 Proposed Municipal Budget Summary

### What are the salary changes in the FY21 budget?

Category	Current FY20 Budget	Proposed FY21 Budget	Difference	
			\$	%
<b>Salaries</b>	\$ 16,427,118	\$ 16,950,190	\$ 523,072	3.2%
<b>Expenses</b>	4,480,922	4,703,605	\$ 222,683	5.0%
<b>Total</b>	<b>\$ 20,908,040</b>	<b>\$ 21,653,795</b>	<b>\$ 745,755</b>	<b>3.57%</b>

As the chart shows, approximately \$523K or 70% of the total increase is for salaries and includes the following major items:

Department	Item	Cost
All Departments	Salary contractual obligations COLA/Step Increases, net of turnover savings (approximately)	\$490,000
Library	Full year impact of Teen Librarian hours increase, approved in FY20	\$15,000
Various Departments	Budget impact of prior year position upgrades (approximately)	\$15,000
	<b>Total</b>	<b>\$520,000</b>

- There are no new positions included in the proposed FY21 budget.
- Almost all of the salary increase comes from contract obligations

# FY21 Proposed Municipal Budget Summary

## What are the expenses in the FY21 base budget?

Category	Current FY20 Budget	Proposed FY21 Budget	Difference	
			\$	%
Salaries	\$ 16,427,118	\$ 16,950,190	\$ 523,072	3.2%
Expenses	4,480,922	4,703,605	\$ 222,683	5.0%
<b>Total</b>	<b>\$ 20,908,040</b>	<b>\$ 21,653,795</b>	<b>\$ 745,755</b>	<b>3.57%</b>

Largest Expense Changes between FY20 and FY21 Budgets		
Department	Request	Cost
Software/Hardware Maintenance	Software Licensing Increases	\$22,000
Town Clerk	Election Cycle	\$9,500
Legal	Increase for labor counsel	\$15,000
Police	Increase to Vehicle Maintenance due to warranty change	\$10,000
DPW		
Admin	New OSHA requirements training	\$7,000
Operations	Equipment Hire - Related to stormwater regulations	\$20,000
	Stormwater Testing	\$5,000
Fields Maintenance	Irrigation for Lodge and Buckmaster fields	\$10,000
Building Maintenance	Repairs and Maintenance Increase for municipal buildings	\$26,000
	Building Inspections/Maintenance Contracts for Police & Fire buildings	\$30,000
	Custodial Supplies	\$11,000
	<b>Total</b>	<b>\$165,500</b>

Please note: the Waste Collection budget has been moved to "Shared/Other Fixed Costs"

	FY20 Budget	FY21 Budget	Difference	
			\$	%
<b>Waste Collection &amp; Disposal</b>	\$ 1,328,600	\$ 1,467,200	\$ 138,600	10.43%

## FY21 Public Safety Staffing

- Public safety is the most important area of municipal government, and comprises 45% of the municipal budget. In recent years, the Select Board has focused on appropriate staffing levels for the police and fire departments, particularly in light of the additional service impact created by the University Station Development.
- Particular care was given at the project approval phase of University Station to make sure that new tax revenue would be used to supplement the public safety departments for any additional staff needed to service the project. It was extremely important to the community that the new development would not hurt the current public safety services provided to residents.
- To determine the appropriate staffing levels, project impact studies were done during the review phase of the project. In addition, in 2013, a consultant was hired to review the fire department staffing levels and make recommendations to the community.
- As a result of these studies and the project impact, staffing has been increased in both the police and fire departments. The chart below shows the changes in staffing since FY13.
- Since 2014, the town has added 23 public safety positions, including: 14 firefighters, 7 police officers, 1 dispatcher, and 1 Communication Center Director.

<b>Police</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
<b>Uniformed Staff</b>	28	28	31	31	31	33	33	35	35
<b>Dispatchers</b>	7	7	8	8	8	8	8	8	8
<b>Communications Center Director</b>								1	1

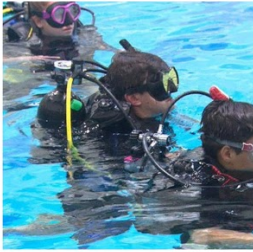
<b>Fire</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
<b>Uniformed Staff</b>	30	34	38	38	38	42	42	44	44

The Select Board has continued to review and evaluate staffing levels, particularly as additional phases of University Station have come on line. After review of staffing and service call data, the Select Board are not proposing to add additional staff in FY21.

# Municipal Staffing Levels - FY21

<b>General Government</b>			
	<b>Full Time</b>	<b>Part Time</b>	
Selectmen	4	3	
Finance & Warrant Commission		1	
Accounting	3	1	
Assessors	3		
Treasurer	1	1	
Collector	2		
Legal		1	
Human Resources	2	2	
Information Technology	4	1	
Town Clerk	2		
Housing Authority/Partnership		1	
<b>Total General Government</b>	<b>21</b>	<b>11</b>	
<b>Public Safety</b>			
	<b>Full Time</b>	<b>Part Time</b>	
Police	46		
Animal Control	1		
Fire	45	1	
<b>Total Public Safety</b>	<b>92</b>	<b>1</b>	
<b>Community &amp; Economic Development</b>			
Conservation Commission	1		
Planning Board	1		
Zoning Board	1		
Community & Economic Development	3		
Building Inspection	2	4	
Health	3	1	
<b>Total Community &amp; Economic Development</b>	<b>11</b>	<b>5</b>	
<b>Public Works</b>			
Department of Public Works	28	2	
Sewer	5	2	
<b>Total Public Works</b>	<b>33</b>	<b>4</b>	
<b>Human Services</b>			
Council on Aging	4	2	
Youth & Family Services	3	1	
Veterans		2	
<b>Total Human Services</b>	<b>7</b>	<b>5</b>	
<b>Culture &amp; Recreation</b>			
Library	10	18	
Recreation	4		
<b>Total Culture &amp; Recreation</b>	<b>14</b>	<b>18</b>	
<b>Total</b>	<b>178</b>	<b>44</b>	

# WESTWOOD PUBLIC SCHOOLS



## PROPOSED FY'21 OPERATING BUDGET EXECUTIVE SUMMARY

### DEVELOPED BY

EMILY PARKS, *SUPERINTENDENT*

ALLISON BORCHERS, *ASSISTANT SUPERINTENDENT*

LEMMA JN-BAPTISTE, *DIRECTOR OF BUSINESS AND FINANCE*

ABIGAIL HANSCOM, *DIRECTOR OF STUDENT SERVICES*

STEVE OUELLETTE, *DIRECTOR OF TECHNOLOGY, LEARNING, AND INNOVATION*

AND THE ADMINISTRATION, FACULTY, AND STAFF  
OF THE WESTWOOD PUBLIC SCHOOLS





**WESTWOOD PUBLIC SCHOOLS**  
*Honoring Tradition, Inspiring Excellence, Shaping the Future*

January 24, 2020

Dear Westwood School Committee and Westwood Residents,

I am pleased to present to you an Executive Summary of the *FY'21 Superintendent's Recommended Budget*. This document provides an overview of the budget and insight into how budget decisions are made. In addition to this summary, all of our detailed budget documents and spreadsheets are available to the public on the district website. We provide this information so that our community can be confident that our budget ensures a high-quality educational experience for students, while also maintaining a sense of financial responsibility and stewardship for the town's resources.

It is an exciting time in the Westwood Public Schools. As I visit classrooms across the district, I see students engaged in meaningful work that supports our vision of graduates who are skilled, confident, curious, and kind; excited for their futures and ready to contribute to their communities. We are proud that in 2019, four of our elementary schools received commendations from the MA Department of Elementary and Secondary Education, Westwood High School was ranked #13 on *U.S. News and World Report's* list of the best high schools in Massachusetts, and the Downey Elementary School was named a 2019 National Blue Ribbon School by the U.S. Department of Education.

The quality of the Westwood Public Schools is directly related to the value the community places on its children's educational opportunities and to the investment that its residents make in its schools. Right now, a major focus of this investment is Westwood's collaboration with the Massachusetts School Building Authority (MSBA) to address some significant capital needs through a school building project. The District values the input we have received from the community during this fall's visioning process and is committed to keeping residents informed and engaged throughout the entire Feasibility Study process. With the community's input, at the conclusion of this school year, the School Building Committee will identify which option to move forward to the next phase of the project, leading to a Town Meeting and ballot vote in Spring 2021 for project funding.

With the school building project on the horizon, when developing this budget, we were especially mindful to keep any increase to the School Department operating budget at a reasonable and sustainable level. The budget request for FY'21 represents a 3.6% increase over FY'20. I am confident that this increase will allow us to continue to provide the high level of service that the community expects, while continuing to move forward with strategic priorities that respond to changing student needs and enhance students' opportunities to learn, grow, and thrive.

Please let me know if you have any questions about this budget or any other school related matter. I can be reached by email at [eparks@westwood.k12.ma.us](mailto:eparks@westwood.k12.ma.us) or by phone at 781-326-7500 x1341. Thank you for your continued support.

Sincerely,

Emily J. Parks  
Superintendent of Schools

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## WHAT IS THE FY'21 SCHOOL DEPARTMENT BUDGET REQUEST?

As the table below illustrates, our recommended budget for FY'21 totals \$48,187,500, which represents a 3.6% increase over FY'20.

FY'20 Final Budget <sup>1</sup>	\$46,513,031
Proposed FY'21 Budget	\$48,187,500
Increase (\$)	\$1,674,469
Increase (%)	3.6%

The FY'21 proposed budget increase is consistent with the last three years of relatively modest budget requests and builds upon the strong foundation created by the larger budget increases in FY'16 and FY'17 made possible by the new growth revenue from the University Station development:

WPS Operating Budget Increases					
FY'16	FY'17	FY'18	FY'19	FY'20	Proposed FY'21
5.4%	6.0%	3.3%	3.4%	3.5%	3.6%

Additionally, FY'20 Chapter 70 education state aid was not finalized until after last year's Annual Town Meeting. Incorporating the FY'20 Chapter 70 increase into the School Department allocation will also require a vote at Town Meeting.

Incorporate FY'20 Chapter 70 aid <sup>2</sup>	\$160,182
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<sup>1</sup> At the Annual Town Meeting in 2019, the town approved \$50,000 for transportation from the University Station area. This increased the FY'20 budget from \$46,463,031 to \$46,513,031.

<sup>2</sup> This funding will be applied to SPED tuition, and costs associated with the elimination of the cell tower lease and reduction of Kindergarten tuition.

## WHAT ARE THE MAJOR BUDGET CATEGORIES?

The following table<sup>3</sup> breaks down the total budget into five categories. As is evident, in school budgets, **salaries** are by far the greatest budget driver. In the proposed FY'21 budget, salaries account for 87% of the overall budget and correspondingly comprise most of the proposed budget increase. This budget proposes a strategic investment in Professional Positions and Support Staff, including several positions in Special Education. These changes in positions are reflected in the 4.5% salary increase. While it appears that there is a reduction in Special Education funding, this represents a movement of funds from **non-salary to salary** lines rather than a cut to services or funding.

Major Budget Category	FY'20 Budget	Proposed FY'21 Budget	Incremental Change (\$)	Incremental Change (%)
Total Salaries	\$40,275,301	\$42,089,531	1,814,230	4.5%
Non-Salary				
Special Education	\$1,186,627	\$1,058,367	(\$128,260)	(10.8%)
Utilities	\$1,181,000	\$1,207,000	\$26,000	2.2%
Operations and Maintenance	\$993,335	\$993,335	\$0	0%
All other non-salary	\$2,876,768	\$2,839,267	(\$37,501)	(1.3%)
<b>TOTAL</b>	<b>\$46,513,031</b>	<b>\$48,187,500</b>	<b>\$1,674,469</b>	<b>3.6%</b>



<sup>3</sup> The table above represents town funds, exclusive of revolving funds or grants.

