

Town of Westwood, Massachusetts

Proposed FY23 Overall Budget Summary July 1, 2022 – June 30, 2023



TABLE OF CONTENTS

This report is a summary of the Fiscal Year 2023 budget as well as an overview of the Town’s finances.

Transmittal Letteri
2023 Budget Summary 1

FY23 Proposed Budget

FY2023 Projected Budget Revenue.....7
FY2023 Tax Levy.....8
FY2023 Proposed Expenditure Summary..... 10
FY2023 Proposed Capital.....12
FY2023 Appendix D Proposed Budget16

Information to Know....

Everything You Wanted to Know About:

The Tax Levy:

- Explanation of Proposition 2 1/2.....24
- History of Overrides25
- Tax Levy History.....27
- Tax Rate/Bill History28
- Information About Fiscal Year 2022 Real Estate Tax Bill.....32
- A Look at Assessed Values36
- Importance of Commercial Value37
- Tax Relief.....38

University Station Revenue and Use.....45
State Aid51
Available Funds/Local Receipts53
Free Cash55
Meals Tax56
Operating Budget58
Capital Funding61
Stabilization Fund.....67
Capital Stabilization Fund68
Debt Management.....69
Other Post Employment Benefit Costs (OPEB).....78
Pension System.....81
Shared Fixed Costs82
Financial Policies/ Target Status.....89
What Do Those Financial Terms Really Mean?92



Town of Westwood

Commonwealth of Massachusetts

Select Board

Michael Walsh, Chair
John Hickey
Robert Gotti

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

February 1, 2022

To the Select Board:

Enclosed you will find the *Proposed FY23 Budget Summary* document. The document is organized as outlined below. I am confident our residents will find this document a comprehensive, easy to use reference tool.

- FY23 Proposed Budget – outlines the overall FY23 budget currently proposed by the Select Board.
- Information to Know – provides significant, comprehensive detail on important areas of the Town’s finances.

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 FY23 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



Reserve Accounts

Long Term Liabilities

Service Levels

Select Board continues to work to address all areas.

Directly following this letter is a summary of the FY23 budget.

Next Steps

There will continue to be work to be done to finalize the FY23 budget before Town Meeting.

Particular budget items to monitor include:

- Health Insurance budget. The Group Insurance Commission (GIC) will update FY23 plan design and premiums during February and March and we will update the budget accordingly. The health insurance budget currently includes 7% increase in premiums. We will update in early March to the actual premium will be voted by GIC.
- State Aid. The State budget process has just begun. The Governor has indicated minor increases to FY23 State Aid. We will continue to monitor the budget for updated information.
- 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. This includes working with Bond Counsel and language for any borrowing article and determining which borrowing articles may go forward.

I want to thank all involved in putting this document together. The quality of services provided to the community by Municipal and School departments is so impressive for a small community like Westwood and is the direct result of the Select Board and Town Administrator Chris Coleman'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. We will continue to monitor and update the ever changing data and keep parties informed as we move forward to Town Meeting.

Respectfully submitted,



Pamela Dukeman
Assistant Town Administrator/Finance Director

FY23 Budget Summary

The FY23 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 FY22 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.

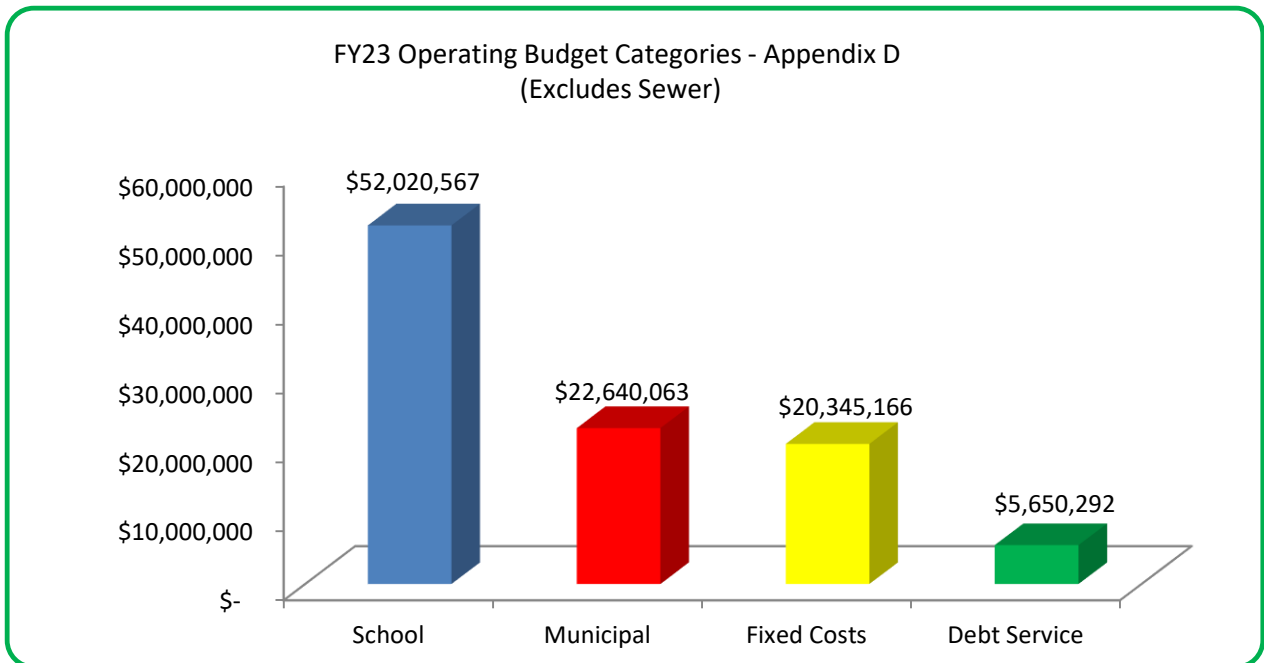
FY23 Budget Summary

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.
- 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 FY23 proposed budget continues with this discipline and seeks to balance all of the many needs of the community. The FY23 budget currently includes:

- Commitment to high quality services provided by school and municipal departments.
- Approximate 3.7% increase to municipal and 3.5% to school operating budgets.
- Commitment to high level of ongoing base school and municipal capital \$2,373,250.
- 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 \$1.515M annual appropriation. This allows the Town to remain on target with the liability funding schedule.
- Additional use of \$300,000 of Free Cash to expand senior tax relief through the successful Aid to the Elderly program.



For further detail on the operating budget, please see the FY23 Proposed Budget section of this book

Impact of COVID Pandemic

This ongoing commitment to disciplined and sustainable budgets has allowed the Town to weather the disruption of the COVID pandemic without having to dramatically alter our main School and Town Services.

The efforts over the last several years to build sustainable budgets, not relying on one time revenue, and having appropriate resources have all contributed to the Town's ability to maintain services in FY21 and FY22 and plan for continued services in FY23.

There were additional costs experienced by School and Municipal departments as they pivoted service delivery due to COVID.

Some additional costs incurred by School and Municipal Departments

- Public Safety staffing
- Purchase of Personal Protective Equipment (PPE) and safety equipment
- Technology costs to set up remote operations, Town and Schools
- Additional facility costs – cleaning, maintenance, and signage
- Health Department impacts
- Changes to election process
- Vaccine and testing programs

There have been State and Federal funds available to offset these additional costs.

- Available Funds to address these costs include:
 - State CARES Act \$1.4M
 - FEMA
 - School specific state reopening funds \$675K
 - Small grants specific for:
 - Board of Health
 - Elections

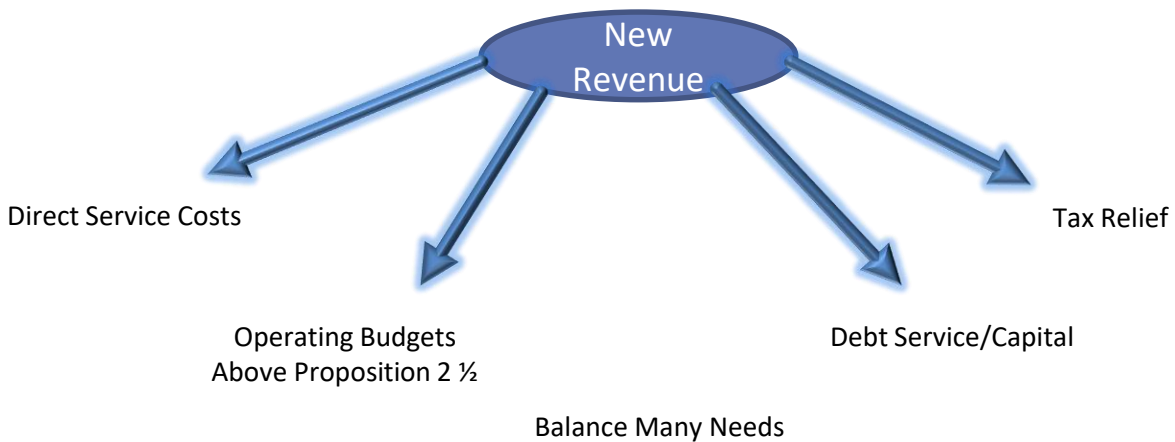
These outside Federal and State funding sources allowed School and Municipal departments to offset additional COVID costs. The Town did not need to supplement budgets or use Town reserves to pay for these costs in FY21 or FY22.

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.

FY23 will represent the eighth year of new tax revenue from the University Station project. To date through FY22, the project has increased our tax levy by \$6.6M.

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.

The University Station revenue has been an important component to allow the Town to provide Municipal and School services without the need for a general override. The Town has not had a general override since 2007.

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.

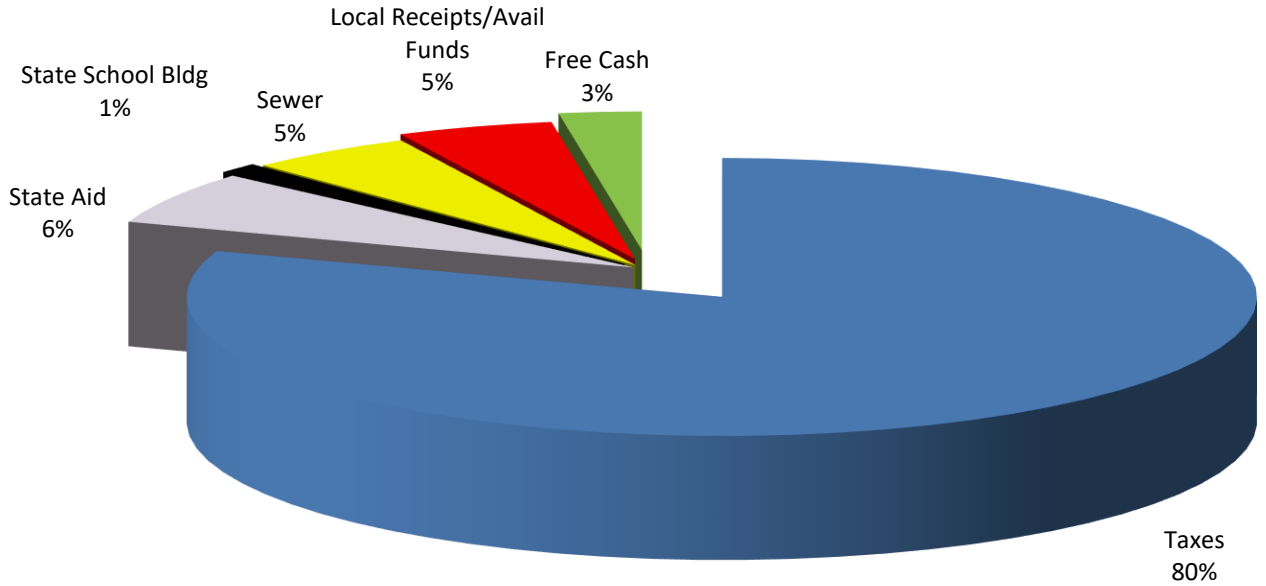
As always, the Select Board appreciates the significant time and attention that our elected Town and School Officials, Finance and Warrant Commission members, all appointed Boards and Committees and staff, and our Town residents give to the budget process each year.