## HOW DOES THE PROPOSED BUDGET SUPPORT THE DISTRICT'S GOALS AND PRIORITIES?

The Westwood Public Schools is committed to providing a wonderful educational experience for all of the students we serve. When developing the budget, we work to ensure that the district's resources closely align with our priorities and values. Though the WPS is a large organization with many moving parts, we know that students' daily experience is most powerfully influenced by the quality and skill of the teachers they work with in the classroom. The WPS budget, like all school districts, is primarily about people. With over 600 employees, salaries comprise 87% of our annual operating budget. Therefore, when developing the FY'21 budget, we first consider our contractual salary obligations and the staffing levels that will be required to maintain favorable class sizes for our students. Meeting those obligations, and accounting for other known costs such as transportation, is often described as "maintaining level services." Much of the proposed FY'21 budget increase represents our analysis of what it will take to continue to provide the same experiences and opportunities for students next year that are available to students today.

In addition, to preserve the things that we value, we also continue to work on our district improvement goals and adapt as our students' needs and the educational landscape change. Our success in Westwood is partly attributable to our commitment to continuous improvement. For this reason, the proposed budget continues to advocate for robust line items related to curriculum, instruction, and professional development. Though the proposed budget includes very little increase in the Curriculum and Instruction cost centers, within the existing level of funding we have made strategic decisions about how to allocate

**"Though the proposed budget includes very little increase in the Curriculum and Instruction cost centers, within the existing level of funding we have made strategic decisions about how to allocate the funds in FY'21 in order to meet student needs and work toward our goals."**

the funds in FY'21 in order to meet student needs and work toward our goals. For example, in FY'21, curriculum alignment funding will be focused on implementing the recommendations from the Social Emotional Learning and English Language Arts reviews. Meanwhile, the instructional supply funds and Fixtures, Furniture & Equipment (FF&E) allocations will allow continued investment in Science/Technology and Engineering at the middle and high school and coding at the elementary level.



## WHAT ARE THE CHANGES TO THE BUDGET - FY'20 TO FY'21?

The following chart outlines the progression from the FY'20 Budget to the FY'21 Recommended Budget. It shows “how the budget is built.”

Budget Request	FTE Change	FY'21 Proposed Budget Components									
<b>FY'20 Budget</b>		\$46,513,031									
<b>Increase salaries for existing personnel (contractual)</b>		\$1,417,691									
<b>Faculty/Professional Positions</b> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 60%;">TMS: Add .5 FTE ELA Instructional Specialist</td> <td style="width: 15%; text-align: center;">.5 FTE</td> <td style="width: 25%; text-align: right;">\$38,000</td> </tr> <tr> <td>District: .4 FTE Director of Safety and Security</td> <td style="text-align: center;">.4 FTE</td> <td style="text-align: right;">\$40,000</td> </tr> <tr> <td>District: Reallocate 1.5 FTE SLP/OT/PT and Reading Specialist from Contracted Services to salaries</td> <td style="text-align: center;">1.5 FTE</td> <td style="text-align: right;">\$0</td> </tr> </table>	TMS: Add .5 FTE ELA Instructional Specialist	.5 FTE	\$38,000	District: .4 FTE Director of Safety and Security	.4 FTE	\$40,000	District: Reallocate 1.5 FTE SLP/OT/PT and Reading Specialist from Contracted Services to salaries	1.5 FTE	\$0	2.4 FTE	\$78,000
TMS: Add .5 FTE ELA Instructional Specialist	.5 FTE	\$38,000									
District: .4 FTE Director of Safety and Security	.4 FTE	\$40,000									
District: Reallocate 1.5 FTE SLP/OT/PT and Reading Specialist from Contracted Services to salaries	1.5 FTE	\$0									
<b>Support Staff Positions</b> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 40%;">Preschool: Add instructional assistant</td> <td style="width: 20%; text-align: center;">1.0 FTE</td> <td style="width: 40%; text-align: right;">\$26,000</td> </tr> <tr> <td>Elementary: Add ABA tutor</td> <td style="text-align: center;">1.0 FTE</td> <td style="text-align: right;">\$40,000</td> </tr> <tr> <td>WHS: Add instructional assistants</td> <td style="text-align: center;">2.0 FTE</td> <td style="text-align: right;">\$52,000</td> </tr> </table>	Preschool: Add instructional assistant	1.0 FTE	\$26,000	Elementary: Add ABA tutor	1.0 FTE	\$40,000	WHS: Add instructional assistants	2.0 FTE	\$52,000	4.0 FTE	\$118,000
Preschool: Add instructional assistant	1.0 FTE	\$26,000									
Elementary: Add ABA tutor	1.0 FTE	\$40,000									
WHS: Add instructional assistants	2.0 FTE	\$52,000									
<b>Net increase to various non-salary accounts</b>		\$60,778									
<b>Total Change</b>	<b>6.4 FTE</b>	<b>\$1,674,469</b>									
<b>FY'21 Superintendent's Recommended Budget</b>		<b>\$48,187,500</b>									

In addition to the net increase of 6.4 FTE staff in the FY'21 budget, some positions<sup>4</sup> were added this year in order to address issues that emerged after the budget process. These positions were added within the FY'20 budget allocation (from the net savings realized through the hiring process and retirements) and are included in the level services calculation.

<sup>4</sup> These positions include 1.0 FTE elementary teacher, 1.0 FTE instructional assistant, and 1.5 FTE guidance counselors.

## WHAT ARE THE PROPOSED STAFFING CHANGES RELATED TO ENROLLMENT?

***FY'21 Enrollment***

In FY'21, we are proposing no changes in general education staffing levels related to enrollment and class sizes. Current staffing levels are adequate in general education to meet instructional needs.

We anticipate very little change in the number of students enrolled at the high school and middle school in FY'21. Having added several positions at the secondary level during a period of growing enrollment, the current staffing level meets the needs of the high school master schedule and is sufficient to maintain reasonable class sizes and the team structure at the middle school.

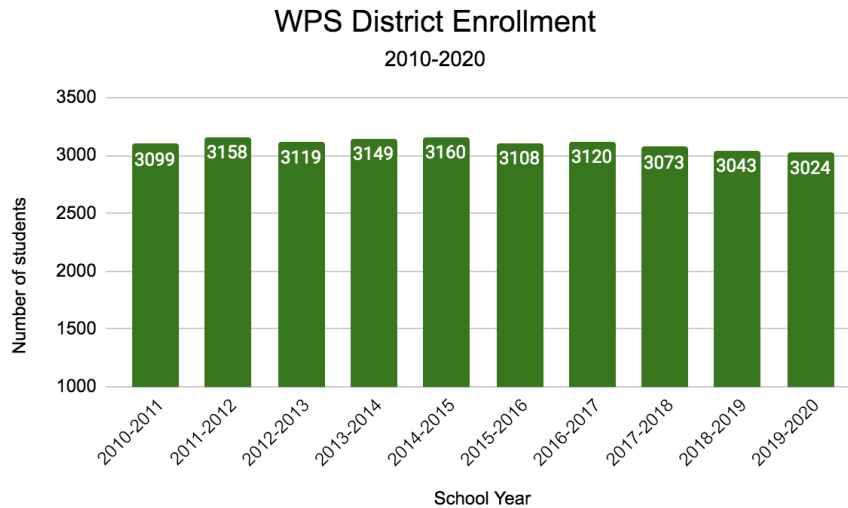
**FY'21 Anticipated Enrollment by Level**

<b>Level</b>	<b>FY'20</b>	<b>FY'21</b>
Preschool	45	45
Elementary	1266	1241
Middle School	706	693
High School	1007	1021
<b>District Total</b>	<b>3024</b>	<b>3000</b>

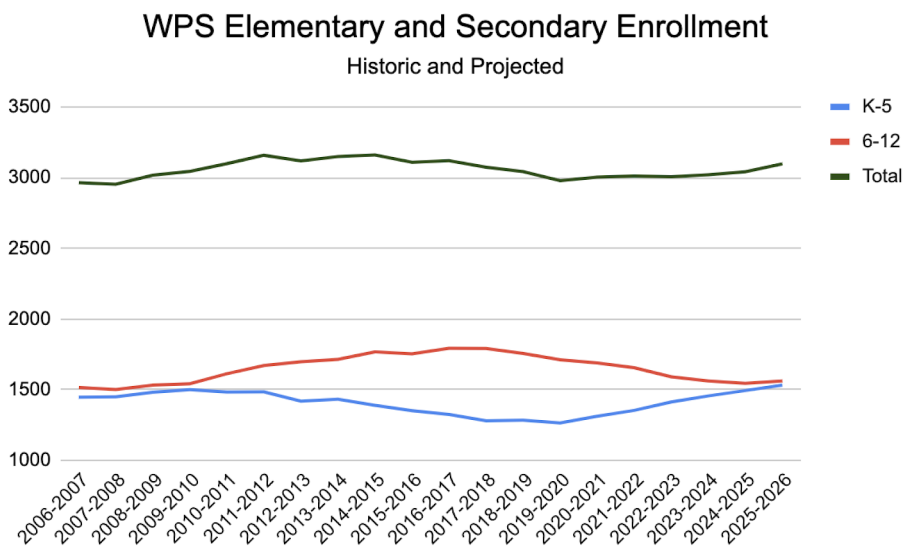
Similarly, we do not anticipate a significant change in the total elementary enrollment across the district in FY'21. However, we know from past experience that due to the relatively small size of each of our elementary schools, the number of staff needed to maintain class sizes at the elementary is more variable than at the secondary level. The addition or reduction of just a few students at a grade level in a particular school can change the number of class sections required to keep class sizes aligned with the School Committee's class size guidelines. In particular, it is difficult to project incoming kindergarten enrollment by school. We are proposing maintaining elementary staffing at current levels and making decisions about how to allocate staff after the kindergarten enrollment process is complete.

## Enrollment Trends

During the budget process we look at enrollment trends and make predictions not only for next year’s budget, but for the next several years. A 10-year look back reveals some small fluctuations in district enrollment numbers:



As shown above, ten years ago, during the 2010-2011 school year, 3,099 students were enrolled in the Westwood Public Schools. Today, the district serves 3,024 students. Though the overall district enrollment has remained fairly stable, over the last ten years we have experienced a shift in how students were distributed across grades with declining elementary enrollment and an enrollment bubble at the secondary level. Current enrollment projections suggest that the district is about to experience another shift. Over the next 10 years, we will begin to experience enrollment growth at the elementary level and a decline in secondary enrollment:



As illustrated above, this enrollment pattern is in keeping with cycles that we have experienced in the past. These projections are important to consider as we make decisions about current staffing levels, plan for future operating budgets, and make choices related to the building project.



## WHAT ARE THE PROPOSED STAFFING CHANGES RELATED TO PROGRAM NEEDS AND STRATEGIC PRIORITIES?

The FY'20 budget allowed us to make significant investments in our strategic priorities. We secured funding for several staff positions, creating a strong foundation for the future. For example, the addition in FY'20 of an Elementary Social Studies Coordinator and a Middle School English Language Arts/Social

The FY'20 budget provided a strong foundation for the FY'21 budget by including positions that support our strategic goals and changing student needs. In FY'20, positions included:

- Elementary Social Studies Coordinator
- Middle School ELA/Social Studies Department Head
- Guidance Counselors (WHS and TMS)
- PreK-8 Social Emotional Learning Coordinator

Studies Department Head provides critical support and leadership for our strategic priorities related to coherent, connected curriculum; and is enabling us to respond effectively to changing expectations for social studies and civics education. Similarly, by adding guidance counselors at both WHS and TMS and creating a new PreK-8 Social Emotional Learning Coordinator position, we are better able to meet the emotional and mental health needs of all of our students in support of our goal of a healthy and supportive school community.