Town of Westwood Summary of Proposed FY23 Budget

	FY2020 Approved Per Recap	FY2021 Approved Per Recap	FY2022 Approved Per Recap	FY2023 Proposed
BUDGET CATEGORIES				
Appropriations Made by Town Meeting:				
Operations Budget	\$94,627,946	\$98,247,867	\$101,320,299	\$105,162,434
Capital - Municipal	\$1,322,000	\$1,304,400	\$1,304,650	\$1,356,250
Capital -Schools	\$1,017,000	\$1,017,000	\$1,017,000	\$1,017,000
Capital - Sewer	\$1,050,000	\$765,000	\$70,000	\$700,000
Stabilization Account Appropriation - annual article	\$125,000	\$125,000	\$125,000	\$125,000
Capital Stabilization Appropriation	\$0	\$0	\$0	\$0
OPEB Account Appropriation - annual article	\$1,440,000	\$1,465,000	\$1,490,000	\$1,515,000
Other Financial Warrant Articles	\$0	\$0	\$31,000	\$300,000
Prior yr. Adjustments voted at Town Meeting	\$99,500	\$444,000	\$217,500	\$0
Other Capital - School & Municipal	\$1,407,000	\$1,127,220	\$1,495,000	\$682,000
	\$0	\$0	\$0	\$0
Total Appropriations -Town Meeting	\$101,088,446	\$104,495,487	\$107,070,449	\$110,857,684
Other Amounts to be Raised (not Voted at Town Meeting)				
State Aid Offsets (Funds which must be restricted)	\$22,831	\$22,946	\$27,806	\$29,196
State and County Charges	\$703,146	\$691,591	\$715,069	\$834,680
Overlay (Reserve for abatements/exemptions)	\$689,710	\$551,218	\$553,564	\$530,969
Other - Snow & Ice Raised on Recap	\$0	\$0	\$0	\$0
Total Other Amounts	\$1,415,687	\$1,265,755	\$1,296,439	\$1,394,845
Total Expenditures	\$102,504,133	\$105,761,242	\$108,366,888	\$112,252,529
Financial Resources				
State Revenue:				
State Aid	\$6,395,080	\$6,523,982	\$6,622,672	\$6,917,131
State School Building Assistance Funding	\$1,401,276	\$1,401,276	\$1,401,276	\$1,401,276
Local Revenue:				
Total Property Taxes	\$80,224,068	\$83,468,800	\$86,593,963	\$90,188,163
Local Receipts	\$4,195,857	\$4,195,857	\$4,195,857	\$4,195,857
Enterprise (Sewer) Funding (for all - capital , articles, etc)	\$5,790,177	\$5,614,461	\$4,919,452	\$5,639,679
Available Funds for misc articles	\$167,000	\$158,720	\$502,500	\$32,000
Available Funds	\$527,176	\$539,246	\$443,518	\$430,173
Meals/Hotel Tax	\$515,000	\$0	\$1,060,000	\$650,000
Stabilization or Capital Stabilization Fund Use	\$0	\$0	\$0	\$0
Free Cash	\$3,288,500	\$3,858,900	\$2,627,650	\$2,798,250
Total Revenues	\$102,504,134	\$105,761,242	\$108,366,888	\$112,252,529
Total revenue less expenditures	\$1	\$0	\$0	(\$0)
Authorization to borrow (Projects approved at Town Meeting -funds are borrowed and debt service included in future budgets) :				
Approved at 2019 ATM Road Improvement Project	\$900,000			
Approved at 2020 ATM -Road Improvement Project		\$4,650,000		
Approved at 2020 ATM -DPW Equipment		\$325,000		
Approved at 2021 ATM - Hanlon/Deerfield School Project " Bridge" Funding			\$1,460,000	
Approved at 2021 ATM -DPW/Fire Vehicle			\$650,000	
Approved at 2021 ATM -Sewer System - MWRA Grant/Loan Program			\$500,000	
Approved at Special Town Meeting Fall 2021 Hanlon /Deerfield New School Construction			\$84,610,386	
Proposed for 2022 ATM				\$6,725,000

FY2023 Projected Budget Revenue

FY2023 Projected Budget Revenue



FY2023 Projected Budget Revenue

	FY2022	FY2023 Proj	\$ Change	% Change
Taxes	\$86,593,963	\$90,188,163	\$3,594,200	4.2%
State Aid	\$6,622,672	\$6,917,131	\$294,459	4.4%
State School Bldg Reimbursement	\$1,401,276	\$1,401,276	\$0	0.0%
Sewer Enterprise	\$4,919,452	\$5,639,679	\$720,227	14.6%
Local Receipts	\$4,195,857	\$4,195,857	\$0	0.0%
Available Funds	\$443,518	\$430,173	(\$13,345)	-3.0%
Available Funds - prior yr/other articles	\$502,500	\$32,000	(\$470,500)	-93.6%
Meals/Hotels Tax	\$1,060,000	\$650,000	(\$410,000)	
Free Cash	\$2,627,650	\$2,798,250	\$170,600	6.5%
Total	\$108,366,888	\$112,252,529	\$3,885,641	3.6%

History of Tax Levy – Budget FY2023

Tax Levy Calculation	FY2019	FY2020	FY2021	FY2022	Budget FY2023	
Prior Year Levy Limit	\$73,558,364	\$76,623,854	\$79,703,916	\$83,076,625	\$86,718,329	
Plus 2.5% Increase	\$1,838,959	\$1,915,596	\$1,992,598	\$2,076,916	\$2,167,958	Plus 2.5%
Plus New Growth**	\$950,531	\$661,466	\$889,111	\$1,356,788	\$450,000	New growth
New Tax Levy - University Station	\$276,000	\$503,000	\$491,000	\$208,000	\$100,000	Uni Station growth
General Overrides	\$0	\$0	\$0	\$0	\$0	General Override
Tax Levy Limit	\$76,623,854	\$79,703,916	\$83,076,625	\$86,718,329	\$89,436,287	
Exempt Debt*	\$1,429,505	\$1,320,986	\$1,217,416	\$1,048,819	\$951,876	Exempt Debt
Levy Capacity	\$78,053,359	\$81,024,902	\$84,294,041	\$87,767,148	\$90,388,163	What we could tax
Actual Levy Assessed	\$76,955,697	\$80,224,068	\$83,468,800	\$86,593,963	\$90,188,163	What we actually tax
Excess Levy(Taxes not raised)	\$1,097,662	\$800,834	\$825,241	\$1,173,185	\$200,000	Unused tax levy
Increase in Actual Levy (inc. new growth)	4.0%	4.2%	4.0%	3.7%	4.15%	
Increase in Levy without new growth	2.33%	2.73%	2.32%	1.87%	3.52%	

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

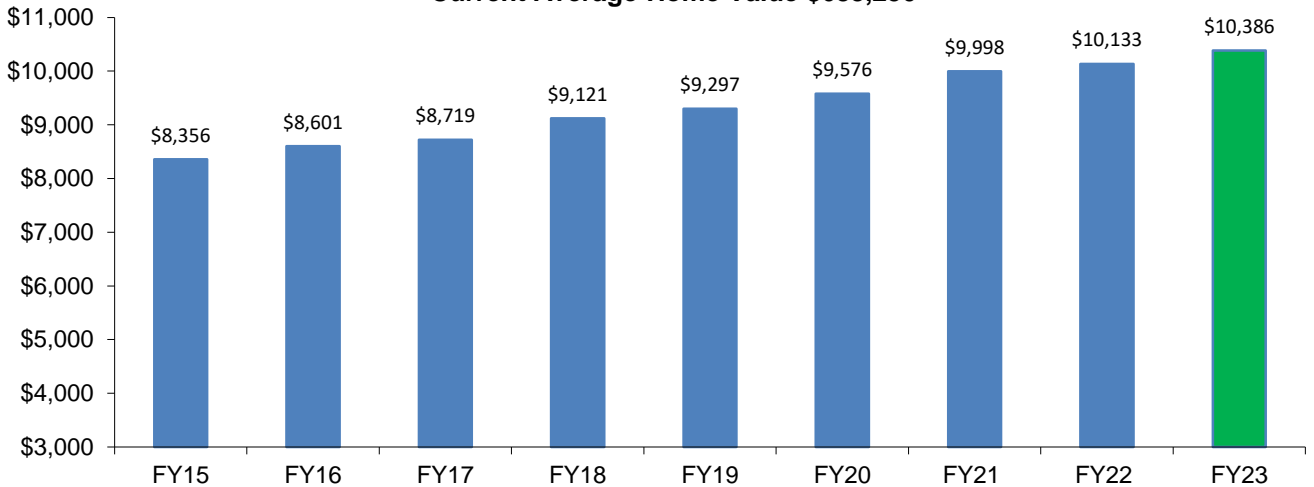
**New Growth - This represents taxes from new residential and commercial development.

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

Tax Rate/Tax Bill History

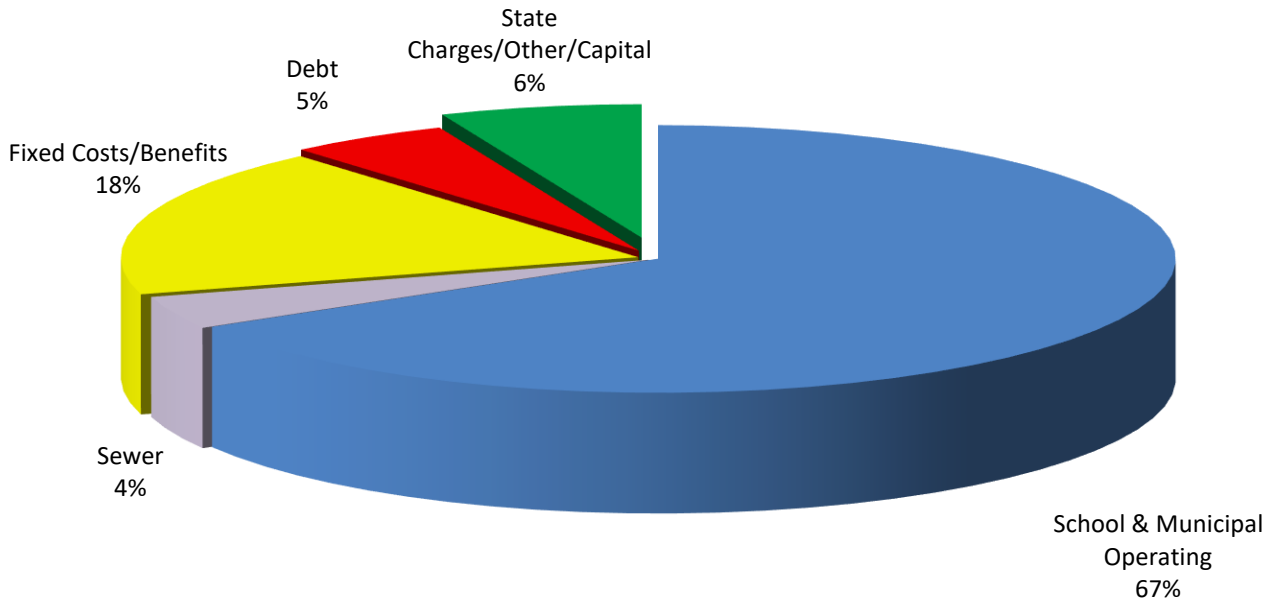
Tax rate per Thousand	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Projected FY23
Residential	\$15.24	\$14.66	\$14.57	\$15.09	\$14.65	\$14.51	\$14.78	\$14.83	
Commercial	\$28.79	\$28.27	\$28.20	\$29.30	\$28.24	\$28.22	\$28.59	\$28.99	
% of Total Town Value									
Residential Property	87.5%	85.5%	85.1%	84.9%	84.1%	84.8%	85.26%	84.3%	
Commercial Property	12.5%	14.4%	14.8%	15.1%	15.9%	15.3%	14.74%	15.7%	
Tax Shift Factor	1.70	1.70	1.70	1.70	1.68	1.70	1.70	1.70	
% of Total Town Taxes									
Residential Properties	78.7%	75.4%	74.8%	74.3%	73.3%	74.1%	75.0%	73.4%	
Commercial Properties	21.3%	24.5%	25.2%	25.7%	26.7%	25.9%	25.1%	26.6%	
Sample Residential Tax Bill									
Home Value	\$548,315	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	\$676,520	\$683,285	
Tax Bill	\$8,356	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,998	\$10,133	\$10,386
Tax Bill Increase	1.9%	2.9%	1.3%	4.6%	2.0%	3.0%	4.4%	1.3%	2.5%
Single Tax Rate	\$16.93	\$16.63	\$16.59	\$17.24	\$16.81	\$16.60	\$16.81	\$17.05	
Savings to Tax Bill from Having Split Tax Rate	\$926	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	\$1,374	\$1,517	

Average Residential Tax Bill
Current Average Home Value \$683,250



	Home Value			Tax Bill		
	FY21	FY22	% Change	FY21	FY22	% Change
DOR Calculated Average Value	\$837,300	\$838,710	.17%	\$12,375	\$12,438	.5%
Median Value	\$725,700	\$727,000	.18%	\$10,725	\$10,781	.52%
Sample Home	\$676,520	\$683,285	1%	\$9,999	\$10,133	1.3%

FY2023 Expenditure Summary



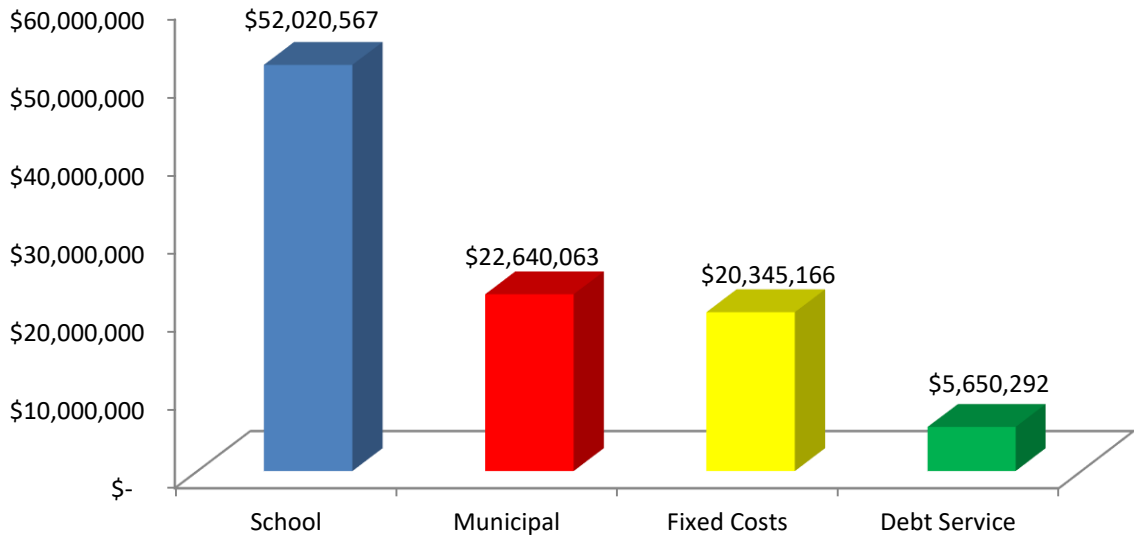
FY2023 Proposed Expenditure Summary

	FY2022	FY2023 Projected	\$ Change	% Change
Operating Budget - School Categories	\$50,261,446	\$52,020,567	\$1,759,121	3.5%
Operating Budget - Municipal	\$21,823,709	\$22,640,063	\$816,354	3.74%
Benefits/Reserves/Insurance	\$19,064,056	\$20,345,166	\$1,281,110	6.7%
Sewer - Operating	\$4,421,757	\$4,506,346	\$84,589	1.9%
Debt Service	\$5,749,331	\$5,650,292	(\$99,039)	-1.7%
Total Operating	\$101,320,299	\$105,162,434	\$3,842,135	3.8%
Capital Base Budget - School & Municipal	\$2,321,650	\$2,373,250	\$51,600	2.2%
Capital - Sewer	\$70,000	\$700,000	\$630,000	900.0%
Other Appropriations:				
To Stabilization	\$125,000	\$125,000	\$0	0.0%
Additional Capital	\$1,495,000	\$682,000	(\$813,000)	-54.4%
To OPEB Trust	\$1,490,000	\$1,515,000	\$25,000	1.7%
Prior Year/Other Articles	\$248,500	\$300,000	\$51,500	20.7%
State Charges/Offsets/Overlay/Snow	\$1,296,439	\$1,394,845	\$98,406	7.6%
Total Expenditures	\$108,366,888	\$112,252,529	\$3,885,641	3.6%

Operating Budget Categories

FY22 Budget	Category	FY23 Proposed	\$ Change FY23 v FY22	% Change FY23 v FY22
\$ 50,012,588	School Operating	\$ 51,762,397	\$ 1,749,809	3.50%
\$ 21,823,709	Municipal Operating	\$ 22,640,063	\$ 816,354	3.74%
\$ 129,617	Blue Hills Regional School	\$ 136,098	\$ 6,481	5.00%
\$ 119,241	Traffic Supervisors	\$ 122,072	\$ 2,831	2.37%
\$ 19,064,056	Fixed Costs	\$ 20,345,166	\$ 1,281,110	6.72%
\$ 5,749,331	Debt Service	\$ 5,650,292	\$ (99,039)	-1.72%
\$ 4,421,757	Sewer	\$ 4,506,346	\$ 84,589	1.91%
\$ 101,320,299	Total	\$ 105,162,434	\$ 3,842,135	3.8%

FY23 Operating Budget Categories - Appendix D
(Excludes Sewer)



FY23 Capital Budget – Proposed Municipal Capital Article

Item	Amount	Funding Source
COA - Wheelchair Accessible Van	\$90,000	Free Cash
DPW -One Ton Dump Truck With Plow (Truck 26)	\$80,000	Free Cash
DPW -One Ton Dump Truck (Truck 30)	\$80,000	Free Cash
DPW - Mechanic lift set	\$50,000	Free Cash
DPW - Design Funding for Downey St Sidewalk to proceed w/ already approved State Grant of \$365K	\$75,000	Free Cash
Fire -Turnout Gear	\$21,250	Free Cash
Fire -Replacement of Command Staff Vehicle	\$65,000	Free Cash
IT - End User Technology - All Departments	\$75,000	Free Cash
Library - Patron/Staff End User Technology	\$15,000	Free Cash
Library - Sound Dampening Project	\$50,000	Free Cash
Library - Book Mobile - Retrofit existing COA van	\$30,000	Free Cash
Library - Mobile Shelving Units	\$10,000	Free Cash
Police - Police Vehicles	\$215,000	Free Cash
Police -Police Equipment	\$60,000	Free Cash
Building Maintenance - Facility Maintenance	\$100,000	Free Cash
Building Maintenance - Energy Efficiency	\$50,000	Free Cash
Building Maintenance - CSMOB mechanical upgrades	\$45,000	Free Cash
Housing - Building Maintenance and Improvement (Year 5 of 5)	\$150,000	Free Cash
Municipal Communication - Radio Upgrade and Replacement	\$15,000	Free Cash
Municipal Communication - Police, Fire & EMS Radio Infrastructure	\$80,000	Free Cash
Total	<u>\$1,356,250</u>	

FY23 Capital Budget – Proposed Schools Capital Article

Item	Amount	Funding Source
Technology	\$130,000	Free Cash
Furniture, Fixtures, and Equipment	\$30,000	Free Cash
HVAC and Controls	\$200,000	Free Cash
Roofing	\$150,000	Free Cash
Facility Improvements	\$487,000	Free Cash
Copiers	\$20,000	Free Cash
Total	<u>\$1,017,000</u>	

FY23 Capital Articles

FY23 Capital Budget – Proposed Sewer Capital Article

Item	Amount	Funding Source
Stormwater Compliance	\$ 75,000	Sewer Retained Earnings
Inflow & Infiltration Assessment	\$ 125,000	Sewer Retained Earnings
Pump Station Facility Maintenance Program	\$ 500,000	Sewer Retained Earnings
Total	<u>\$ 700,000</u>	

FY23 Capital Budget – Proposed Additional Capital

Item	Amount	Funding Source
School Street Playground Refurbishment	\$60,000	Meals/Hotels Tax
Fire - Self Contained Breathing Apparatus Full System Upgrade	\$215,000	Meals/Hotels Tax
Building Maintenance - Library Parking Lot	\$75,000	Meals/Hotels Tax
	\$300,000	Meals/Hotels Tax
Fire - Rescue Upgrade and Replacement	\$32,000	Ambulance Receipts
Total	<u>\$682,000</u>	

Funded by \$650K Meals/Hotels and \$32K Ambulance receipts

FY23 Capital Budget – Projects that would require borrowing

The following projects are being reviewed by the Select Board. Any of these projects would be proposed as a borrowing article.

Item	Amount	Funding Source
Gay Street Sidewalk Construction	\$5,500,000	Borrowing
Conant Road Culvert Design	\$200,000	Borrowing
Cemetery Expansion Design	\$125,000	Borrowing
Canton Street Sidewalk Design (to get State funding for construction)	\$900,000	Borrowing
Total	<u>\$6,725,000</u>	

These projects would be funded as a borrowing article.
Cemetery borrowings are funded with cemetery lot sales receipts.

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
Select Board Department						
Salaries	653,977	676,536	700,519	23,983	3.5%	Taxation
Expenses	33,277	57,500	45,500	(12,000)	-20.9%	Taxation
	687,254	734,036	746,019	11,983	1.6%	
Finance and Warrant Commission						
Salary	19,946	21,149	22,208	1,059	5.0%	Taxation
Expenses	38,951	43,900	43,900	0	0.0%	Taxation
Total Finance and Warrant Commission	58,897	65,049	66,108	1,059	1.6%	
Accounting Department						
Salaries	271,952	276,926	284,527	7,601	2.7%	Taxation
Expenses	3,148	7,000	7,000	0	0.0%	Taxation
	275,100	283,926	291,527	7,601	2.7%	
Assessors Department						
Salaries	218,477	223,999	231,871	7,872	3.5%	Taxation
Expenses	16,331	22,450	22,450	0	0.0%	Taxation
	234,808	246,449	254,321	7,872	3.2%	
Treasurer Department						
Salary	119,875	124,298	129,953	5,655	4.5%	Taxation
Expenses	7,167	10,450	10,450	0	0.0%	Taxation
	127,042	134,748	140,403	5,655	4.2%	
Collector Department						
Salaries	123,153	126,013	130,179	4,166	3.3%	Taxation
Expenses	84,340	84,650	84,650	0	0.0%	\$42,500 Ambulance receipts/Taxation
	207,493	210,663	214,829	4,166	2.0%	
Legal Department						
Salary	102,984	135,716	139,113	3,397	2.5%	Taxation
Expenses	108,393	98,000	98,000	0	0.0%	Taxation
Total Legal Department	211,377	233,716	237,113	3,397	1.5%	
Human Resources Department						
Salary	243,665	262,276	273,643	11,367	4.3%	Taxation
Expenses	1,157	7,500	7,500	0	0.0%	Taxation
	244,822	269,776	281,143	11,367	4.2%	
Information Systems Department						
Salaries	282,715	307,971	329,948	21,977	7.1%	Taxation
Expenses	78,487	78,500	78,500	0	0.0%	Taxation
	361,201	386,471	408,448	21,977	5.7%	

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
Town Clerk Department						
Salaries	184,921	184,633	236,691	52,058	28.2%	Taxation
Expenses	75,848	72,100	89,133	17,033	23.6%	Taxation
Total Town Clerk Department	260,769	256,733	325,824	69,091	26.9%	
Housing Authority						
Salary	22,508	23,862	25,062	1,200	5.0%	Taxation
Expenses	4,500	13,600	11,600	(2,000)	-14.7%	Taxation
Total Housing Authority	27,008	37,462	36,662	(800)	-2.1%	
Outside Professional Services						
Expenses	37,579	46,500	46,500	0	0.0%	Taxation
Training/Professional Development						
Expenses	5,325	15,000	15,000	0	0.0%	Taxation
Total General Government	2,738,674	2,920,529	3,063,897	143,368	4.9%	

Police Department						
Salaries	4,307,596	4,553,643	4,690,810	137,167	3.0%	Taxation
Expenses	276,183	321,350	337,850	16,500	5.1%	Taxation
	4,583,779	4,874,993	5,028,660	153,667	3.2%	
Auxiliary Police/Civil Defense						
Expenses	1,729	3,500	3,500	0	0.0%	Taxation
	1,729	3,500	3,500	0	0.0%	
Animal Control						
Salary	61,990	62,146	63,720	1,574	2.5%	Taxation
Expenses	1,498	10,350	10,350	0	0.0%	Taxation
	63,488	72,496	74,070	1,574	2.2%	
Total Police	4,648,996	4,950,989	5,106,230	155,241	3.1%	
Fire Department						
Salaries	4,701,775	4,819,624	4,935,227	115,603	2.4%	\$324,000 Ambulance Receipts/Taxation
Expenses	224,950	293,750	300,000	6,250	2.1%	\$40,000 Ambulance Receipts/Taxation
Total Fire	4,926,724	5,113,374	5,235,227	121,853	2.4%	
Total Public Safety	9,575,720	10,064,363	10,341,457	277,094	2.8%	

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
Conservation Division						
Salary	79,524	80,447	82,476	2,029	2.5%	\$17,000 Conservation Receipts/Taxation
Expenses	1,265	6,400	6,400	0	0.0%	Taxation
	<u>80,789</u>	<u>86,847</u>	<u>88,876</u>	<u>2,029</u>	<u>2.3%</u>	
Planning Division						
Salaries	103,953	107,202	109,820	2,618	2.4%	Taxation
Expenses	4,999	4,500	4,500	0	0.0%	Taxation
	<u>108,952</u>	<u>111,702</u>	<u>114,320</u>	<u>2,618</u>	<u>2.3%</u>	
Housing & Zoning Division						
Salaries	69,951	80,087	76,086	(4,001)	-5.0%	Taxation
Expenses	1,096	3,150	3,150	0	0.0%	Taxation
	<u>71,047</u>	<u>83,237</u>	<u>79,236</u>	<u>(4,001)</u>	<u>-4.8%</u>	
Community & Economic Development						
Salaries	228,576	239,721	254,645	14,924	6.2%	Taxation
Expenses	1,613	3,400	3,400	0	0.0%	Taxation
	<u>230,189</u>	<u>243,121</u>	<u>258,045</u>	<u>14,924</u>	<u>6.1%</u>	
Building Inspection Division						
Salaries	350,436	390,267	402,705	12,438	3.2%	Taxation
Expenses	25,773	41,050	38,850	(2,200)	-5.4%	Taxation
	<u>376,210</u>	<u>431,317</u>	<u>441,555</u>	<u>10,238</u>	<u>2.4%</u>	
Health Division						
Salaries	277,524	292,767	311,156	18,389	6.3%	Taxation
Expenses	6,850	12,200	12,200	0	0.0%	Taxation
	<u>284,374</u>	<u>304,967</u>	<u>323,356</u>	<u>18,389</u>	<u>6.0%</u>	
Outside Health Agencies	10,916	13,416	13,416	0	0.0%	Taxation
Total Community and Economic Development	1,162,477	1,274,607	1,318,804	44,197	3.5%	
Department of Public Works						
Salaries	1,737,590	1,840,754	1,888,377	47,623	2.6%	Taxation
Expenses	531,867	559,600	571,100	11,500	2.1%	Taxation
Total DPW Admin/Operations	<u>2,269,457</u>	<u>2,400,354</u>	<u>2,459,477</u>	<u>59,123</u>	<u>2.5%</u>	
Building Maintenance						
Salaries (*)	309,788	362,714	415,144	52,430	14.5%	Taxation
Expenses	1,001,138	1,058,300	1,085,900	27,600	2.6%	Taxation
Total Building Maintenance	<u>1,310,926</u>	<u>1,421,014</u>	<u>1,501,044</u>	<u>80,030</u>	<u>5.6%</u>	
Municipal & School Field Maintenance	178,618	185,000	185,000	0	0.0%	Taxation
Street / Traffic Lighting Maintenance	139,376	115,000	122,500	7,500	6.5%	Taxation
Total Department of Public Works	<u>3,898,377</u>	<u>4,121,368</u>	<u>4,268,021</u>	<u>146,653</u>	<u>3.6%</u>	
Snow & Ice	523,613	450,000	450,000	0	0.0%	Taxation
Total Public Works	4,421,989	4,571,368	4,718,021	146,653	3.2%	

(*) FY22 restated as (\$92k) custodial staff moved from Library budget to to Building Maintenance Budget. Engery Manager FY22 and FY23 moved to shared /fixed costs