In FY'21, we are proposing two new positions related to our strategic priorities:

### **Add .5 FTE Middle School English Language Arts (ELA) Specialist: \$38,000**

As students enter middle school, the instructional emphasis shifts dramatically from “learning to read” to “reading to learn,” and a student’s skill as a reader becomes a significant factor in their performance across all content areas. For the past 18 months, the middle school leadership team has piloted a structured reading intervention program in grade 6 to improve identified students’ comprehension skills. As of the publication of this summary, the majority of students enrolled in the pilot have made demonstrable progress, including improved MCAS scores. Additional staffing is needed in order to expand the pilot program and meet the needs of more students.

### **Add .4 FTE Director of Safety and Security: \$40,000**

This position will oversee the continual review of the District’s safety and security protocol, including annual training for students, teachers, and incident management teams. In collaboration with the Director of Operations, this individual will ensure that the recommendations of the recently completed security audit are implemented. Finally, this position will serve as a liaison between the School Department and Public Safety.



## WHAT ARE THE STAFFING CHANGES IN SPECIAL EDUCATION?

The Westwood Public Schools is committed to meeting the needs of all of our learners in an inclusive setting. As a public school, we are legally mandated to provide a certain level of service to students with special needs, as defined in a student's Individualized Education Plan or "IEP." When students' needs change, the budget also changes. This interdependent relationship between a) legally mandated services, b) student needs, and c) school budgets means that forecasting special education expenses presents a particular challenge for school administrators. As a result, special education is the most variable of all school department budget items. We analyze student needs both as part of the budget process, and also on an on-going basis throughout the school year.

Over the last decade, the District has created several district-wide programs for students with special education needs. These programs enable us to educate almost all of our students in-district. In FY'20, less than 1% of our student population (20-22 students) attended school in out-of-district, tuition-based special education placements. This ability to educate almost all of our students in-district aligns with our desire to have students attend school in their community. It is also the most cost-effective strategy for educating students when their needs can be met in-district.

When budgeting for FY'21, we have thought carefully about several special education trends:

- An increased number of preschool aged students with significant, often complex, special education needs
- An increased need for therapeutic programming, particularly for elementary-aged students with emotional and behavioral challenges
- An increased number of students in the transition program for students age 18-22
- An increased need to respond to students experiencing acute mental health issues who require short-term out-of-district placements

We are proposing the following staff to enable us to expand our in-district special education programming to adapt to these changing student needs:

**Add 1.0 FTE Elementary Applied Behavior Analysis (ABA) Tutor: \$40,000**

This position, in conjunction with a reallocated special education teaching position and two reallocated instructional assistants, will increase our in-district supports for elementary-aged students with emotional and behavioral challenges by expanding the STAR program.

**Add 1.0 FTE Preschool Instructional Assistant (IA): \$26,000**

This position will provide identified services on students' IEPs at the Integrated Preschool to support an increased number of preschool aged students with significant special education needs.

**Add 2.0 FTE High School Instructional Assistants (IA): \$52,000**

One instructional assistant position will support an increased cohort of students in the FLEX Program at the high school who require therapeutic programming and support with emotional and behavioral challenges. The second IA position will support the transition program for students age 18-22 at their job sites and community college placements.

**Reallocate 1.5 FTE SLP/OT/PT and Reading Specialist from Contracted Services to salaries: \$0**  
 Some specialized services are currently provided to students through contracted services rather than by district employees. The use of contracted services sometimes makes sense when the service is short-term or the number of hours provided does not warrant hiring a district employee. However, based on an analysis of student Individualized Education Plans, we believe that it would be more cost effective to bring 1.5 FTE of Speech-Language Pathologist/Occupational Therapist/Physical Therapist and Reading services in-house next year. This change will increase the district FTE and change where the cost of the service is charged within the budget. Since the rate for contracted services through an agency is often higher than a district salary, this transfer will allow us to do more with the same dollars.

**WHAT ARE THE NON-SALARY CHANGES IN SPECIAL EDUCATION?**

In addition to staffing above, in the proposed FY'21 budget, we have budgeted for tuition and transportation for known special education students, including contractual transportation increases and a 3% escalation for tuitions:

	<b>FY'20</b>	<b>FY'21</b>	<b>Difference</b>
<b>Residential Tuition</b>	\$239,263	\$246,440	\$7,177
<b>Day Tuition</b>	\$562,795	\$579,678	\$16,883
<b>Collaborative Tuition</b>	\$507,814	\$523,754	\$15,940
<b>Out-of-District SPED Transportation</b>	\$404,194	\$408,194	\$4,000
<b>In-District SPED Transportation</b>	\$315,733	\$318,733	\$3,000
<b>Total</b>	<b>\$2,029,799</b>	<b>\$2,076,799</b>	<b>\$47,000</b>

It is likely, though not certain, that there will be additional students in FY'21 who require out-of-district placements. Given the uncertainty, we are proposing that the town provide additional funding (\$350,000) for the special education reserve account, rather than increase the district's operating budget. Doing so will allow the district to respond to changing needs should that be required without unnecessarily escalating the operating budget. The amount of reserve funding requested reflects tuition costs associated with one unforeseen residential placement and one moderately priced day placement.

Finally, as noted above, we are proposing to move funds from contracted services to salary. This reallocation has no impact on the overall budget amount; rather it allows us to provide more service with the same dollars in an area that has historically been over budget.

## WHAT ARE THE NON-SALARY BUDGET CHANGES IN GENERAL EDUCATION?

**Increase in Instructional Supplies and Consultants: \$31,000**

Several factors have influenced the need to expand our instructional supply budget. Since the transition to a hands-on elementary science curriculum, the bulk of the existing funds have been used for consumable materials and to support our online subscription to STEMScopes. With the adoption of the Calkin Units of Study curriculum for elementary English language arts, there will be a need to expand and replace classroom library texts each year. Finally, the recent Social Emotional Learning (SEL) curriculum review and entry findings of the SEL coordinator point to the need for a SEL screening tool as well as training and materials to help teachers create appropriate calming spaces in their classrooms. In addition, this FY'21 budget proposes an increase to a consulting line that is used for professional development and items such as a scheduling consultant for the Middle School.

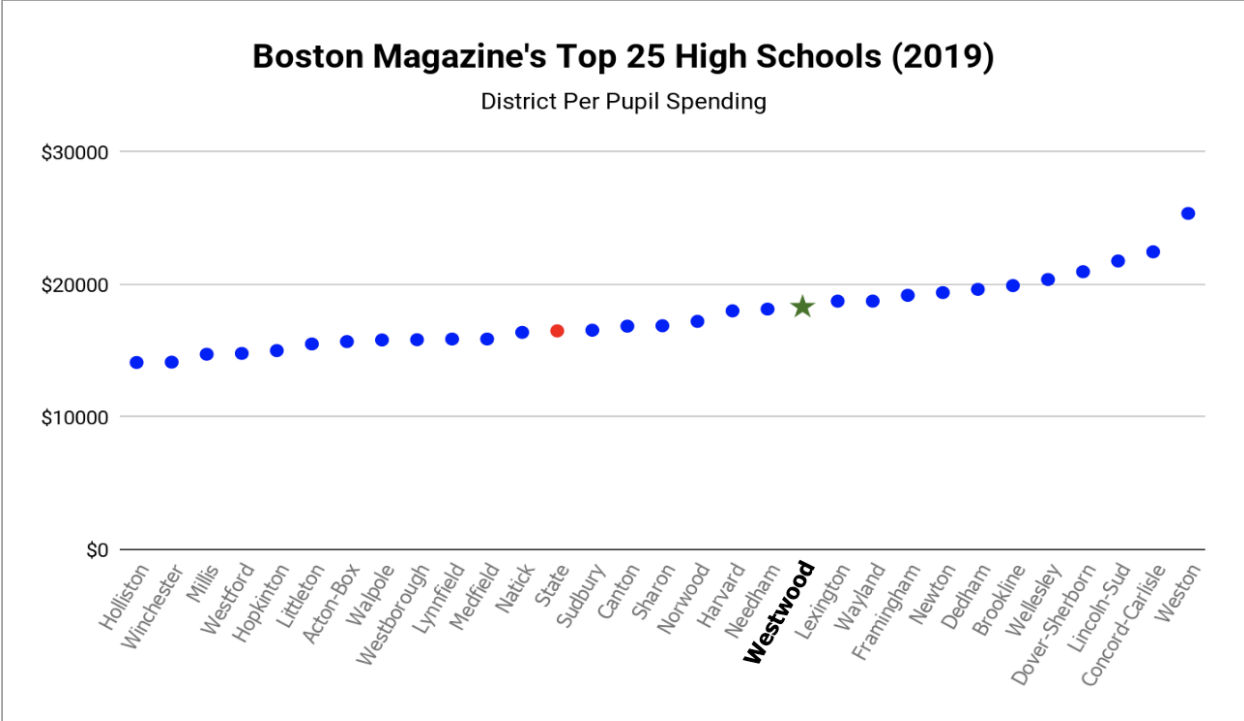
**Increase in Regular Transportation: \$22,500**

This funding addresses cost increases contained in our bus company contract.



## How Does Westwood's Per Pupil Spending Compare to Other Districts?

The chart below compares the per pupil spending in Westwood to spending in the districts that appear on *Boston* magazine's "top 25" high schools list for 2019. The data presented is from the MA Department of Education website and reflects FY'18 spending, the most recent data that is available.



As illustrated above:

- The state-average per pupil expenditure is \$16,507.
- The average per pupil expenditure for districts on this list is \$18,112.
- The median per pupil expenditure for the districts on this list is \$18,230.

Westwood's per pupil expenditure of \$18,310 is generally on par, or below, other high-performing districts and suggests that Westwood continues to provide a good value for its investment.

## WHAT IS MISSING FROM THE BUDGET? ARE THERE UNFUNDED NEEDS?

Every year, cost center leaders submit both short-term and long-term budget requests. The district leadership team (central office administrators, principals, and assistant principals) meets to review and discuss all of the requests and to reach consensus about the upcoming year's priorities, PreK-12, based on district goals and initiatives. This FY'21 proposed budget, reflecting a 3.6% increase, represents a reasonable and sustainable budget for Westwood residents. However, it's important to understand that this budget was developed by identifying priorities, making choices, and deferring some items for future budget discussions. Some of those deferred items include:

- Additional literacy support at the middle school
- Special education staffing to increase the capacity of the PEER Program
- An increase to the special education contracted services allocation
- Increase English Language Learner (ELL) staffing to respond to increased regulatory demands
- More instructional assistants at all levels
- An additional elementary science specialist

## IS THIS THE FINAL FY'21 BUDGET? WHAT COULD CHANGE?

The presentation of the Superintendent's Recommended Budget is only the first step in the budget process. The School Committee will review the budget, hold a public budget hearing, and deliberate. Through that process, the School Committee could make changes, modifications, or additions. In addition, during the budget process, the School Department will work collaboratively with the Select Board and the Finance Commission to see how the School Department's request fits into the overall Town budget.