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
Disability Commission	0	500	500	0	0.0%	Taxation
Council On Aging Department						
Salaries	371,936	384,167	397,124	12,957	3.4%	Taxation
Expenses	29,521	38,850	41,650	2,800	7.2%	Taxation
	401,457	423,017	438,774	15,757	3.7%	
Youth and Family Services Department						
Salaries	281,257	289,287	361,517	72,230	25.0%	Taxation
Expenses	11,999	15,000	15,000	0	0.0%	Taxation
	293,256	304,287	376,517	72,230	23.7%	
Veterans Services Department						
Salaries	64,256	31,850	33,481	1,631	5.1%	Taxation
Expenses	68,698	106,414	106,414	0	0.0%	Taxation
Total Veterans Services	132,953	138,264	139,895	1,631	1.2%	
Total Human Services	827,666	866,068	955,686	89,618	10.3%	
Public Library						
Salaries(*)	1,036,747	1,113,926	1,168,226	54,300	4.9%	Taxation
Expenses	395,011	328,750	367,650	38,900	11.8%	Taxation
Lost Books	815	1,600	1,600	0	0.0%	Taxation
Total Library Department	1,432,573	1,444,276	1,537,476	93,200	6.5%	
Recreation Department						
Salaries	463,503	479,914	499,138	19,224	4.0%	\$332,442 Recreation Funds/Taxation
Expenses	14,617	15,784	15,784	0	0.0%	Taxation
Total Recreation Department	478,120	495,698	514,922	19,224	3.9%	
Memorial/Veteran's Day/Westwood Day Expenses	12,188	23,800	23,800	0	0.0%	Taxation
Total Culture and Recreation	1,922,881	1,963,774	2,076,198	112,424	5.7%	
(*) FY22 restated as custodial staff moved from library budget to DPW Building Maintenance						
Other						
Communications Systems	162,930	163,000	166,000	3,000	1.8%	Taxation
Total Other	162,930	163,000	166,000	3,000	1.8%	
(**) FY22 restated as Hardware/Software Maintenance moved from "Other Budget" to Shared /Fixed costs						
Total Municipal Budget	20,812,337	21,823,709	22,640,063	816,354	3.74%	

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
Westwood Public Schools						
Salaries	40,393,841	43,392,352	44,177,983	785,631	1.8%	Taxation
Expenses	7,953,659	6,620,236	7,584,414	964,178	14.6%	Taxation
Total Westwood Public Schools	48,347,500	50,012,588	51,762,397	1,749,809	3.50%	
Blue Hills Regional School Assessment	132,293	129,617	136,098	6,481	5.0%	Taxation
Crossing Guards						
Salaries	84,729	116,241	119,072	2,831	2.4%	Taxation
Expenses	848	3,000	3,000	0	0.0%	Taxation
Total Crossing Guards	85,577	119,241	122,072	2,831	2.4%	
Total School Budgets	48,565,370	50,261,446	52,020,567	1,759,121	3.5%	

Fixed Costs Budgets - School and Municipal

School Employee Benefits/Costs

Retirement Assessments	1,736,210	1,838,126	1,970,534	132,408	7.2%	Taxation
Workers Compensation	218,544	371,310	371,310	0	0.0%	Taxation
Unemployment Compensation	61,883	130,671	143,738	13,067	10.0%	Taxation
Health Insurance	4,374,957	5,131,080	5,490,256	359,176	7.0%	Taxation
Life Insurance	6,287	8,000	8,800	800	10.0%	Taxation
Payroll service/Other	26,712	38,495	40,170	1,675	4.4%	Taxation
Medicare Part B	122,111	183,785	183,785	0	0.0%	Taxation
Social Security Tax	1,865	7,500	7,500	0	0.0%	Taxation
Medicare Payroll Tax	554,791	904,229	994,652	90,423	10.0%	Taxation
School Employee Benefits/Costs	7,103,360	8,613,196	9,210,745	597,549	6.9%	

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
Municipal Employee Benefits/Costs						
Retirement Assessment	4,051,323	4,289,289	4,602,407	313,118	7.3%	Taxation
Workers Compensation	102,529	174,865	174,865	0	0.0%	Taxation
Unemployment Compensation	3,020	18,448	20,293	1,845	10.0%	Taxation
Health Insurance	1,700,911	1,699,210	1,818,155	118,945	7.0%	Taxation
Life Insurance	3,662	5,000	5,500	500	10.0%	Taxation
Pre-Hire/Payroll/Other	97,049	142,830	143,870	1,040	0.7%	Taxation
Public Safety Medical/111F ins	62,356	96,000	99,000	3,000	3.1%	Taxation
Medicare Part B	51,958	74,547	74,547	0	0.0%	Taxation
Social Security Tax	447	5,000	5,000	0	0.0%	Taxation
Medicare Payroll Tax	252,061	355,585	391,144	35,559	10.0%	Taxation
Municipal Employee Benefits/Costs	6,325,316	6,860,774	7,334,781	474,007	6.9%	
Shared/Other Fixed Costs						
Comprehensive & Liability Insurance	462,938	608,580	608,580	0	0.0%	Taxation
Waste Collection/Disposal Expenses	1,501,025	1,658,284	1,694,500	36,216	2.2%	Taxation
Energy/Sustainability Efforts		58,322	109,810	51,488	88.3%	Taxation
Townwide Hardware/Software Maintenance	415,358	458,650	515,500	56,850	12.4%	\$4,575 Ambulance Receipts/Taxation
Town Wide Newsletter Communication			30,000	30,000		Taxation
Audit Services -Town and School	80,804	81,250	81,250	0	0.0%	Taxation
Total Shared/Other Fixed Costs	2,460,126	2,865,086	3,039,640	174,554	6.1%	
Total Benefits/Shared Fixed Costs	15,888,801	18,339,056	19,585,166	1,246,110	6.8%	
Reserve Funds						
Select Board Reserve Fund***	0	295,000	295,000	0	0.0%	Taxation
Special Town Mtg/Election/Charter Reserve Fund	0	25,000	60,000	35,000	140.0%	Taxation
Reserve Fund	0	405,000	405,000	0	0.0%	Taxation
Total Reserves	0	725,000	760,000	35,000	4.8%	
Total Fixed Costs Budget	15,888,801	19,064,056	20,345,166	1,281,110	6.7%	

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	3,284,359	3,392,963	3,416,862	23,899	0.7%	Taxation
School Related Debt Service	2,664,118	2,356,368	2,233,430	(122,938)	-5.2%	\$1,401,276 Sch Bld Reimb/ \$2,098 Bond Premium/Taxation
Total Debt Budget	5,948,477	5,749,331	5,650,292	(99,039)	-1.7%	

FY23 Debt Change

Non Exempt	\$0
Exempt	(\$99,043)
Total	(\$99,043)

Appendix D
Proposed FY2023 Departmental Salary/Expense Budgets

Description	Expended FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22	Funding Source
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Sewer Enterprise

Salaries	419,930	474,127	472,658	(1,469)	-0.3%	Sewer Enterprise Funds
Expenses	248,143	194,500	194,500	0	0.0%	Sewer Enterprise Funds
Pumping Stations	153,898	172,000	172,000	0	0.0%	Sewer Enterprise Funds
MWRA Assessment	3,121,245	3,271,442	3,348,100	76,658	2.3%	Sewer Enterprise Funds
Mandated Inspections	40,796	120,000	120,000	0	0.0%	Sewer Enterprise Funds
Sewer Debt & Interest	214,588	164,688	174,088	9,400	5.7%	Sewer Enterprise Funds
System Ext./Repairs	8,828	25,000	25,000	0	0.0%	Sewer Enterprise Funds

Total Sewer Enterprise	4,207,428	4,421,757	4,506,346	84,589	1.9%	
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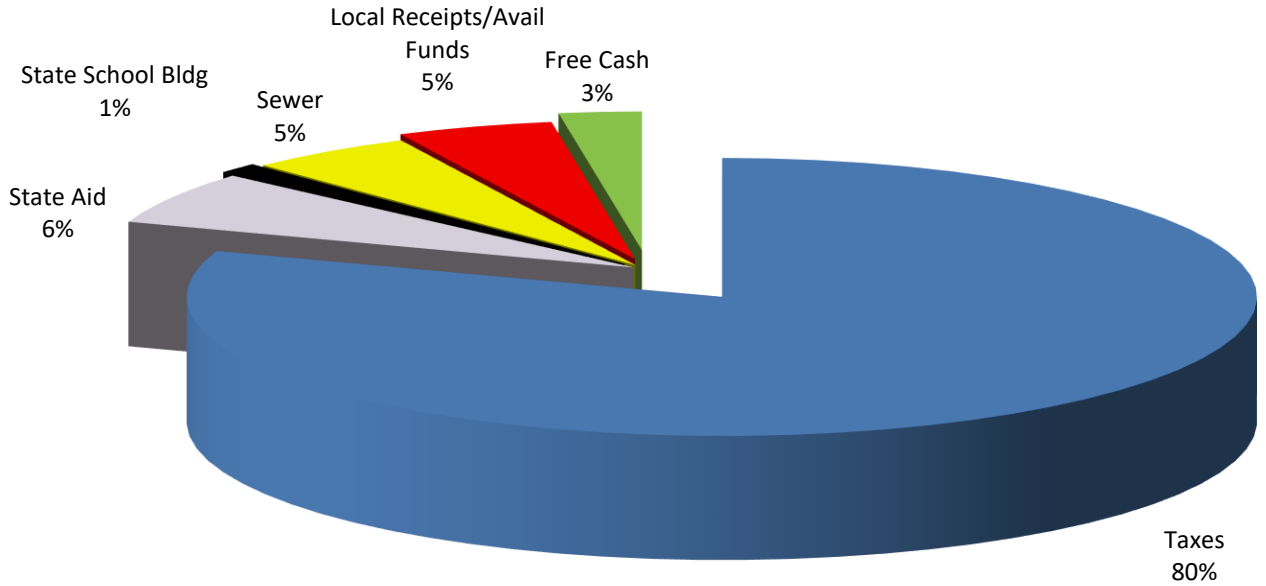
Note: Sewer revenue budget will be Operating Budget Plus:

427,695	433,331	Indirect Costs
4,849,452	4,939,677	Total Sewer Revenue

Total Operating Budget	95,422,413	101,320,299	105,162,434	3,842,135	3.8%	
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FY2023 Projected Budget Revenue

FY2023 Projected Budget Revenue



FY2023 Projected Budget Revenue

	FY2022	FY2023 Proj	\$ Change	% Change
Taxes	\$86,593,963	\$90,188,163	\$3,594,200	4.2%
State Aid	\$6,622,672	\$6,917,131	\$294,459	4.4%
State School Bldg Reimbursement	\$1,401,276	\$1,401,276	\$0	0.0%
Sewer Enterprise	\$4,919,452	\$5,639,679	\$720,227	14.6%
Local Receipts	\$4,195,857	\$4,195,857	\$0	0.0%
Available Funds	\$443,518	\$430,173	(\$13,345)	-3.0%
Available Funds - prior yr/other articles	\$502,500	\$32,000	(\$470,500)	-93.6%
Meals/Hotels Tax	\$1,060,000	\$650,000	(\$410,000)	
Free Cash	\$2,627,650	\$2,798,250	\$170,600	6.5%
Total	\$108,366,888	\$112,252,529	\$3,885,641	3.6%

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?

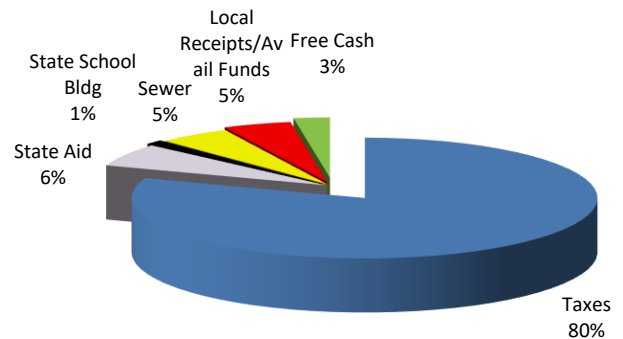
What is a Capital Outlay Expenditure Exclusion?

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.