*Thank you for your continued support of the Westwood Public Schools!*



***FY2021 Budget  
Fixed Costs Detail***

***Summary of Shared Fixed Costs***

***Municipal & School Employee Benefits/Costs***

***Overall Summary of Fixed Costs***

***Detail on Trash Collection***

***Detail on Town wide Audit***

Fiscal Year 2021 Budget

Shared Fixed Costs



There are several fixed costs budgets which provide benefits and/or services to both Town and School operations and their employees. These budgets include:

	Expended FY2019	Current FY2020 Budget	Proposed FY2021 Budget	\$ Change FY21 vx FY20	% Change FY21 vs FY20
<b>School Employee Benefits/Costs</b>					
Retirement Assessments	\$1,515,966	\$1,621,869	\$1,736,211	\$114,342	7.1%
Worker's Compensation	\$238,089	\$321,485	\$353,629	\$32,144	10.0%
Unemployment Compensation	\$94,683	\$107,993	\$118,792	\$10,799	10.0%
Health Insurance	\$4,147,618	\$4,654,041	\$4,886,743	\$232,702	5.0%
Life Insurance	\$6,562	\$11,200	\$8,000	-\$3,200	-28.6%
Payroll service/Other	\$31,269	\$34,000	\$36,900	\$2,900	8.5%
Medicare Part B	\$132,603	\$175,033	\$183,785	\$8,752	5.0%
Social Security Tax	\$5,669	\$10,000	\$10,000	\$0	0.0%
Medicare Payroll Tax	\$555,371	\$768,249	\$845,074	\$76,825	10.0%
<b>Total School Employee Benefits/Costs</b>	<b>\$6,727,829</b>	<b>\$7,703,870</b>	<b>\$8,179,134</b>	<b>\$475,264</b>	<b>6.2%</b>
<b>Municipal Employee Benefits/Costs</b>					
Retirement Assessment	\$3,550,373	\$3,784,364	\$4,051,323	\$266,959	7.1%
Worker's Compensation	\$113,116	\$151,399	\$166,539	\$15,140	10.0%
Unemployment Compensation	\$20,103	\$15,246	\$16,771	\$1,525	10.0%
Health Insurance	\$1,530,785	\$1,541,233	\$1,618,295	\$77,062	5.0%
Life Insurance	\$3,244	\$6,800	\$5,000	-\$1,800	-26.5%
Pre-Hire/Payroll/Other	\$98,073	\$127,000	\$139,200	\$12,200	9.6%
Public Safety Medical/111F ins	\$28,856	\$90,000	\$96,000	\$6,000	6.7%
Medicare Part B	\$55,762	\$70,997	\$74,547	\$3,550	5.0%
Social Security Tax	\$1,562	\$10,000	\$10,000	\$0	0.0%
Medicare Payroll Tax	\$235,458	\$302,111	\$332,322	\$30,211	10.0%
<b>Total Municipal Employee Benefits/Costs</b>	<b>\$5,637,332</b>	<b>\$6,099,150</b>	<b>\$6,509,997</b>	<b>\$410,847</b>	<b>6.7%</b>
<b>Shared/Other Fixed Costs</b>					
Comprehensive & Liability Ins.	\$364,146	\$552,000	\$579,600	\$27,600	5.0%
Waste Collection/Disposal Expenses	\$1,298,528	\$1,328,600	\$1,467,200	\$138,600	10.4%
School Waste Collection Services	\$77,198	\$70,000	\$71,000	\$1,000	1.4%
Audit Services	\$71,855	\$81,250	\$81,250	\$0	0.0%
<b>Total Shared/Other Fixed Costs</b>	<b>\$1,811,727</b>	<b>\$2,031,850</b>	<b>\$2,199,050</b>	<b>\$167,200</b>	<b>8.2%</b>
<b>Total Benefits/Shared Fixed Costs</b>	<b>\$14,176,888</b>	<b>\$15,834,870</b>	<b>\$16,888,181</b>	<b>\$1,053,311</b>	<b>6.7%</b>



**Municipal & School Employee Benefits/Costs  
Fiscal Year 2021 Budget**

<b>FY18 Actual</b>	<b>FY19 Actual</b>	<b>FY2020 Budget</b>	<b>Distribution Number</b>	<b>Item</b>	<b>FY2021 Budget</b>
\$4,631,206	\$5,066,339	\$5,406,233	01-830-5174	Retirement Assessment  This budget covers all non-teaching employees of the Town. Teachers are included in the State Mass Teachers Retirement System	<b>\$5,787,533</b>
<b>\$4,631,206</b>	<b>\$5,066,339</b>	<b>\$5,406,233</b>	<b>TOTAL:</b>		<b>\$5,787,533</b>

**Employee Benefits/Costs  
Fiscal Year 2021 Budget**

**Note: This budget covers employee benefits for all municipal and school employees.**

<b>FY 18 Actual</b>	<b>FY 19 Actual</b>	<b>FY2020 Budget</b>	<b>Distribution Number</b>	<b>Item</b>	<b>FY2021 Budget</b>
\$305,402	\$351,205	\$472,883	01-912-5740	Workers Compensation	<b>\$520,168</b>
\$35,775	\$114,786	\$123,239	01-913-5173	Unemployment compensation	<b>\$135,563</b>
\$5,506,444	\$5,678,403	\$6,195,274	01-914-5171	Group Health Insurance	<b>\$6,505,038</b>
\$758,711	\$790,809	\$1,070,359	01-914-5172	Mandatory Medicare Payroll Tax	<b>\$1,177,396</b>
\$9,949	\$7,231	\$20,000	01-914-5174	Social Security	<b>\$20,000</b>
\$9,674	\$9,806	\$18,000	01-915-5172	Group Life Insurance	<b>\$13,000</b>
\$81,441	\$28,856	\$90,000	01-919-5311	Public Safety Medical/111F	<b>\$96,000</b>
\$164,259	\$129,342	\$161,000	01-919-5310	Prehire/Payroll/Other	<b>\$176,100</b>
\$178,843	\$188,365	\$246,030	01-919-5740	Medicare Part B Refund	<b>\$258,332</b>
<b>\$7,050,500</b>	<b>\$7,298,803</b>	<b>\$8,396,785</b>	<b>TOTAL:</b>		<b>\$8,901,596</b>

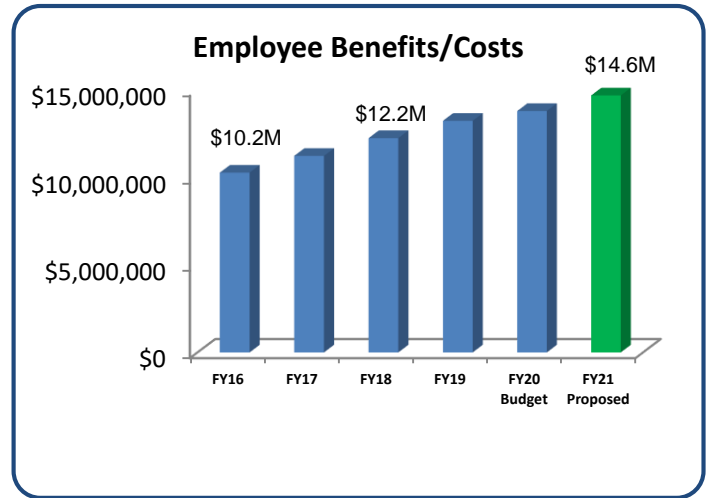
# Shared Fixed Costs

The Shared Fixed Costs- The budget includes the following components applicable to all Town and School employees. Some of the major budgets are outlined below.

## Employee Benefits/Costs

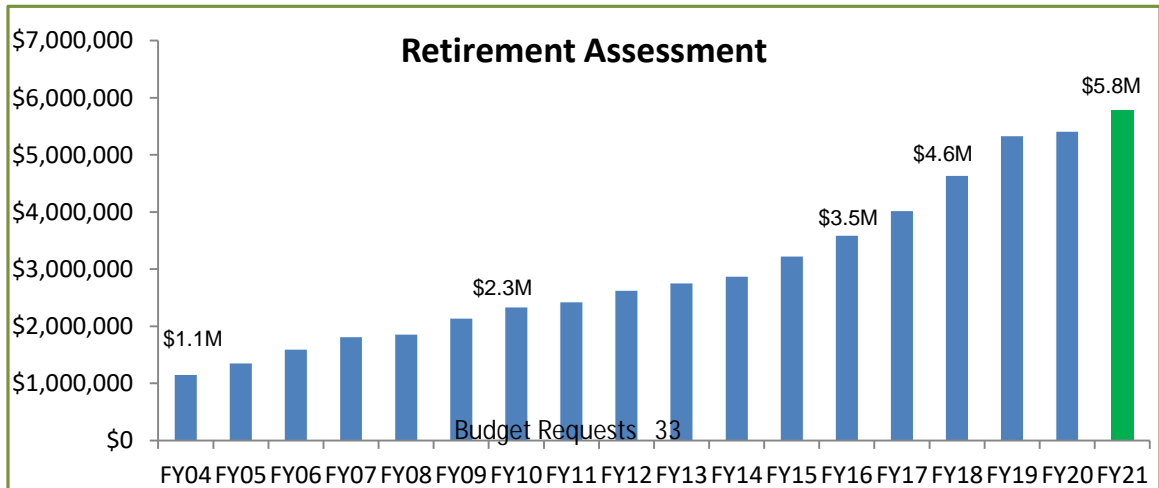
Provides for the protection and well being of Westwood's employees, in conformance with State statutes. This budget includes costs for the following and covers all municipal and school employees.

- Pension
- Workers' Compensation
- Unemployment Compensation
- Health Insurance
- Life insurance
- Medicare Part B
- Medicare Payroll Tax



## Pension

- All MA teachers are part of State Teachers' Retirement System (MTRB).
- Westwood is part of Norfolk County Pension System:
  - All Westwood employees, except teaching staff, working at least 20 hours per week are required to join the Norfolk County pension system.
  - Employees are required to contribute 5 - 11% of weekly earnings, depending on hire date.
  - The Town is required to annually appropriate sufficient funds to cover the annual assessment of the Norfolk County Retirement System, which covers the ongoing cost, the unfunded pension liability for all current employees, and current administration costs.
  - The Town is charged annual assessment, which is appropriated at Town Meeting.

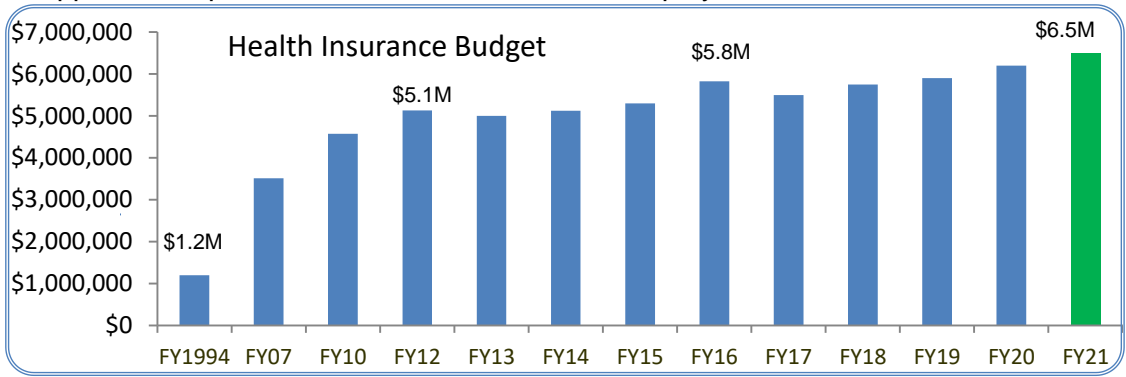


# Shared Fixed Costs

## Group Health Insurance

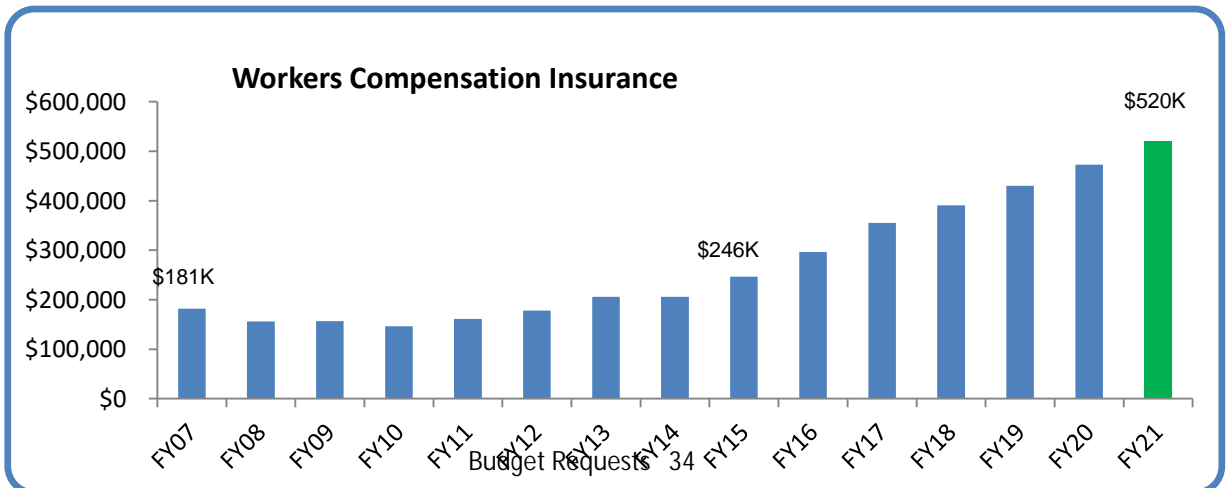
Westwood provides its employees with group health insurance coverage through the MA Group Insurance Commission (GIC). The Town became a participating municipality with the GIC in July, 2015. The Town has greatly benefited from this arrangement in the way of controlled health insurance rates.