FY2023 Projected Budget Revenue



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.
<i>Debt/Capital Exemption Overrides Approved & Still Ongoing</i>			
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.
	\$8,333,640	Debt Exemption*	
	\$9,300,000	Debt Exemption	Will be completed in 2031. Net cost to average home \$1,947 total, or \$97/yr. for 20 years.
Hanlon/Deerfield New School 2021 Special Town Election	\$87,820,386	Debt* Exemption	Net cost to average home \$13,855 or \$462/ year for 30 years
*Amount of taxation is directly reduced by any state reimbursement from MSBA .			
For debt exemption overrides - debt payment each year is raised outside of Proposition 2 1/2.			
<i>Debt/Capital Exemption Overrides Completed</i>			
Vote to Exempt Sewer Construction Bonds 1982 Annual Town Election	\$4,000,000	Debt Exemption	
Capital Equipment 1989 Annual Town Election	\$298,000	Capital Exemption	
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*	
Middle School/Gymnasium 1997 Annual Town Election	\$550,000	Debt Exemption*	
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*	

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 FY2023

Tax Levy Calculation	FY2019	FY2020	FY2021	FY2022	Budget FY2023	
Prior Year Levy Limit	\$73,558,364	\$76,623,854	\$79,703,916	\$83,076,625	\$86,718,329	
Plus 2.5% Increase	\$1,838,959	\$1,915,596	\$1,992,598	\$2,076,916	\$2,167,958	Plus 2.5%
Plus New Growth**	\$950,531	\$661,466	\$889,111	\$1,356,788	\$450,000	New growth
New Tax Levy - University Station	\$276,000	\$503,000	\$491,000	\$208,000	\$100,000	Uni Station growth
General Overrides	\$0	\$0	\$0	\$0	\$0	General Override
Tax Levy Limit	\$76,623,854	\$79,703,916	\$83,076,625	\$86,718,329	\$89,436,287	
Exempt Debt*	\$1,429,505	\$1,320,986	\$1,217,416	\$1,048,819	\$951,876	Exempt Debt
Levy Capacity	\$78,053,359	\$81,024,902	\$84,294,041	\$87,767,148	\$90,388,163	What we could tax
Actual Levy Assessed	\$76,955,697	\$80,224,068	\$83,468,800	\$86,593,963	\$90,188,163	What we actually tax
Excess Levy(Taxes not raised)	\$1,097,662	\$800,834	\$825,241	\$1,173,185	\$200,000	Unused tax levy
Increase in Actual Levy (inc. new growth)	4.0%	4.2%	4.0%	3.7%	4.15%	
Increase in Levy without new growth	2.33%	2.73%	2.32%	1.87%	3.52%	

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

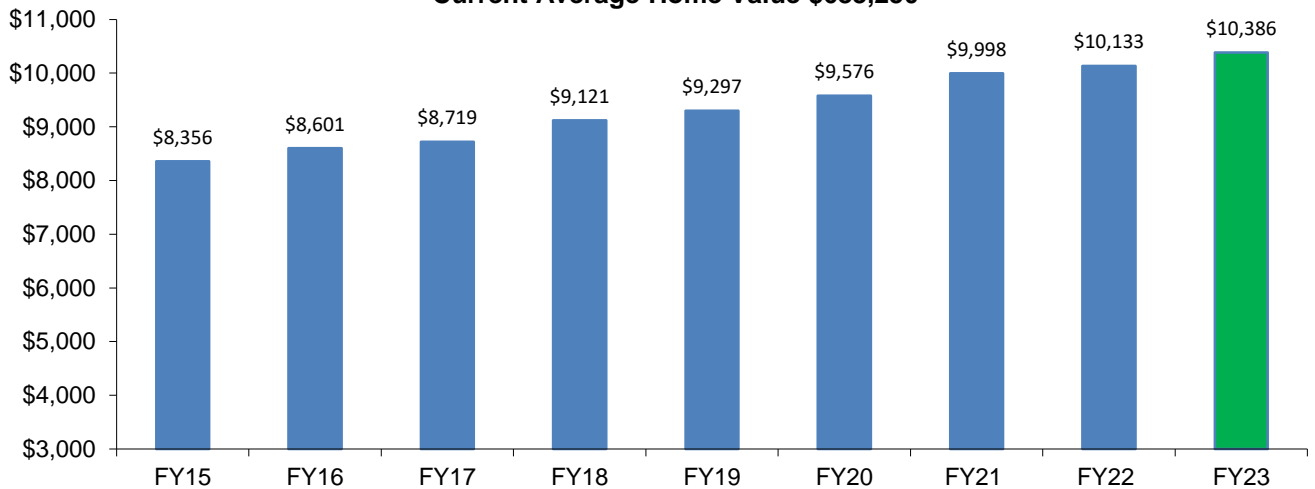
**New Growth - This represents taxes from new residential and commercial development.

- 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	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Projected FY23
Residential	\$15.24	\$14.66	\$14.57	\$15.09	\$14.65	\$14.51	\$14.78	\$14.83	
Commercial	\$28.79	\$28.27	\$28.20	\$29.30	\$28.24	\$28.22	\$28.59	\$28.99	
% of Total Town Value									
Residential Property	87.5%	85.5%	85.1%	84.9%	84.1%	84.8%	85.26%	84.3%	
Commercial Property	12.5%	14.4%	14.8%	15.1%	15.9%	15.3%	14.74%	15.7%	
Tax Shift Factor	1.70	1.70	1.70	1.70	1.68	1.70	1.70	1.70	
% of Total Town Taxes									
Residential Properties	78.7%	75.4%	74.8%	74.3%	73.3%	74.1%	75.0%	73.4%	
Commercial Properties	21.3%	24.5%	25.2%	25.7%	26.7%	25.9%	25.1%	26.6%	
Sample Residential Tax Bill									
Home Value	\$548,315	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	\$676,520	\$683,285	
Tax Bill	\$8,356	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,998	\$10,133	\$10,386
Tax Bill Increase	1.9%	2.9%	1.3%	4.6%	2.0%	3.0%	4.4%	1.3%	2.5%
Single Tax Rate	\$16.93	\$16.63	\$16.59	\$17.24	\$16.81	\$16.60	\$16.81	\$17.05	
Savings to Tax Bill from Having Split Tax Rate	\$926	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	\$1,374	\$1,517	

Average Residential Tax Bill
Current Average Home Value \$683,250



	Home Value			Tax Bill		
	FY21	FY22	% Change	FY21	FY22	% Change
DOR Calculated Average Value	\$837,300	\$838,710	.17%	\$12,375	\$12,438	.5%
Median Value	\$725,700	\$727,000	.18%	\$10,725	\$10,781	.52%
Sample Home	\$676,520	\$683,285	1%	\$9,999	\$10,133	1.3%

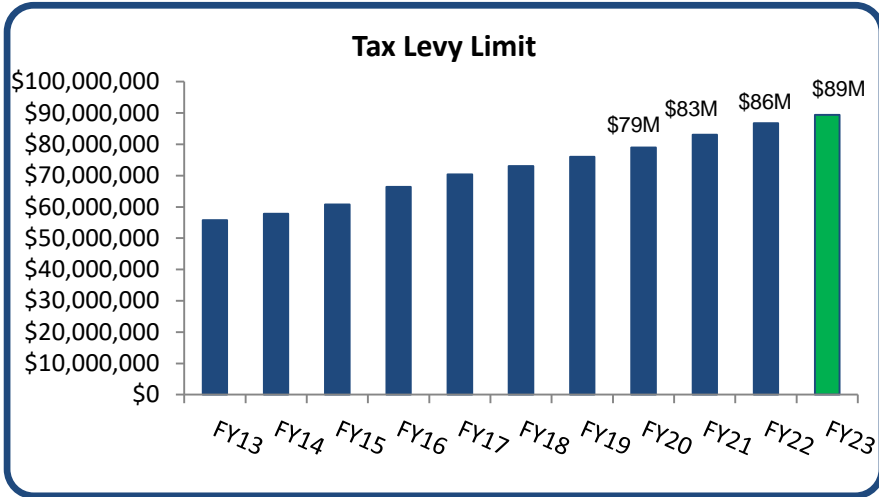
The Components of the Tax Levy

Property tax levy:

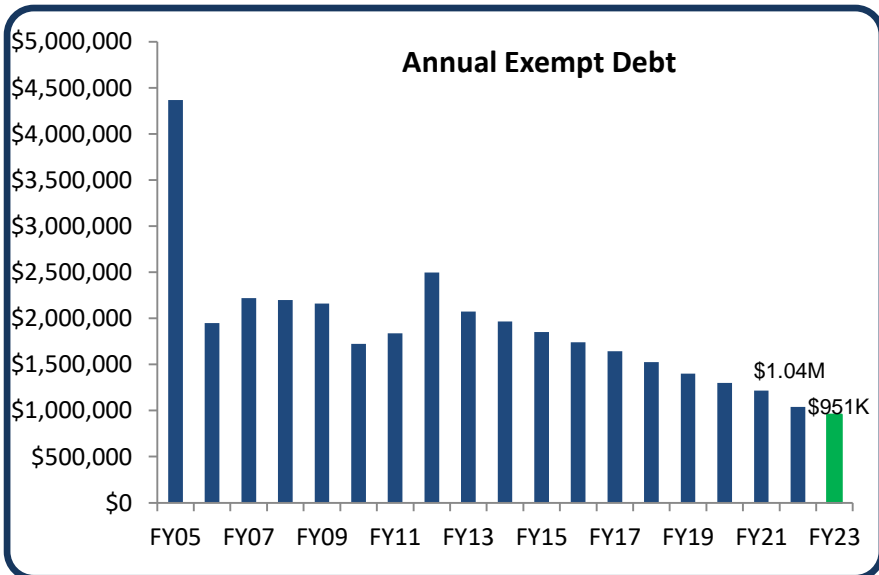
- Revenue a community can raise through property taxes.
- Proposition 2 ½ places constraints on the amount of the levy raised by a community and on how much the levy can be increased from year to year.

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.

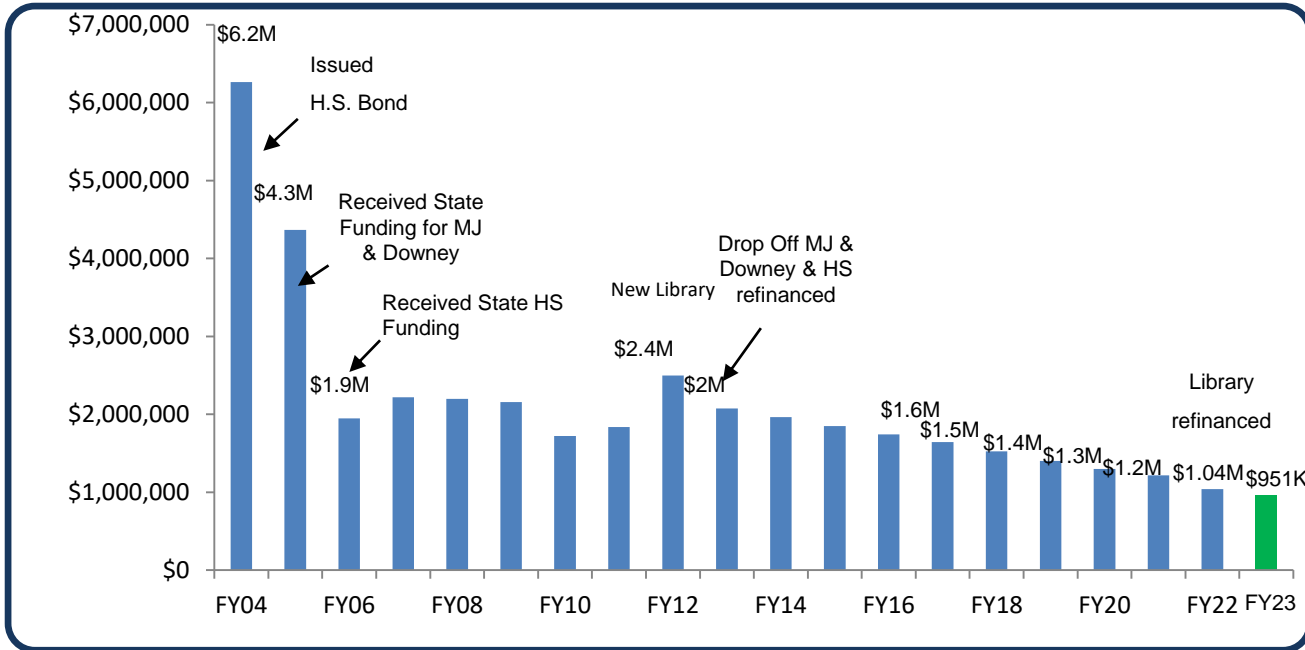


Proposition 2 ½ governs total taxes raised by the Town,
not an individual home's bill.

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

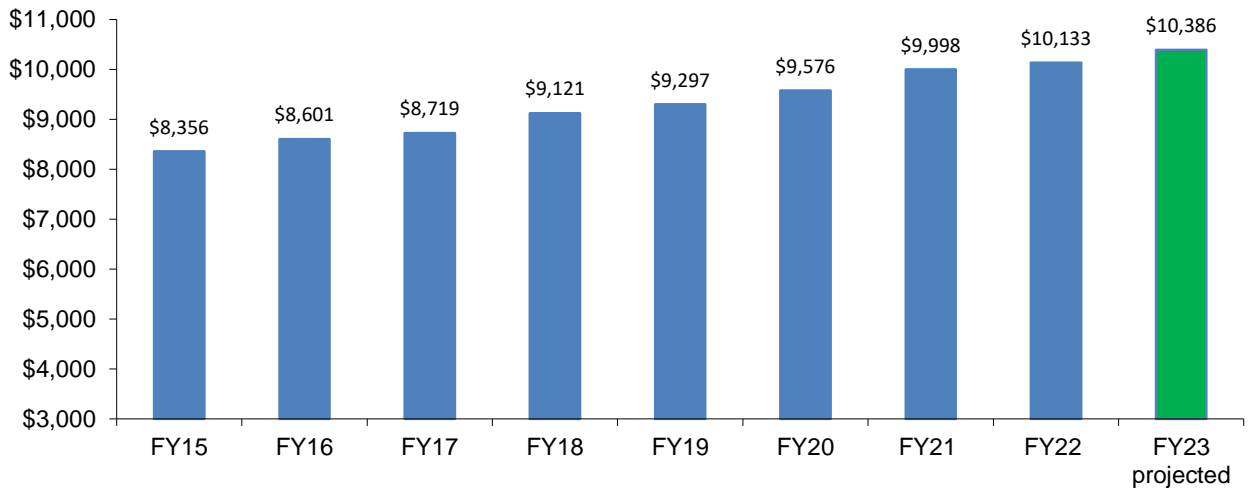


- FY12:
 - New library bond added to exempt debt.
- FY13:
 - MJ and Downey bonds completed in FY12.
 - High School bond refinanced.
- Exempt debt will decrease approximately \$100K a year until the high school bond is completed in 2023. Library Bond ends 2031.
- FY21 Library bond refinanced- resulting in \$759K budgetary savings.
- New Hanlon/Deerfield School project was approved at the October 2021 Special Town Meeting, as a debt exemption, the bond has not yet been issued.
- FY23 Exempt Debt:

High School	\$404,276	(Last Payment)
Library	<u>\$547,600</u>	
Total	\$951,876	

A Look At the Average Tax Bill

Average Residential Tax Bill
Current Average Home Value \$683,250



- This graph shows the taxes for a house valued at \$683K. The tax impact on individual homes will differ based on variances in value. Please see following pages for more detail on a large sample of home values.
- FY23 bill projected increase of \$253 or 2.5%.
 - Based on net tax levy change only, not any change in commercial/residential shift.

	FY18	FY19	FY20	FY21	FY22	Projected FY23
Average Tax Bill Increase	4.6%	2%	3%	4.4%	1.34%	2.5%
Savings to Average Tax Bill Resulting from Split Tax Rate	\$1,300	\$1,370	\$1,380	\$1,374	\$1,517	
Average Residential Tax Bill Home Value	\$604,000	\$634,636	\$660,021	\$676,520	\$683,000	
Average Tax Bill	\$9,121	\$9,297	\$9,576	\$9,998	\$10,133	\$10,386

Westwood's Ranking in the State Average Tax Bill

FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
18	17	17	18	17	18	18	17	18

Information about your Fiscal Year 2022 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.

Does Proposition 2 ½ limit a homeowner's tax bill increase to 2 ½%?

No. 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 3.5%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.

How is the annual tax rate calculated?

The tax rate is based upon the value of the residential and commercial property in Town and the amount of money that was voted to be spent at the May 2021 Town Meeting. It also includes debt currently approved outside of Proposition 2 ½. The tax rate is certified annually by the Department of Revenue (DOR) after a review of values and Town Meeting action.

What are the new real estate tax rates for FY22?

The FY22 tax rates per \$1,000 of valuation are as follows:

Tax Rate	FY21	FY22	Rate Change FY21 to FY22	% Change in Rate FY21 to FY22
Residential	\$14.78	\$14.83	+.05	.34%
Commercial	\$28.59	\$28.99	+.40	1.4%

How is my individual tax bill calculated?

This certified tax rate is multiplied by the value of your house to arrive at your new FY22 annual tax bill.

Did overall property value in Westwood change from FY21 to FY22?

Yes. The value of all real estate in Town increased by 2.3%, with residential value increasing 1.2 % and commercial value increasing 8.8%.

Did my individual home value change?

Yes. Almost all of the residential homes in Town had a change in value for FY22. 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.

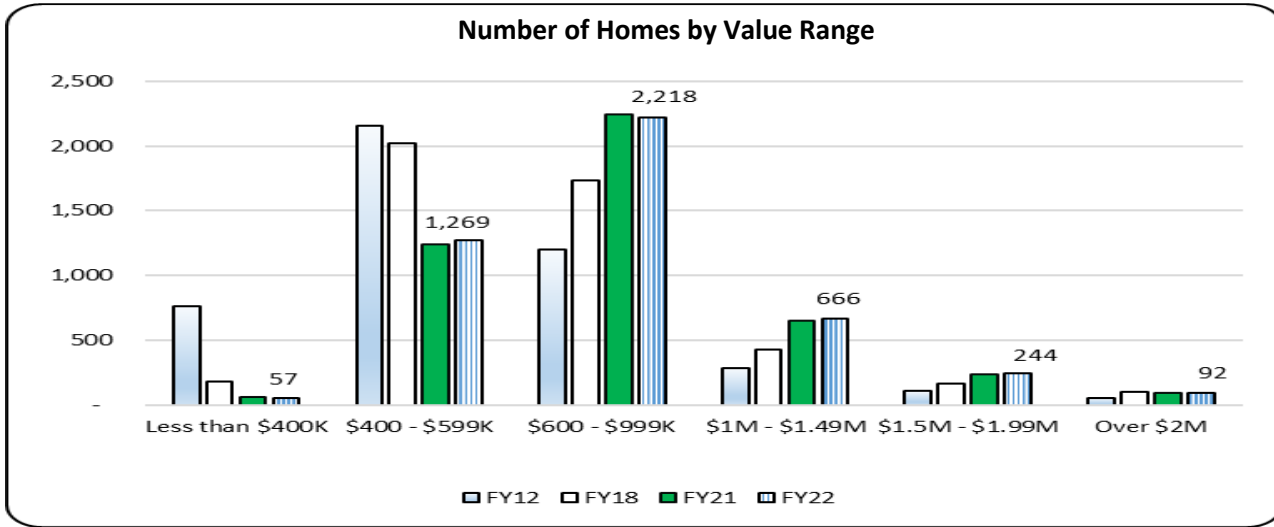
Approximately 67% of homes had a value change in the range of -2% to +2%. Homes with significant new construction experienced a higher value increase. The median home value increased to \$727,000, and the DOR calculated average home value is now \$838,710.

A report listing all home values for FY21 and FY22 can be found on the Town's web site at www.townhall.westwood.ma.us. From the Home page, click the link for "Tax Rates and Property Assessments". It is important to remember that state tax law dictates that your FY22 tax bill is based on the assessed value of your home as of **January 1, 2021** based on home sales that occurred during calendar year **2020**.

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.

What is the range of home values in Westwood?

The chart below depicts the number of single family residential homes in each value category and how this has changed over time.



Does every home experience the same change in their tax bill?

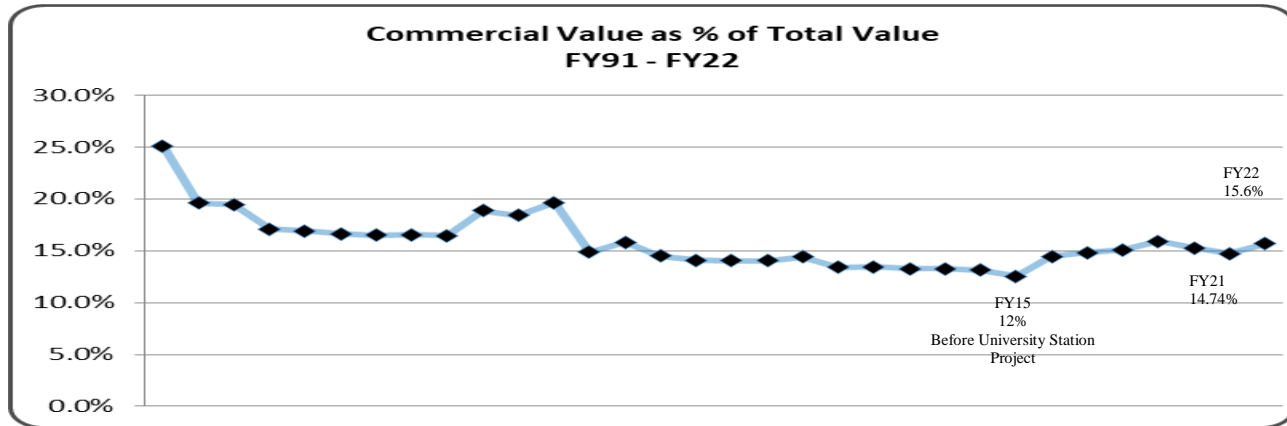
No. As stated above, every tax bill is based on the tax rate and home value. As the chart below depicts, there is a wide range of changes in home value and resulting tax impact.

Home Value			Tax Bill		
FY21	FY22	% Change	FY21	FY22	% Change
\$1,945,950	\$1,899,400	-2.4%	\$28,761	\$28,168	-2.1%
\$1,845,850	\$1,950,000	+5.64%	\$27,281	\$28,918	+6%
\$1,747,800	\$1,881,850	+7.67%	\$25,832	\$27,908	+8%
\$1,511,550	\$1,464,050	-3%	\$22,340	\$21,711	-3%
\$1,263,350	\$1,234,600	-2.3%	\$18,672	\$18,309	-1.9%
\$954,800	\$922,900	-3.3%	\$14,112	\$13,687	-3%
\$875,900	\$896,700	+2%	\$12,945	\$13,298	+3%
\$722,600	\$731,600	+1.25%	\$10,680	\$10,849	+1.6%
\$695,900	\$696,700	.1%	\$10,285	\$10,332	.5%
\$615,200	\$599,900	-2.5%	\$9,093	\$8,897	-2.2%
\$538,700	\$549,450	+2%	\$7,962	\$8,148	+2.3%
\$533,550	\$521,150	-2.3%	\$7,885	\$7,728	-2%

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

Did total commercial property value change for FY22?

Yes. The total commercial property saw an overall increase in value of approximately \$64.4 million or 8.8%.

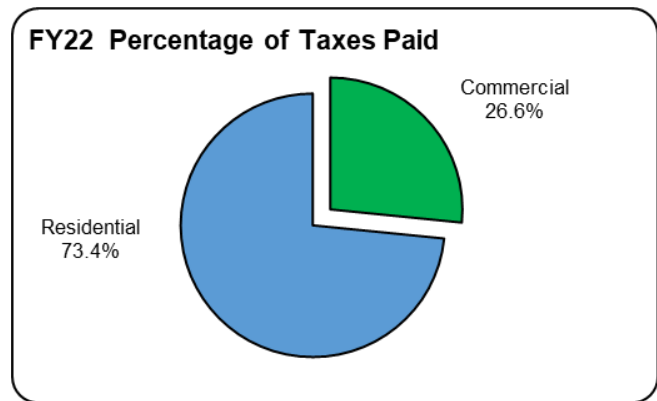
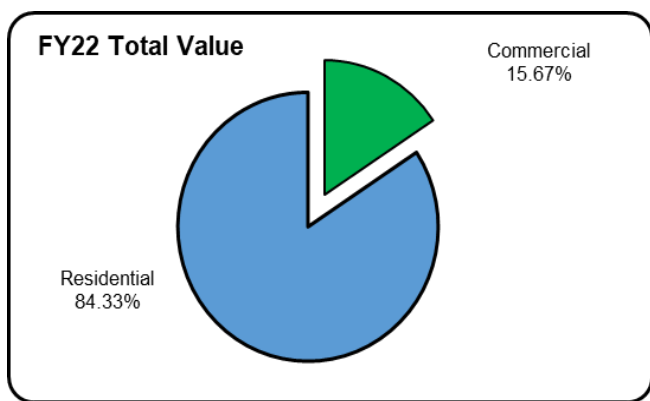


In FY22, commercial properties are 15.6% of the Town’s total value, an increase from 14.74% in FY21.

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 FY22 shift factor, which sets the different rates, at 1.70.

In FY22, commercial property, while only representing 15.6% of the Town's value, will pay 26.6% of the total taxes, an increase from the 25% in FY21.



In FY22, commercial properties are 15.6% of the Town’s total value, but will pay 26.6% of total taxes.

Does the higher commercial rate help my residential tax bill?

Yes. Without this higher commercial split rate, the tax bill on the DOR calculated average home value of \$838,710 would increase an additional 15% or \$1,861. This is a significant savings to our residents.

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 FY22 tax levy includes principal and interest payments that the Town will be making for the Proposition 2 ½ debt exclusion projects listed below.

Project/Bond Issued	Fiscal Year Debt Will Be Completed	FY22 Debt Payments	Net Amount of Debt in FY22 Levy
High School Construction - \$39.2 million	2023	19 th of 20	\$485,727
Library Construction - \$9.3 million	2031	11 th of 20	\$563,093

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. The 20 year library bond was refinanced in the Spring of 2021, reducing the net interest rate on the bond to 1.15%. This refinancing provides budget savings over the remaining bond of \$759K, reducing the exempt debt by approximately \$75K per year.

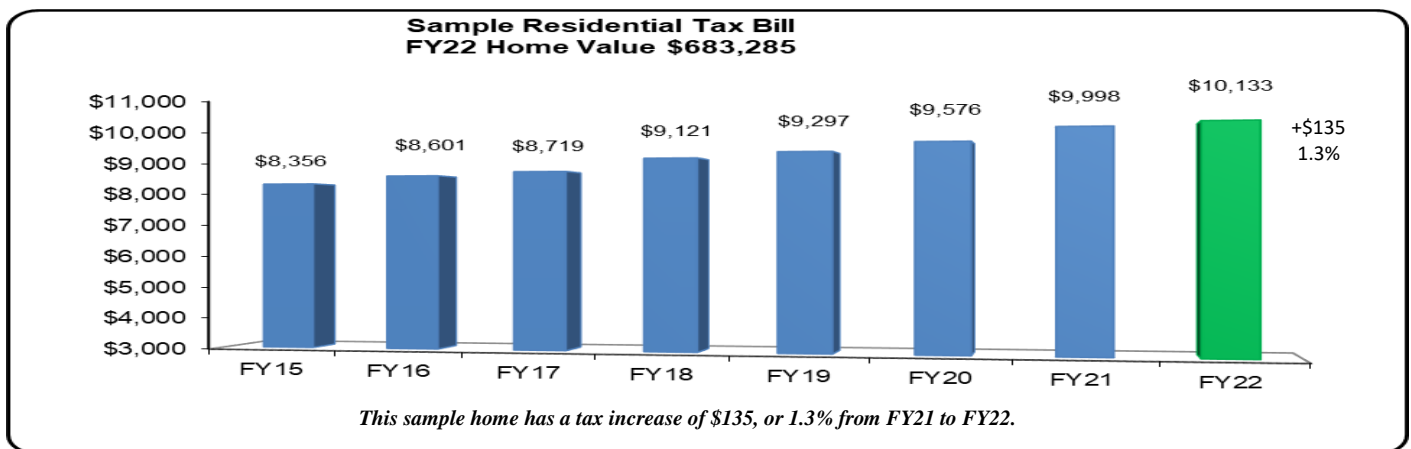
The FY22 tax levy does not yet include any taxes for the recently approved Hanlon/Deerfield School project.

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

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 2021 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 3.5%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



Are there resources available for assistance with my tax bill?

Yes. There are programs available to help with payment of your tax bill.