By state law, all full time employees working more than 20 hours per week are eligible for health insurance. Retirees are allowed to continue health insurance coverage. Additionally, retirees are required to sign up for Medicare once eligible at 65 years of age. Senior supplemental plans are also offered to retired employees.



## Workers Compensation Insurance

This budget provides workers compensation coverage for all employees, other than public safety. Westwood is a member of the Massachusetts Municipal Association which affords it the opportunity to use the services of the Massachusetts Inter local Insurance Association (MIIA) Membership provides the benefits of pooled risk and resources to control costs. AON Risk Services contracts with MIIA to administer member's claims. MIIA instituted an early intervention program and advised the Town on risk control and provides guidance in employee safety training. This results in a proactive approach to employee safety that reduces workers compensation claims.



# Shared Fixed Costs

## Unemployment Compensation

Westwood must reimburse the Division of Employment Security directly for claims paid to unemployed former employees who for a period of time have had hours reduced. As a governmental entity, the Town pays for unemployment compensation through the reimbursable method versus quarterly payments based on payroll which is the practice of private companies. This budget has remained fairly level over the past several years.

## Medicare Part B Reimbursement

The Town shared the premium cost of the employee's Medicare Part B insurance in the amount of 50% as provided for in Chapter 32B. This was done to reduce the monthly health premium by 50% of the cost of mandatory Medicare Part B. This payment was an incentive for retirees to join the less expensive Medicare supplemental plans vs. remaining on the Town's regular plans.

A change in State law now requires all eligible employees to transition to the Medicare supplemental plans, thereby eliminating the need for an incentive.

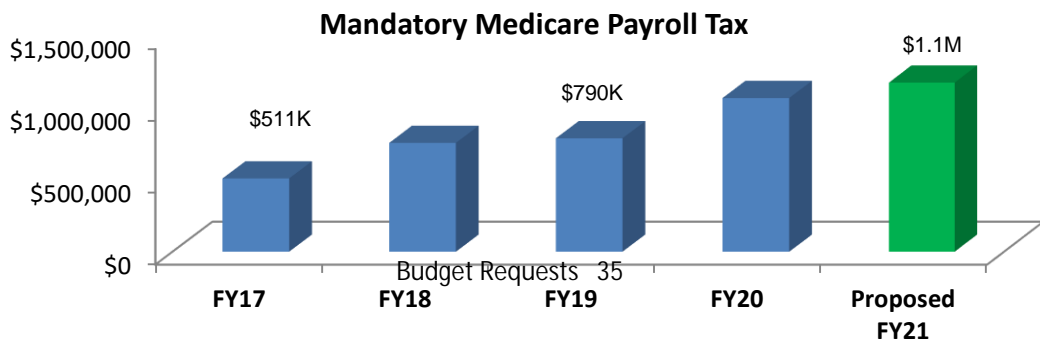
As part of efforts to control the OPEB liability, the Board of Selectmen decided to eliminate the Medicare B reimbursement for all employees who retired after July 1, 2014.

The budget now covers only those previously eligible employees; eventually this budget will be eliminated.

## Medicare Payroll Tax

School and municipal employees do not pay social security tax. In order for those employees to be eligible for Medicare, the federal law changed in 1992.

Federal legislation requires that employers pay 1.45% of the salary earned by employees hired or promoted after April 1, 1986 as Medicare payroll tax. The employees contribute a matching 1.45%. As long time employees retire and new replacement employees are hired, this payroll tax will continue to grow until it is a full 1.45% of total payroll.



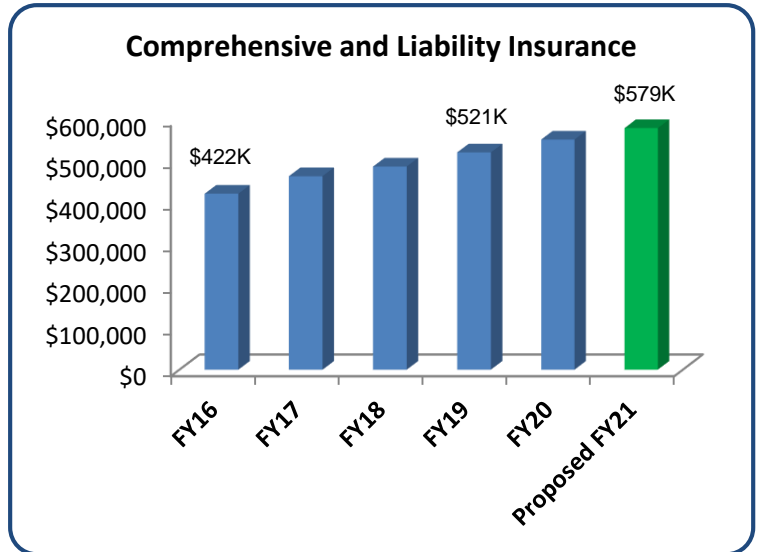
# Shared Fixed Costs

## Comprehensive and Liability Insurance

The Town has comprehensive insurance through MIAA which covers all Town and school buildings. This coverage reduces the financial risk to the Town and minimize losses which might result from property damage, motor vehicle accidents, personal injury, poor decisions, and employee dishonesty or unfaithful performance.

The four major services include:

1. Auto liability and damage.
2. General liability.
3. Property insurance.
4. Umbrella coverage.



## Audit Services

The Town is required to undergo an annual financial audit of all revenue and expenditures. The Town is required to have several audit programs conducted:

- Financial statements and internal controls.
- MA Department of Education Year End Report review.
- Federal grants single audit.
- MA Department of Education school student activity accounts.

The Town audit ensures that all financial and accounting data are fairly stated and represented and that all schedules and financial statements are in conformity with Generally Accepted Accounting Principles (GAAP).

By Charter, the Town has an Audit Committee which provides independent review of the annual audit and audit firm selection. The Committee, made up of three appointed residents, presents annually to the Board of Selectmen a written report of how it has discharged its duties and met its responsibilities.

**Budget Detail**

**DPW Solid Waste & Recycling  
Fiscal Year 2021 Budget**

		<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>
		<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
<b>Expense Detail</b>	<b>Account #</b>				
Collection and Transportation	01-430-5291	\$487,685	\$470,163	\$503,400	\$530,000
Disposal	01-430-5292	\$257,489	\$261,324	\$275,000	\$280,000
Recycling	01-430-5293	\$341,835	\$439,591	\$420,000	\$515,000
Household Hazardous Waste	01-430-5290	\$6,643	\$10,954	\$15,000	\$15,000
Yard Waste Collection	01-430-5294	\$78,774	\$80,744	\$83,000	\$84,000
Bulky Item Collection	01-430-5295				
Dumpster - Municipal Bldg	01-430-5296	\$34,808	\$35,753	\$31,200	\$34,000
Fuel	01-430-5299			\$1,000	\$9,200
<b>Total Expenses</b>		<b>\$1,207,233</b>	<b>\$1,298,528</b>	<b>\$1,328,600</b>	<b>\$1,467,200</b>

## **TRAFFIC CONTROLS**

There are currently fourteen intersections with traffic controls, which are High Street @ Hartford Street, High Street @ Gay Street, High Street @ Windsor Road, High Street @ Summer Street, High Street @ Westwood Glen Road, High Street @ entrance to Fox Hill Village/Prudential Office Park, Washington @ East Streets, Burgess Avenue @ High Street, Washington Street @ Gay Street, Washington Street @ Roche Bros, Washington Street @ Clapboardtree Street, Rosemont @ University Avenue, University @ Blue Hill Drive, and Canton Street @ University Ave. In addition, there are flashers on either side of the Hanlon School on Gay Street, Sheehan School on Pond Street, Middle School on Nahatan Street, and on High Street near the entrance to Highland Glen. Finally, there are floodlights at the Town Hall, Library, and Police Station.

## **SOLID WASTE**

The Solid Waste Budget provides for (5) four major programs/services. These are:

1. Collection and Transportation
2. Disposal
3. Recycling
4. Hazardous Waste
5. Yard Waste Collection

## **COLLECTION AND TRANSPORTATION**

The Town has contracted with Waste Management Inc. for the weekly curbside collection of residential solid waste and the delivery of solid waste to Wheelabrator Millbury, the Town's resource recovery incinerator, with the recyclables also collected, transported, and marketed to the appropriate vendors bi-weekly. The Town has a 5 year contract with Waste Management, with the goals of providing excellent service to our residents, keeping costs stable and increasing recycling, which improves the environment and reduces disposal costs.

## **DISPOSAL**

The Town has contracted with Wheelabrator Millbury for twenty years for the incineration of residential solid waste. Wheelabrator Millbury is a co-generation facility, generating electricity with steam produced as a by-product of waste incineration. The tipping fee per ton, which began at \$55 per ton in 1988, is annually adjusted in January of each year by the rate of inflation as measured by the Consumer Price Index. The 2007 tipping fee was \$108.93 per ton with ash treatment fee of approximately \$6.50 per ton. Based on the Waste Disposal agreement with Wheelabrator Millbury, the disposal fee for 2019-2020 will be approximately \$70.00 per ton.

## **RECYCLING**

The Town is mandated by the Department of Environmental Protection to remove specific items from its waste stream. Effective April 1, 1993 the Town was mandated to remove batteries, cathode ray tubes, white goods, leaves, grass clippings and other yard waste, glass and metal containers. At present, the Town is removing these items as well as cardboard, newsprint, and plastic from the solid waste stream. Approximately ninety-six percent of households participate in the curbside collection of recyclables. Working with the Westwood Environmental Action Committee, DPW provides special collection days as an outlet for other hard-to-dispose and recyclable materials. It is important to increase the amount of recyclable material diverted from incineration for the environment as well as for cost savings to the Town.

<b>Town Services</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Solid Waste/Tons	3818	3841	3735	3768	3708	3688	4035
Recyclables/Tons	1741	1789	1863	1866	1841	1796	1652

## **HAZARDOUS WASTE**

The Town has provided an annual hazardous waste collection day where households are encouraged to dispose of hazardous waste. In past years between 200 and 500 households have participated in the program.