Town programs, including Senior Exemptions, Senior Tax Work Off, Tax Deferral, and the Aid to the Elderly program, have information available on the Town website, or by calling the Assessor’s Office (781) 326-1904, the Collector’s Office (781) 320-1015 or the Council on Aging (781) 329-8799.

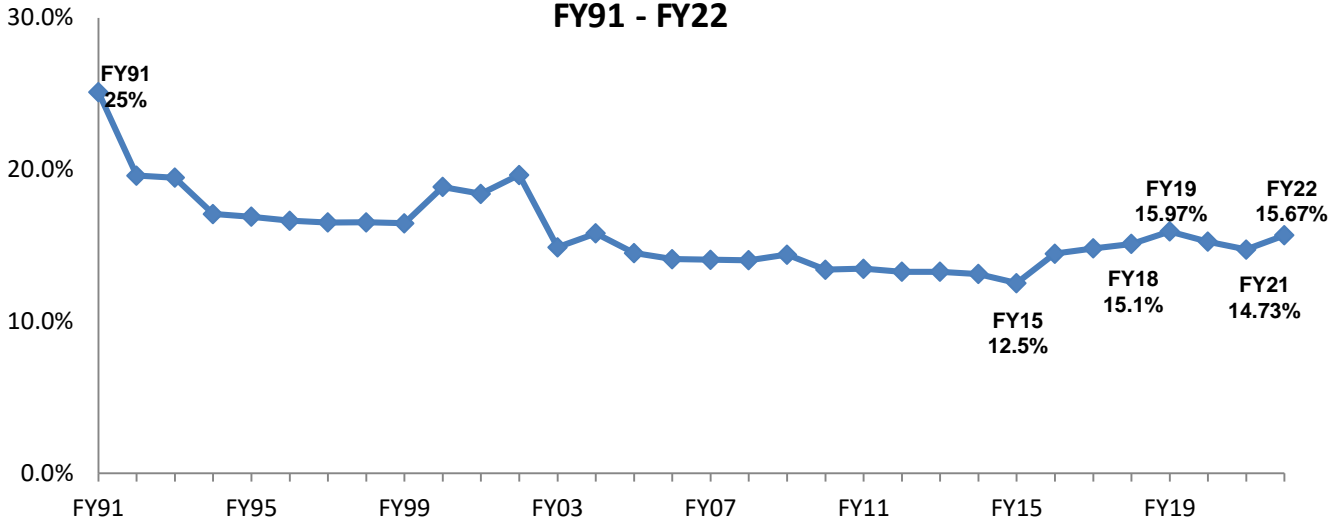
Additionally, the Westwood Community Chest is a resource available to all residents. Westwood Community Chest provides emergency financial assistance to residents facing financial difficulties by awarding funds towards basic needs. Their website is: www.WestwoodCommunityChest.org/Request-Help/

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

Assessed and Actual Values and Tax Rates										
Year	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial as % 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%	16.60	4,832,668,009
2021	4,232,672,732	\$14.78	548,845,709	92,783,450	89,740,290	731,369,449	28.59	14.73%	16.81	4,964,042,181
2022	4,283,363,617	\$14.83	556,387,365	117,194,550	122,267,730	795,849,645	28.98	15.67%	17.05	5,079,213,262

**Commercial Value as % of Total Value
FY91 - FY22**



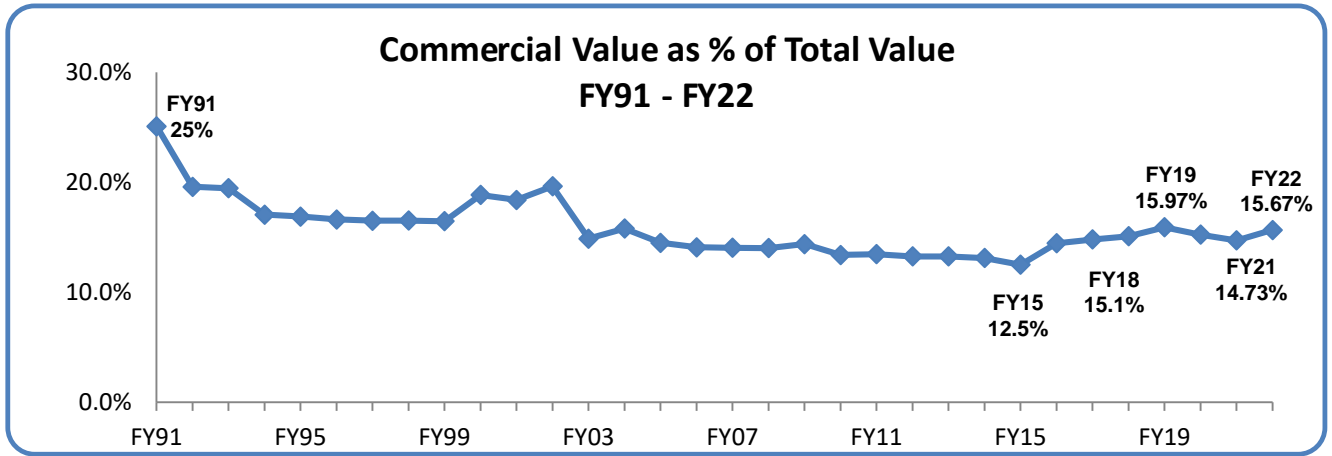
→
University Station
comes on line

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

A report listing all individual property values for FY21 and FY22 can be found on the Town’s web site at www.townhall.westwood.ma.us.

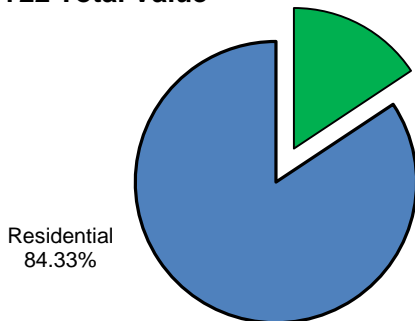
Commercial Value is Important to Town Finances, and Serves to Moderate Residential Tax Bills

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



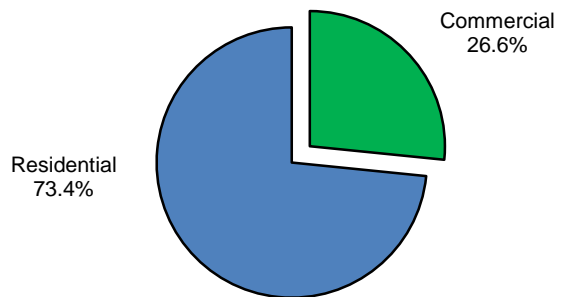
Type of Property	Tax Rate
Commercial	\$28.99
Residential	\$14.83

FY22 Total Value



Commercial
15.67%

FY22 Percentage of Taxes Paid



Commercial is 15.67% of value, but pays 26.6% of taxes

In FY22, the split tax rate saves the average homeowner \$1,517 or 15% of their tax bill

The Select Board has worked to structure tax relief into recent budget proposals. The budgets proposed each year try to balance cost of service delivery and impact on tax bills.

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 as much as possible.
 - 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.
 - This program provides senior, long term residents with payments to their tax bills.
 - Approximately 50 homeowners are served each year.
 - Payments are approximately \$1,800 - \$2,000 or about 25% of the tax bill.
 - Promote available state programs including senior exemptions and tax deferral.

Tax Relief Efforts

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.
- 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 Select Board continued with tax relief measures in FY18.

- 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.
- Not utilizing all of the available tax levy of \$1.1M

FY19:

The Select Board continued with tax relief measures in FY19.

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Not utilizing all of the available tax levy of \$1.1M

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.
- Not utilizing all of the available tax levy of \$800K

FY21:

The Select Board continued with tax relief measures in FY21.

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Not utilizing all of the available tax levy of \$825K.

FY22:

The Select Board continued with tax relief measures in FY22.

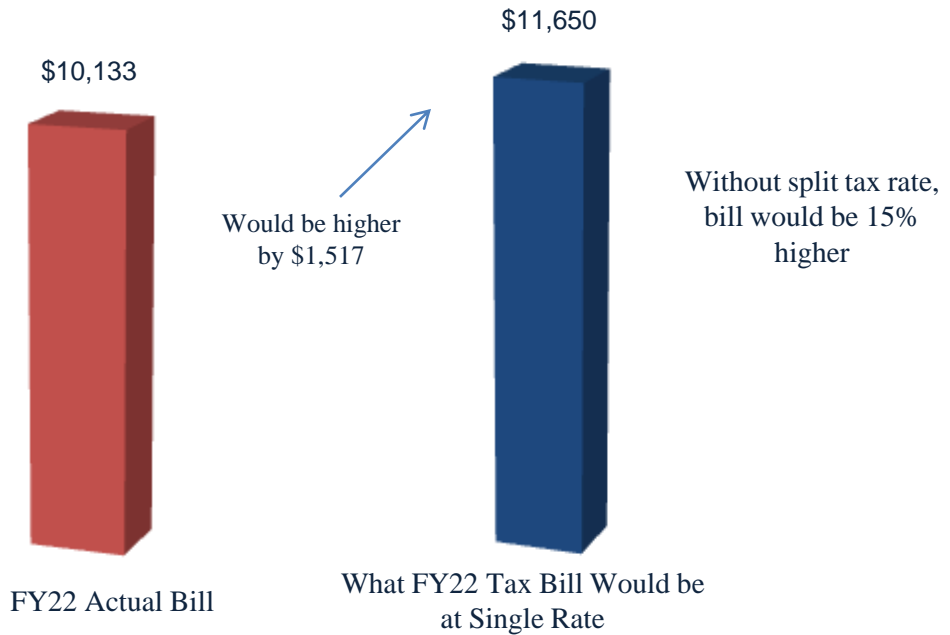
- Keeping all debt (excluding major new school project) and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Not utilizing all of the available tax levy of \$1.17M.

FY23:

The Select Board continued with tax relief measures in FY22.

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.
- Not utilizing all of the available tax levy of \$200K.
- Expanding Town contribution to Aid to the Elderly Fund

Benefits of Commercial Tax Rate



The commercial split tax rate provides significant relief for homeowners.

In FY22 that relief is \$1,517.

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 FY22 shift factor, which sets the different rates, at 1.70.

In FY22, commercial property, while only representing 15.67% of the Town's value, will pay 26.6% of the total taxes, an increase from 25.05% in FY21.

FY22 Tax Rates

Residential	\$14.83
Commercial	\$28.99

Aid to the Elderly and Disabled Taxation Fund

The Town has had an Aid to the Elderly and Disabled Tax Fund since 1999. The purpose of this Fund is to provide real estate tax relief to qualifying, low income elderly and disabled residents.

Background - Aid to the Elderly and Disabled Tax Fund – Established in 1999

Westwood has always been a community that cares deeply about our senior residents.

All municipal taxation rules are mandated and controlled by the Department of Revenue. Municipalities cannot decide their own tax rules, but can implement options the State offers for local acceptance.

In 1998, the State looked to provide tax relief for seniors in growing communities, and authorized the option for an Aid to the Elderly and Disabled Tax Fund. This fund allowed for donations to be made to the Town to then be applied to senior's real estate tax bills.

At the 1999 Town Meeting, the Town approved the accepting State statute, establishing Westwood's Aid to the Elderly and Disabled Tax Fund. This was done to provide a way to assist long term, lower income residents with the impact of the school tax increases as the Town's excellent school system became increasingly popular.

Program Funding Expanded in 2016

In 2016, Annual Town Meeting approved by Home Rule petition and subsequent State approval, that Town funds could also be used for the program. This allowed for greater distribution from the fund to our senior recipients.

The additional Town funding allowed for:

- Increased number of recipients
- Increased award amount to each recipient

How does the Fund work?

The fund is overseen by an appointed Committee, as required by State law.

Each year, the Committee confidentially considers all applications from elderly or disabled residents. The general eligibility guidelines include, but are not limited to the following:

- 65 years of age or older
 - Annual income of less than \$55,000 verified by last filed federal income tax return.
 - Home must be primary residence.
-
- There are no overhead or administrative costs, all funds are distributed every year.
 - Payment is applied directly to the recipient's tax bill.

How Are Appropriate Candidates Identified?

- Goal is to assist long term Westwood residents who wish to remain in the Town and homes they love.
- The Fund helps to defray real estate tax cost and help long term residents to stay in their homes.
- In order to make the application process simple, the applications are readily available and easy to complete.
- Applications are available in various ways:
 - Town Hall
 - Council on Aging
 - Online on the Town Website
 - Insert in each quarterly tax bill
 - Annual separate mailing
- Referrals are made by:
 - Council on Aging
 - Veterans Department
 - Community Groups
 - Friends and Neighbors

How Is the Program Funded?

- The State program originally adopted only allows the program to be funded through donations. In February 2016, Town Meeting passed a home rule petition, subsequently approved by the State, that allowed Town funds to be added to the Fund.
- Westwood's Donations Come From
 - Some residents include a donation with their quarterly Real Estate Tax Bill payment
 - Annual donation appeal letter, typically mailed to each home in the fall
 - Corporate donations
 - Other Miscellaneous Sources
 - Charity close outs
 - Various groups around Town
 - Large individual donations
 - Donations can be made online or via mail
- The Town supplemental funding is done each year.
 - Since FY18, the Select Board has authorized an approximate transfer of \$55K from their reserve account to supplement donations.
 - The annual supplement approximately matches donations.