<b>Town Services</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Hazardous Waste Day Participants	121	166	116	112	113	195	145	200

**Budget Detail**

**Town Audit  
Fiscal Year 2021 Budget**

		FY2018	FY2019	FY2020	FY2021
		Actual	Actual	Budget	Budget
<b>Expense Detail</b>					
Professional Services	01-136-5300	\$56,680	\$44,480	<b>\$55,000</b>	<b>\$55,000</b>
Department of Education EOY Report Audit	01-136-5301	\$5,000	\$5,000	<b>\$5,000</b>	<b>\$5,000</b>
Student Activities Audit	01-136-5302	\$6,000	\$22,375	<b>\$21,250</b>	<b>\$21,250</b>
<p>This audit covers all of the Town's financial areas, including school and municipal operations.                      This budget also provides for the required Dept of Education End Year report review and Student Activity Accounts Audit</p>					
<b>Total Expenses</b>		<b>\$67,680</b>	<b>\$71,855</b>	<b>\$81,250</b>	<b>\$81,250</b>



# Town Audit

## **Mission:**

To ensure that all financial and accounting data are fairly stated and represented and that all schedules and financial statements are in conformity with Generally Accepted Accounting Principles (GAAP).

## **Program/Service Areas:**

The Town Audit includes (3) three major programs/services. These are:

1. Financial Statement Generation
2. Audit Support
3. Audit Committee

## **Responsibilities: Audit Committee**

- In 2013 the Town established an Audit Committee consisting of three members appointed by the Board of Selectmen to overlapping three-year terms. The Audit Committee will provide independent review and oversight of Westwood's financial reporting processes, internal controls and independent auditors. The Committee will present annually to the Board of Selectmen a written report of how it has discharged its duties and met its responsibilities.

## **Responsibilities: Accounting Department**

- Engage and schedule professional, licensed, independent auditing firm of certified public accountants.
- Provide timely accounting and financial data in a format that is prescribed by Generally Accepted Accounting Principles and the government Auditing Standards Board.
- Work in collaboration with the independent auditors increasing engagement efficiency required for the timely submission of the CAFR report.
- Provide local, state and federal governments and agencies with timely, audited financial statements.
- Ensure that all financial and accounting data are fairly stated and supported by retrievable documentation.
- Participate in audit closeout meeting and address any outstanding issues outlined in the auditors' management letter.

## **Responsibilities: Audit Firm**

- Perform independent audit of Town's financial statements and provide reasonable assurance that they are free of material misstatement.
- Perform federally mandated Single Audit designed to meet the needs of federal grantor agencies.
- Review through the random test process the accuracy of receipts and expenditures and verify the legal manner in which they were recorded.
- Review contracts for verification that expenditures were in accordance with contractual terms.
- Review payroll, accounts payable, accounts receivable, and purchasing procedures to ensure accuracy and legality.
- Review and advise the Town on the CAFR report and address any changes in the format required to conform to GASB guidelines.
- Issue recommendations for improvement in management and financial reporting systems to ensure accuracy of the recorded data and compliance with all legal requirements.

## **Prior Year Accomplishments:**

- Worked closely with the independent auditors on GASB reporting requirements to ensure timely and accurate data necessary for proper financial reporting.
- The Department of Education implemented new audit requirements for student activity accounts. The initial audit commenced in FY16 and has continued to be performed yearly as part of the ongoing audit process.
- Worked closely with the independent auditors on the annual financial and compliance audit and received an unqualified audit opinion for the FY19 audit.
- Worked closely with the independent auditors on the annual audit of Federal grant funds.
- Received notification that the Town was awarded the National Certificate of excellence in financial reporting for the FY18 CAFR.
- Assisted the finance team with the preparation of the FY19 CAFR.
- Maintained fixed asset reporting in accordance with GASB 34 requirements.
- Assisted with the continued review of GASB 45 to ensure OPEB regulatory compliance.
- Maintained the integrity of the financial data by complying with DOR regulations.
- Prepared and submitted the final FY19 balance sheet to the DOR for free cash certification.
- Continued to provide financial support to all departments to ensure adherence to accounting procedures and policies.
- Audit Committee met several times with the audit firm reviewing the audit process and financial statements.

## **Next Year Service Plan:**

The Accounting Department is committed to preparing a complete set of financial statements in conformity with Generally Accepted Accounting Principles. The department will work closely with the independent auditors to enhance the overall efficiency of the audit engagement and will maintain the integrity of the financial records to ensure the assets of the Town are protected. The department will demonstrate its commitment to assist the audit firm with remaining GASB compliant. Collaborative efforts within the financial department will continue to ensure the successful submission of the FY20 CAFR report. Internal controls will be reviewed to ensure efficient operations and recommendations for increased efficiencies will be implemented to ensure the continued expansion of financial reporting and financial integrity.

# Town of Westwood, Massachusetts

## Five Year Capital Improvement Plan Fiscal Years 2021-2025





## Office of the Finance Director

To: Select Board  
From: Pam Dukeman, Finance Director  
Date: October 31, 2019  
Re: FY2021- FY2025 Capital Improvement Plan

I am pleased to submit to the Board the Five-Year Capital Improvement Plan document for the Town for the fiscal years 2021-2025.

This document should serve as the basis for making capital budget decisions, assisting in maintenance of the Town's assets, and identifying the necessary funding to accomplish those tasks.

This report presents a comprehensive look at the capital needs of the school and municipal departments for a five year period. Please note, any costs for future major building projects are estimates only and any costs noted are for general parameters only. Also included are the Town's capital financial policies, asset inventory schedules, long term debt financial policies, debt schedules and history of capital expenditures. Having this information centralized in one annual document provides for broad analysis of the Town's capital needs.

The Town has made great progress in increasing the funding available for capital improvements, with increasing amounts to capital over the last several years. The Town is on track to continue this important reinvestment in the Town's capital assets.

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Town of Westwood  
Finance Director  
Phone: (781) 320-1010  
E-mail: [PDukeman@townhall.westwood.ma.us](mailto:PDukeman@townhall.westwood.ma.us)

## **CAPITAL OVERVIEW**

The Capital Improvement Plan is a five year projection of capital needs for maintaining and upgrading the Town's physical plant. It provides detailed information concerning those capital requests for the upcoming fiscal year; summary information for the following four fiscal years is provided to identify current projections of what level of capital outlay will be required in future years.

The Select Board are committed to reinvesting in the community's capital infrastructure. The Town's physical resources are a major component of the Town's overall financial assets and represent a significant investment of public funds. As such, the Town must adequately maintain and update its capital assets.

In January, 2004 the Select Board adopted updated Financial Policies, including capital planning and debt management policies. The capital policies require that a Five-Year Capital Improvement Program document be issued annually. In addition, capital funding and debt management policies were developed in order to continue to appropriately balance total debt and capital costs and tax implications with other operating sources.

The Select Board has made tremendous progress over the last few years in increasing the funding available for capital. This has resulted in regular roll over of important equipment in the DPW, Police and Fire Departments, and well maintained municipal and school facilities.

### **Definition of Capital Projects**

Capital items shall be defined as follows:

- Items requiring an expenditure of at least \$10,000 and having a useful life of more than five years.
- Projects consisting of real property acquisitions, construction, capital asset improvements, long-life capital equipment, or major maintenance/repair of an existing capital item, as distinguished from a normal operating expenditure.
- Items obtained under a long term lease.
- Bulk purchases of similar items, such as technology and furniture purchases, shall be aggregated and the total considered a capital item.

### **Funding of Capital Projects**

Capital projects can be financed in a number of ways. An appropriate balance of financing options is important to maintain an ongoing program and limit the community's risk. Westwood has continued to utilize a mix of pay-as-you-go financing, combined with prudent use of debt financing. This mix has provided significant resources for capital over the last several years. The Town has been able to increase the capital budget over the last few years.

Going forward, the Town should continue to shift a portion of its pay-as-you-go financing from free cash to an annual tax revenue appropriation. As new commercial tax revenue becomes available, a portion should be directed to ongoing capital needs.

The following funding sources are used to finance the Town's capital improvements:

**Tax Revenue** – Annual revenue from the total tax levy can be used to fund capital items.

**Free Cash** – The Town's "undesignated fund balance"; certified each July 1 by the state and the portion of fund balance available for appropriation. As Free Cash should not be used for operating budgets, it is a very appropriate revenue source for non-recurring capital items.

**Borrowing Approved within Proposition 2 ½** - For large construction, infrastructure and land purchase projects, general obligation bonds are issued. Funding for annual debt service comes from annual budget within the tax levy.

**Borrowing Approved as Exempt to Proposition 2 ½** - For large construction, infrastructure and land purchase projects, general obligation bonds are issued. Funding for annual debt service is raised through additional tax revenue raised outside the limits of Proposition 2 ½ (exempt debt).

**Sewer Enterprise Funds** – Sewer Enterprise Fund retained earnings and user fees are used to fund capital items for the sewer operations.

**Sewer Enterprise Borrowing** – For large sewer infrastructure projects, general obligation bonds are issued. Funding for annual debt service is fully supported by sewer user fees.

**Capital Improvement Stabilization Fund** – Funding for annual capital expenditures may come from the Capital Improvement Stabilization Fund upon vote of Town Meeting. This fund, established at the 2005 Annual Town Meeting, currently has a \$1.52M balance, and was recently used to fund the replacement of the high school turf field in the summer of 2016.

**Other Sources** – Other funding sources may include state and federal grants and available funds, such as ambulance receipts, library trust funds or other restricted accounts.

### *A Look at Recent Capital Project Financing*

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Tax Revenue	\$148,000	\$58,100		\$83,100	\$381,950		
Free Cash	\$800,000	\$1,308,150	\$1,678,000	\$1,742,050	\$1,769,050	\$2,178,900	\$3,163,500
Borrowing Within Proposition 2 ½			\$11,000,000	\$13,205,000	0	\$5,250,000	\$900,000
Exempt Debt							
Sewer Enterprise Funds	\$100,000		\$450,000	\$135,000	\$600,000	\$420,000	\$1,050,000
Sewer Enterprise Borrowing	\$1,570,000			\$234,000			
Other Sources	\$240,000	\$339,000	\$950,000	\$432,000	\$532,000	\$875,760	\$582,500

### **Process and Presentation to Voters**

Annually, municipal and school departments prepare five-year projections of their capital needs. The requests are summarized and presented to the Selectmen for review. The School Committee prioritizes the capital requests for the School Department. Capital funded as debt exemptions require additional approval by the voters at the ballot as Proposition 2 ½ exemptions.

The Select Board prepare a recommended capital budget and present it to the Finance and Warrant Commission for review and recommendation to Town Meeting. Town Meeting votes approval of capital articles; capital articles requesting borrowing are separately voted.

## **FY21 CAPITAL DISCUSSION AND RECOMMENDATIONS**

The Town has continued to emphasize the importance of the capital budget. The capital budget provides for many areas of capital spending including important equipment for public safety and public works departments, renovation and maintenance of Town and School facilities, and important drainage and road repairs to maintain the sewer and road infrastructure.

The Town's assets, including school and municipal buildings, roadways and sewer, vehicles and equipment are valued at over \$260 million. We should properly maintain these assets and not defer maintenance which delays problems for future generations. Economic conditions and difficult budget years can make it challenging to properly fund capital, while balancing operating budget needs.

Capital projects can be financed in a number of ways. An appropriate balance of financing options is important to maintain an ongoing program and limit the community's risk. Westwood has continued to utilize a mix of pay-as-you-go financing, combined with prudent use of debt financing. This mix has provided the resources for capital over the last several years.

### **Categories of Capital**

#### *Major Building Construction/Renovation – Steady Reinvestment*

The Town has invested significant capital reserves over the last several years in major building construction and renovation. These projects have been funded through a mix of debt borrowing and grant opportunities. The Town has successfully analyzed debt schedules to take advantage of layering in new debt as older debt is retired. This borrowing, within and outside Proposition 2 ½, has provided for significant investment in the Town's capital. The borrowings have been supplemented by substantial state grant programs, including the MSBA funding for the school projects, state funding for the COA facility, and the state Library Commission grant for the new library. Through the combination of debt and grants, the Town has constructed/renovated the following projects:

- New High School.
- Significant improvements/addition to High School/Middle School fields.
- New Council on Aging facility.
- New Carby Street municipal building.
- Major renovation/expansion to Martha Jones Elementary School.
- Major renovation/expansion to Downey Elementary School.
- Renovation/expansion to Thurston Middle School.
- New Library.
- Deerfield School roof.
- New Islington Fire Station.
- New Police Station

These new facilities have been wonderful improvements for the Town and have been well received by residents. The Town should continue to provide for major facility renovation/additions through the current financing methods.

## **Upcoming Major Facility Projects**

Two areas are currently undergoing major planning for implementation. These are:

### **School Buildings**

School buildings master plan review - The School Committee is currently engaged in moving forward on a comprehensive update to the three elementary schools that were built between 1948 and 1953.

The Schools have been working toward receiving partial funding from the Massachusetts School Building Association (MSBA), a state funded program to help pay for construction, renovations and repairs to elementary schools. The MSBA recently voted to invite Westwood into its eligibility period, during which time specific plans will be formulated with input from the community. At the May 2018 Annual Town Meeting, residents voted to approve \$1.75M to begin the initial process for this important project.

The Schools are now beginning the feasibility portion with the MSBA and an engagement process with the community to move toward defining specific which specific project will go forward. It's expected that this process will occur from Fall 2019 to Spring 2020.

For more information on the elementary schools building project, the Schools have set up a dedicated area on the School's website, which can be found by clicking the yellow button on the district's main web page.

### **Municipal Buildings**

In FY14, a study began to determine the next phase of municipal facility needs. That study concluded that the priority for municipal needs is the public safety facilities.

Changes in public safety challenges as well as new growth (most recently the significant development of University Station), has necessitated that the Town take a serious approach to modernizing the public safety facilities. The Select Board created the Public Safety Facility Task Force in June 2013 to review these facility needs. The Task Force has presented a comprehensive plan to the Select Board for the municipal and schools buildings. The proposal included:

- Construct a new fire substation to be located at the current Islington site. This building to be larger than the current building to accommodate additional staff and equipment needed to service University Station. This project was recently completed, opening in October 2017.
- Construct a new police headquarters located behind the existing facility. This building to accommodate the police operations and needs that have occurred since the current station was built in 1967. This project was recently completed, opening in October 2017.
- Renovate the main fire at its existing site. This project remains under consideration.

Other municipal facilities including Town Hall, a Recreation Community Center and DPW facilities are still under consideration for future work.

The recent, May 2018, Town Meeting approved significant renovation to the Islington Center area. This work will include upgrades, enhancements, and a new facility for the Town's Branch Library, Youth and Family Services department, and a community meeting room. This work is currently ongoing, with the relocation of Wentworth Hall scheduled for late Fall 2019. Construction and renovation will continue through Fall 2020.



### *Capital Equipment – Increased Allocation in Recent Years*

Proper capital equipment is needed by departments to carry out the important work for the community. This is particularly true for public safety and public works departments. These departments rely heavily on vehicles and equipment (such as police and fire vehicles, large dump trucks, street sweepers, etc.) to provide daily services. The School Department also relies heavily on ongoing equipment to provide quality services for the school children. This equipment includes furniture and equipment for the school facilities, copiers, and changing technology needs.

In the area of capital equipment, the Town has primarily funded this through a pay as you go basis. The annual capital spending in this area had been approximately \$820,000 a year for several years, the majority funded by free cash. This level of spending had been approximately half of the recommended level per the Town's financial policies.

From FY14 to Fy18 steady increases have been achieved each year to increase the base capital spending. The School and Municipal capital articles are now well over \$1.7M annually. Efforts will continue to increase this funding.

In addition, as part of the FY13 budget, a significant investment was made in DPW equipment through approval of a \$2M capital bond. This bond allowed for "catch up" on important DPW equipment and will provide for a transition period to incorporate the annual renewal of DPW equipment into the ongoing capital equipment articles. The DPW is now on a regular ongoing rotation of replacement of capital equipment.

### *Roads, Drainage, Sewer, Infrastructure – Town Bonds Supplement State and Federal Grants*

The capital budget provides for major road and drainage throughout the Town. It is important to consistently update the roadways to provide for safe travel throughout Town.

The Town has funded road improvements, drainage and sewer infrastructure needs through a combination of bond financing and state and federal grants. The bond financing has been both within and outside of Proposition 2 ½ and sewer infrastructure borrowings have been funded through sewer user fees. Outside funding includes state Chapter 90 annual funds, state MA Water Resources funds and federal PWED funding. These additional funds have been used to supplement Town approved borrowings. It is important to analyze debt schedules to appropriately layer in new debt as existing debt is retired.

As part of the FY13 capital budget, a major road improvement bond of \$2.4M was approved. This provides for significant repair and maintenance to several areas, as outlined in the Town's road improvement program. These funds, in combination with Chapter 90 funding, addressed important needs in Town. As this debt comes to completion, a bond for the next phase of road and sidewalk will be completed.

In FY14, a major sewer bond of \$1.57M was approved. This allowed the Sewer Commission to continue to maintain and upgrade the sewer infrastructure.

The town is looking to incorporate estimated \$300K annually into the ongoing budget funding, to supplement Chapter 90 on an ongoing basis in order to properly maintain the town's roads.

## **FY21 Capital Funding**

The initial FY21 capital budget as included in the Select Board's preliminary FY21 budget plan:

- Provides for the level funding of the base School and Municipal capital budget at the recent higher level of approximately \$2.3M.
- Will provide for additional capital budget article as done in several past years.
- Continue to support the School MSBA project for elementary school construction.

**Capital Outlay Requests - FY2021  
For Approval at the 2020 Annual Town Meeting**

**Current Availability for Funding - FY2021**

**Pay-as-you-go Capital**

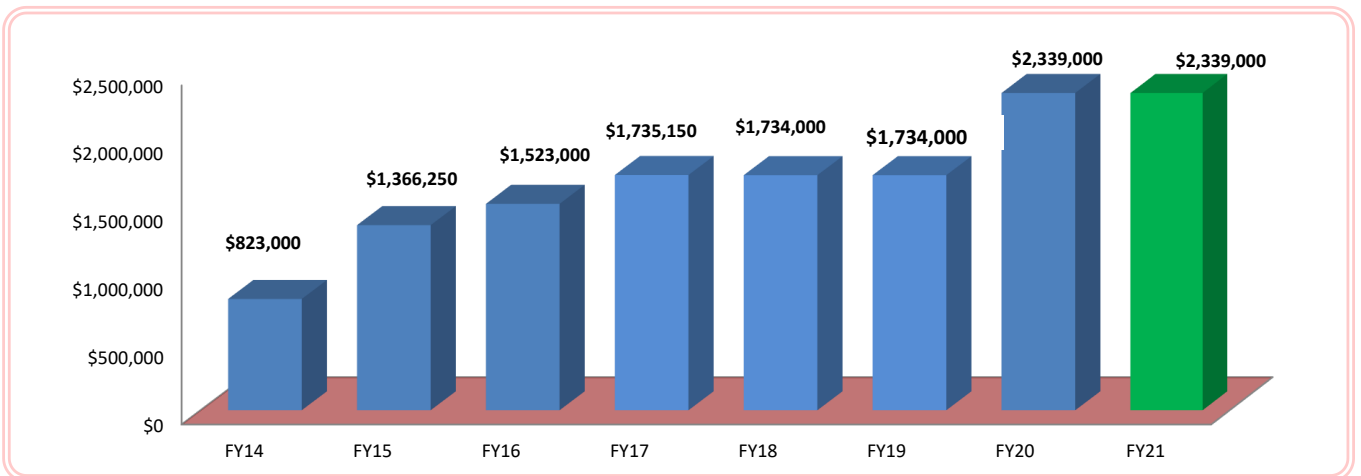
The current funding would provide the following capital level:

	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>Proposed FY21</b>
School Capital	\$756,000	\$885,050	\$867,000	\$886,900	\$1,017,000	\$ 1,017,000
Municipal Capital	\$767,000	\$850,000	\$867,000	\$867,000	\$1,322,000	\$ 1,322,000
Additional Capital	\$400,000	\$650,000	\$949,000	\$1,300,760	\$1,339,500	TBD

- In FY21, consideration can again be given to adding additional one time request capital through use of free cash.
- The School Committee and Board of Selectmen will identify specific recommendations for items to be approved within the capital targets.

Prior years of capital borrowing are listed below.

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
Borrowing Within Proposition 2 1/2	\$1,850,000	\$12,040,000	\$13,205,000	\$0	\$5,250,000	\$900,000
Borrowing Outside Proposition 2 1/2			\$0	0	\$0	\$0
Other Sources		\$450,000	\$0	0	\$0	\$0
Sewer			\$234,000	\$0	\$0	\$0



**Base Capital Budget**

## Capital Budget Procedure

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The Town of Westwood operates under state statutes and the Town Charter as adopted July 1, 1970 and amended 2010. The Town Charter provides for a Select Board/ Open Town Meeting/ Town Administrator form of town government. The proposed annual budget of the town is assembled by the Town Administrator.

The capital budget is presented in a separate five-year document and is also included as a separate section of the Town's budget document. It provides detail information concerning those capital requests for the upcoming fiscal year; summary information for the following four fiscal years is provided to identify current projections of what level of capital outlay will be required in future years.

All capital requests are categorized into major categories, which are methods of how the items will be voted and funded at town meeting. The categories are:

- Warrant Article Capital Projects/Equipment - requests for major construction, repair projects or large equipment which are over \$10,000 in cost. The items proposed for funding in this category are summarized in either a capital project or capital equipment article for town meeting action.
- Capital Projects to be Funded by Bonds - requests for large construction projects that are to be financed over a period of years. Items to be financed through long term debt must receive Town Meeting approval authorizing the borrowing of funds.

The School Committee reviews and prioritizes School Department capital projects, and the Board of Selectmen reviews and proposes all other capital projects, as well as overall funding, for presentation to the Finance and Warrant Commission and Town Meeting for their respective consideration.

The capital budget process requires flexibility to accommodate changing conditions. Changes in priorities may occur because of:

- Changes due to updated information from original submission.
- Availability of grant funding.
  - For example, request for approval of the new High School was accelerated due to the imminent change(s) to the state funding process which would have resulted in lower state reimbursement.
  - Availability of state library grant funds impacted the timing of the new library.
- Changes due to market opportunities; i.e., facilities for sale.
- Occasionally the investigative work to determine priority for a project reveals an immediate safety concern which changes the priority such as roofing or building safety concerns.

### **Annual Capital Budget Schedule**

#### **September/ October**

- All departments are requested to prepare and submit their five-year capital requests with detail provided on each request.
- During this period the Select Board provides the initial budget guidelines, including capital funding, for the upcoming fiscal year.
- Reviews of requested capital items are conducted with municipal departments to understand the requested projects.

- The School administration considers their capital requests which are included in the final capital budget document.

### **November/December**

- Five year comprehensive capital budget document produced.
  - Document includes Town's capital financial policies, asset inventory schedules, long term debt financial policies, debt schedules and history of capital expenditures.
  - Distributed to Town and School officials and Finance and Warrant Commission.
- The Select Board continues the overall budget discussions and determines available funds for capital.
  - Base capital.
  - Debt schedules and ability to borrow.
  - Any additional funding available for capital.
- Reviews of requested capital items are conducted with municipal departments to determine the overall priorities which will be presented for approval.
- The School administration prioritizes their capital requests within allowed funding which will be presented for approval.

### **January/February**

- Capital requests are prioritized per available funding.
- Select Board votes approval of preliminary capital budget articles to be put forth to Finance and Warrant Commission.
- Specific items are subject to change depending on receipt of new information.
- Review of items with Finance and Warrant Commission.

### **March**

- Capital reviewed and approved by the Select Board before the final Finance and Warrant Commission public hearings.
- Finance and Warrant Commission votes on Select Board capital budget articles at their final public hearing.

### **May**

- Town Meeting votes on capital articles.

**FY2021 - FY2025 Capital Requests**

**Ongoing School and Municipal Capital Requests**

Capital Project Requests	FY2021 Request	FY2022 Request	FY2023 Request	FY2024 Request	FY2025 Request	Total
<b>Council on Aging</b>						
Wheelchair Accessible Van	\$90,000	\$90,000	\$90,000		\$90,000	\$360,000
<b>COA Department Total</b>	<b>\$90,000</b>	<b>\$90,000</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$90,000</b>	<b>\$360,000</b>
<b>DPW</b>						
<b>Public Works - Fleet</b>						
1 Heavy Duty Dump Truck with Plow (Truck 19)	\$390,000					\$390,000
One Ton Dump Truck With Plow (Truck 35)	\$70,000					\$70,000
Tractor machine for cemetery	\$35,000					\$35,000
1 Heavy Duty Dump Truck with Plow (Truck 10)		\$200,000				\$200,000
One Ton Dump Truck with Plow (Truck 17)		\$70,000				\$70,000
Roadside brush trimmer/sidewalk machine		\$120,000				\$120,000
1 Heavy Duty Dump Truck with Plow (Truck 8)			\$200,000			\$200,000
1 Heavy Duty Dump Truck with Plow (Truck 20)			\$200,000			\$200,000
One Ton Dump Truck with Plow (Truck 26)			\$70,000			\$70,000
Roadside Sweeper (Truck 4)				\$220,000		\$220,000
One Ton Dump Truck (Truck 30)				\$70,000		\$70,000
Heavy Duty Dump Truck (Truck 23)				\$200,000		\$200,000
One Ton Dump Truck (Truck 13)					\$95,000	\$95,000
Front End Loader (L1)					\$225,000	\$225,000
Heavy Duty Dump Truck (Truck 27)					\$295,000	\$295,000
<b>DPW Department Total</b>	<b>\$495,000</b>	<b>\$390,000</b>	<b>\$470,000</b>	<b>\$490,000</b>	<b>\$615,000</b>	<b>\$2,460,000</b>
<b>Fire</b>						
Replace Engines (2) (Lease Payments)	\$226,400	\$226,400				\$452,800
Turnout Gear Purchase and Replacement	\$44,520	\$39,326	\$40,000	\$40,000	\$40,000	\$203,846
Swap-Body Multi Purpose Vehicle	\$400,000					\$400,000
SCBA Upgrade and Replacement	\$46,000	\$48,500	\$50,925	\$53,471	\$56,145	\$255,041
Rescue Upgrade and Replacement	\$25,750	\$26,250	\$12,500	\$12,500	\$12,500	\$89,500
Radio Upgrade and Replacement	\$18,720	\$19,469	\$20,248	\$21,057	\$22,500	\$101,994
Replace Ambulance A-3			\$382,500			\$382,500
Shift Command Vehicle	\$62,500					\$62,500
Replacement of Fire Alarm Vehicle		\$35,000				\$35,000
Replacement of Fire Prevention SUV					\$52,500	\$52,500
Replace Ladder 1				\$1,400,000		\$1,400,000
<b>Fire Department Total</b>	<b>\$823,890</b>	<b>\$394,945</b>	<b>\$506,173</b>	<b>\$1,527,028</b>	<b>\$183,645</b>	<b>\$3,435,681</b>
<b>Information Technology</b>						
End User Technology	\$75,000	\$85,000	\$75,000	\$75,000	\$75,000	\$385,000
Fund Accounting Software (2nd of 2)	\$275,000					\$275,000
<b>IT Department Total</b>	<b>\$350,000</b>	<b>\$85,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$660,000</b>
<b>Library</b>						
Patron/Staff End User Technology	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$70,000
Self Check Circulation Terminals	\$28,000					\$28,000
<b>Library Department Total</b>	<b>\$38,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$98,000</b>
<b>Police</b>						
Replacement of Police Vehicles	\$190,000	\$196,000	\$205,000	\$210,000	\$211,000	\$1,012,000
Police Equipment	\$32,500	\$33,500	\$34,500	\$35,500	\$37,000	\$173,000
Police, Fire & EMS Radio Infrastructure	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
<b>Police Department Total</b>	<b>\$297,500</b>	<b>\$304,500</b>	<b>\$314,500</b>	<b>\$320,500</b>	<b>\$323,000</b>	<b>\$1,560,000</b>

**FY2021 - FY2025 Capital Requests**

**Ongoing School and Municipal Capital Requests Continued**

Capital Project Requests	FY2021 Request	FY2022 Request	FY2023 Request	FY2024 Request	FY2025 Request	Total
<b>Municipal Buildings Maintenance</b>						
CSMOB Paint and Floor	\$40,000					\$40,000
Town Hall Improvements	\$300,000					\$300,000
Wentworth Hall - F,F, & E	\$170,000					\$170,000
Security Upgrades	\$75,000					\$75,000
Fire Station 1 Renovation - 2nd Phase	\$150,000					\$150,000
COA kitchen		\$75,000				\$75,000
CSMOB mechanical upgrades		\$45,000				\$45,000
Cemetery Garage		\$35,000				\$35,000
DPW Garage			\$50,000			\$50,000
Municipal Parking Lots			\$30,000		\$30,000	\$60,000
COA Doors			\$30,000			\$30,000
Library Painting				\$75,000		\$75,000
CSMOB Renovation					\$250,000	\$250,000
Facility Maintenance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Energy Efficiency	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
<b>Building Maintenance Category Total</b>	<b>\$885,000</b>	<b>\$305,000</b>	<b>\$260,000</b>	<b>\$225,000</b>	<b>\$430,000</b>	<b>\$2,105,000</b>
<b>Westwood Affordable Housing Associates</b>						
Building Maintenance and Improvement	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000	\$550,000
<b>WAHA Department Total</b>	<b>\$150,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$550,000</b>
<b>Recreation Capital</b>						
Recreation Storage	\$125,000					\$125,000
Pool - Drainage and Refurbishment	\$75,000					\$75,000
Pool - Acoustic Panels		\$75,000				\$75,000
<b>Recreation Department Total</b>	<b>\$200,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$275,000</b>
<b>Total Ongoing Municipal Capital Requests</b>	<b>\$3,329,390</b>	<b>\$1,759,445</b>	<b>\$1,830,673</b>	<b>\$2,752,528</b>	<b>\$1,831,645</b>	<b>\$11,503,681</b>
<b>School</b>						
Technology	\$520,000	\$360,000	\$280,000	\$580,000	\$280,000	\$2,020,000
Furniture, Fixtures, and Equipment	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000
HVAC and Controls	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Roofing	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
Repair Items	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$1,750,000
Copiers / Duplicators	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$475,000
Vehicles	\$50,000	\$0	\$40,000	\$0	\$40,000	\$130,000
<b>Schools Total</b>	<b>\$1,840,000</b>	<b>\$1,630,000</b>	<b>\$1,590,000</b>	<b>\$1,850,000</b>	<b>\$1,590,000</b>	<b>\$8,500,000</b>
<b>Sewer Capital Requests</b>						
Inflow & Infiltration Program		\$500,000		\$500,000		\$1,000,000
Inflow & Infiltration Assessment	\$125,000		\$125,000		\$125,000	\$375,000
Pump Station Facility Program	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000
Sewer Vac Truck Replacement	\$500,000					\$500,000
Stormwater MS-4 Requirement	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$350,000
<b>Sewer Total</b>	<b>\$1,195,000</b>	<b>\$1,070,000</b>	<b>\$695,000</b>	<b>\$1,070,000</b>	<b>\$695,000</b>	<b>\$4,725,000</b>

## FY2021 - FY2025 Capital Requests

### Major School and Municipal Infrastructure Projects

Capital Project Requests	FY2021 Request	FY2022 Request	FY2023 Request	FY2024 Request	FY2025 Request	Total
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#### Community Wide - Municipal/School Infrastructure

Turf Field Replacement (Practice Field)	\$750,000					\$750,000
Recreation - Field Lighting Project (Thurston Site)	\$725,000					\$725,000
Recreation - Tennis Court Repurposing (Sheehan Site)	\$250,000					\$250,000
Pool - Deck Surfacing Replacement	\$200,000					\$200,000

<b>Municipal/School Infrastructure Total</b>	<b>\$1,925,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,925,000</b>
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#### Municipal Infrastructure

Route 109 Corridor Project	\$1,100,000					\$1,100,000
Crosswalk Safety Improvements Town Wide	\$500,000					\$500,000
Sidewalk and Pavement Enhancements Town Wide	\$1,500,000					\$1,500,000
Pavement Preservation Program Town Wide	\$900,000					\$900,000
Gay Street Sidewalk Construction		\$4,000,000				\$4,000,000
Road/Sidewalk Improvement		\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000

<b>Municipal Infrastructure Total</b>	<b>\$4,000,000</b>	<b>\$4,300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$9,200,000</b>
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### Overall Summary of Capital Requests

Summary of Requests:	FY2021 Request	FY2022 Request	FY2023 Request	FY2024 Request	FY2025 Request	Total
Ongoing Projects:						
Municipal	\$3,329,390	\$1,759,445	\$1,830,673	\$2,752,528	\$1,831,645	\$11,503,681
Sewer	\$1,195,000	\$1,070,000	\$695,000	\$1,070,000	\$695,000	\$4,725,000
Schools	\$1,840,000	\$1,630,000	\$1,590,000	\$1,850,000	\$1,590,000	\$8,500,000
<b>Total Ongoing Projects</b>	<b>\$6,364,390</b>	<b>\$4,459,445</b>	<b>\$4,115,673</b>	<b>\$5,672,528</b>	<b>\$4,116,645</b>	<b>\$24,728,681</b>
Community Wide Municipal/School Infrastructure	\$1,925,000	\$0	\$0	\$0	\$0	\$1,925,000
Municipal Infrastructure	\$4,000,000	\$4,300,000	\$300,000	\$300,000	\$300,000	\$9,200,000
<b>Total Capital Requests</b>	<b>\$12,289,390</b>	<b>\$8,759,445</b>	<b>\$4,415,673</b>	<b>\$5,972,528</b>	<b>\$4,416,645</b>	<b>\$35,853,681</b>

The Town and Schools remain committed to ongoing investment in major facilities. The following identifies current projects under consideration. The amounts listed are estimates only, given to provide general parameters.

### Major Building Projects

The Costs for these future building proposals are currently estimates only.

Projects/Amounts listed for informational purposes only

Summary of Requests:	FY2021 Request	FY2022 Request	FY2023 Request	FY2024 Request	FY2025 Request
Schools Elementary Building Project		est \$50M - \$85M			
Town Hall Renovation	\$150,000		\$10,500,000		
Senior Center Expansion				\$40,000	\$6,000,000
Fire Station 1 Site Analysis and Design		\$1,250,000			
Fire Station 1 - New Build - Estimate Only			\$15,000,000		
DPW Facility	\$18,000,000				
Sewer Maintenance Facility Design & Construction	\$60,000	\$3,000,000			
Community/Recreation Center Construction		\$100,000	\$3,000,000		