Our Residents Want to Help the Seniors

- As the Town continues to grow, and home values increase, the real estate bill increases.
- Our residents recognize this impact on their senior neighbors, who have lived for many years in Town and have helped build the Town

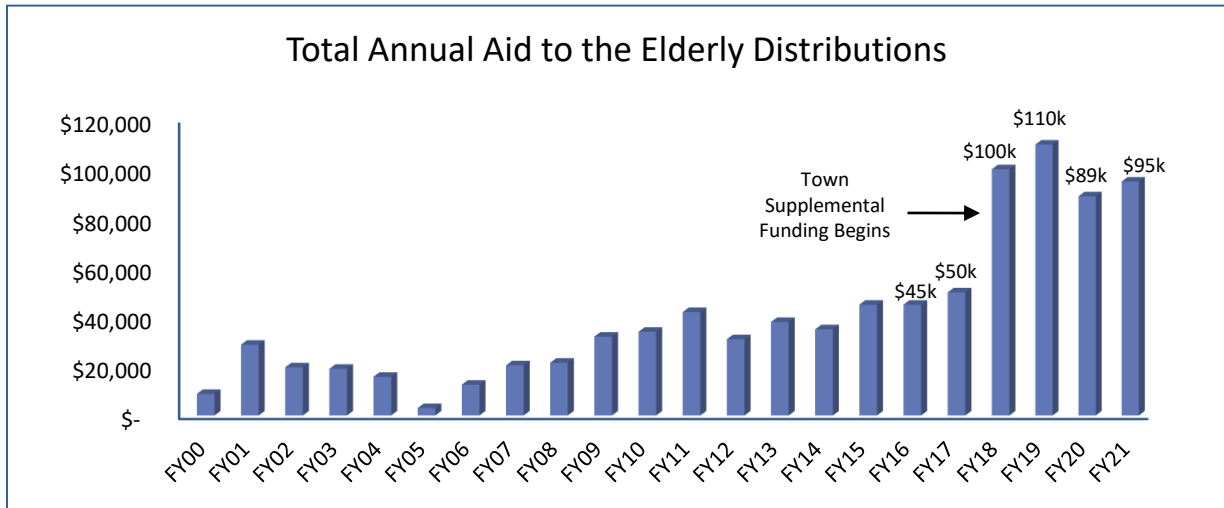
Westwood Residents who donate are happy to do so, and often send encouraging notes with their donations:

- "Our family would like to support the elderly and disabled in our town."
- "Thank you for the opportunity to make a difference"

Aid to the Elderly and Disabled Taxation Fund

Who Receives the Funding?

- Typical Recipient:
 - 87 years old
 - Has lived in Westwood for over 50 years
 - Current Home value less than \$600,000



- Approximately 45-55 residents are assisted each year
- Since inception 22 years ago, fund has distributed a total of \$895,000 to our seniors.

- Typical Distribution Award Amount per house
 - FY10 - FY17 \$800 - \$1,200
 - FY18 – FY19 \$2,500
 - FY20 – FY21 \$1,800

Our Seniors feel supported:

The funds distributed not only help with the tax bill, but make our seniors feel supported by the Town. We often receive notes from the Fund recipients:

- “Having grown up in this family home and seen how our town has grown around us, I am grateful to continue living here.”
- “At one time it was possible to contribute to the tax relief fund, never realizing someday I’d be a recipient. What a wonderful fund this is for those of us who have benefited from a generous award provided by many resident donors.”
- “Westwood, my home for 41 years, is a wonderful caring community. Thanks you so much for caring about me.”
- “Your generosity has made such a difference in my life, I thank each and every one of you every morning. Please know that I am very grateful and cannot thank you enough.”

Aid to the Elderly and Disabled Taxation Fund

To Apply For Help From the Fund

If you, or a fellow resident may be helped by the fund, applications are available at the Tax Collector's office at Town Hall, the Senior Center on Nahatan Street, and the Library. The form is also downloadable from the town website at <http://www.townhall.westwood.ma.us>

The committee confidentially considers all applications from elderly or disabled residents. The general eligibility guidelines include, but are not limited to the following:

- 65 years of age or older
- Annual income of less than \$55,000 verified by last filed federal income tax return.
- Home in Westwood must be primary residence.

To Make a Donation to the Fund

At the Annual Town Meeting held on May 3, 1999, Article 12 was voted to accept Chapter 60, Section 3D of the Massachusetts General Laws that permits cities and towns to establish a separate fund. This fund is a means of establishing aid to the elderly and disabled for the purpose of defraying the real estate taxes of elderly and disabled persons of low income in the Town of Westwood.

If you would like to donate, you can either write a check or donate on our online portal:

To pay online: Go to www.townhall.westwood.ma.us, on the home page, select Pay Online at the top of the page, then click "How do I pay real estate bills", then at the bottom of the page click "Donations to Aid to the Elderly Fund" .

Or mail your donation check, made payable to:

Town of Westwood – Aid to the Elderly & Disabled Tax Fund

Mail to:

**Aid to the Elderly & Disabled Tax Fund
Tax Collector's Office
Westwood Town Hall
580 High Street
Westwood, MA 02090**

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.

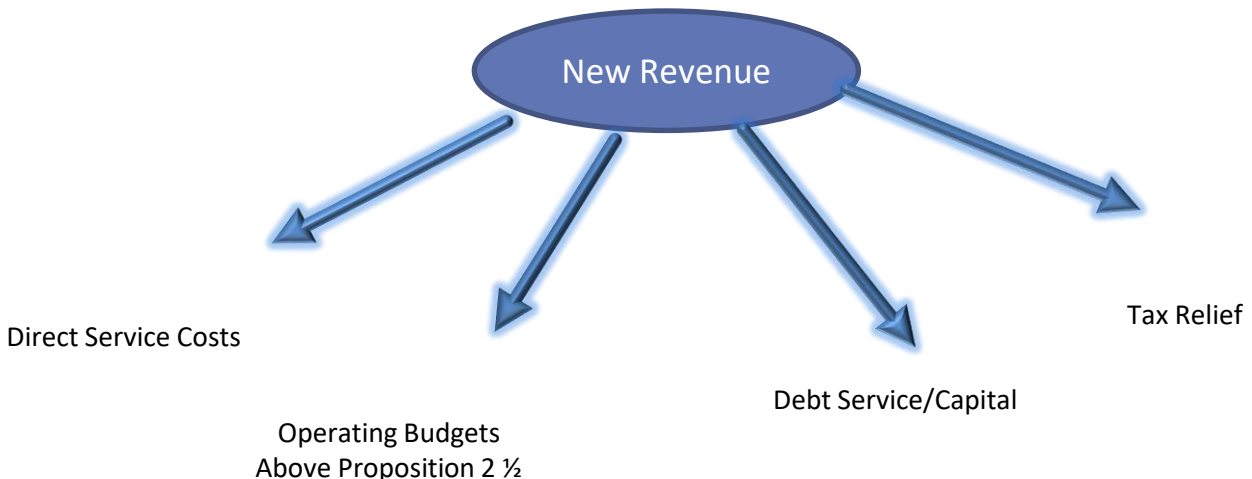
The Town, as planned before the start of the project, has utilized this new revenue for several important financial areas including:

- 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:



Balance Many Needs

University Station

University Station has provided important new commercial tax revenue:

University Station New Growth Tax Revenue						
FY15/FY16/FY17	FY18	FY19	FY20	FY21	FY22	Total
\$4,979,037	\$179,000	\$276,000	\$503,000	\$491,000	\$208,000	\$6,636,031

This chart shows the additional tax revenue each year from the project. The additional annual revenue is now \$6.6M. As taxes on the property before development were approximately \$2million, the total current University Station development pays over \$8.6M in annual taxes.

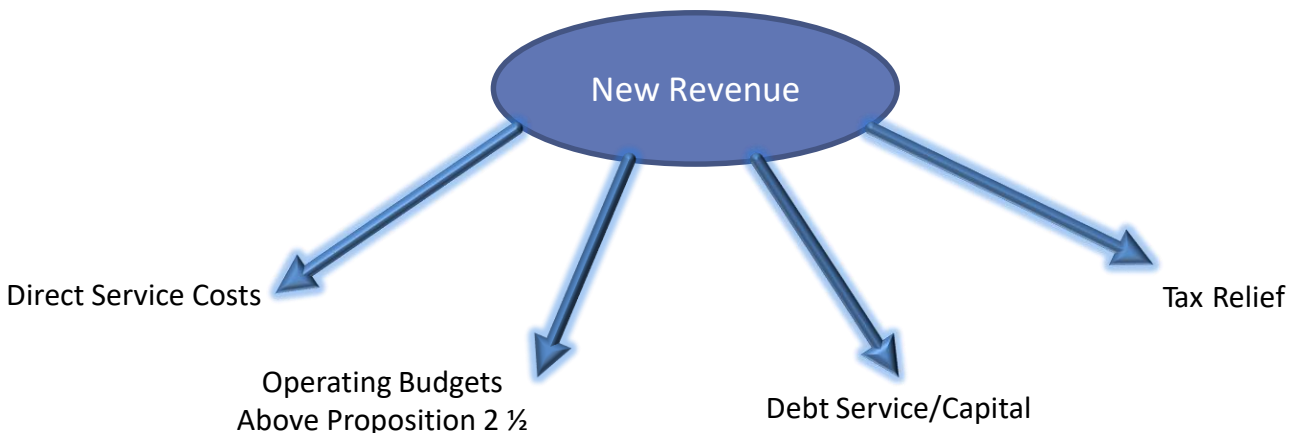
FY23 additional new revenue is budgeted at \$100,000

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.

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.
- **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.
- **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. This left an unused tax levy of \$378,000
- In the FY21 budget, new tax revenue was \$491,000. There was only a minor allocation of \$44,000 of unused revenue into the budget. This revenue, combined with \$378,000 of prior year unused tax levy, left \$825,000 of tax levy not utilized in the budget.
- In the FY22 budget, new tax revenue was \$208,000. This revenue, combined with \$825,000 of prior year unused tax levy, left \$1,033,000 of tax levy not utilized in the budget.



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

Total Increase in funding to Operating Budgets	\$2.68M
School	\$1.947M
Municipal	\$ 734K

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

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

Total Funding for Direct Service Costs	\$1.938M
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.

Unused Tax Levy: Provide for Unused Tax Levy

	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Unused Tax Levy	\$500,000	\$670,000	\$279,000	\$555,000	\$378,000	\$825,000	\$1,033,000

- Each year, a portion of the new revenue has been unused, providing budgeting relief to the community.

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 \$1.944M higher each year than it was before the University Station project.

	FY15/FY16	FY17/FY21	Total
School	\$1,020,225	\$927,000	\$1,947,225
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
Capital - Ongoing 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.

Unused Tax Levy							
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 part of the unused tax levy, available for future needs.							
	FY15/FY16	FY17	FY18	FY19	FY20	FY21	FY22
Unused Tax Levy	\$500,000	\$670,000	\$279,000	\$555,000	\$378,000	\$825,000	\$1,033,000

- Each year, a portion of the new revenue has been unused, as part of the unused tax levy.

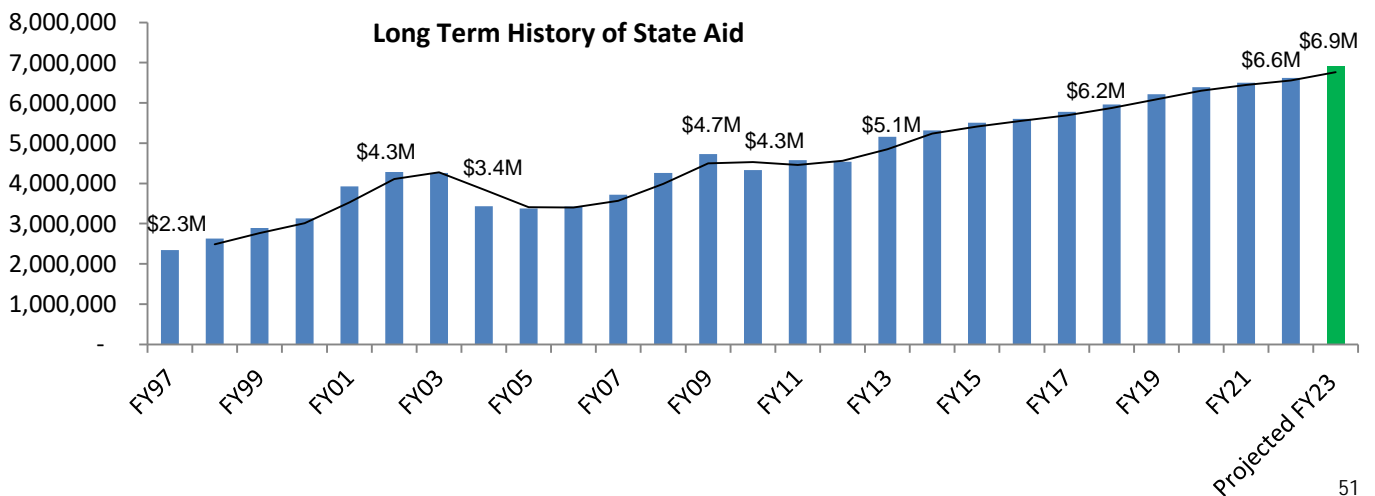
State Aid

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 FY23 budget utilizes the Governor’s estimate
- Governor’s preliminary FY23 local aid projections are the initial step of the State budget process. We will monitor the State budget process and update the estimate accordingly.

	FY2020	FY2021	FY2022	Governor Projected FY2023
Chapter 70-Education	\$5,496,384	\$5,635,405	\$5,723,453	\$6,007,132
Municipal Aid	\$774,708	\$774,708	\$801,823	\$823,472
Other	\$101,157	\$91,105	\$69,590	\$59,426
Offsets (Restricted to Library)	\$22,831	\$27,535	\$27,806	\$27,101
Total Receipts	\$6,395,080	\$6,528,753	\$6,622,672	\$6,917,131
Charges				
County Tax	200,141	205,145	206,700	211,868
MBTA Assessment	363,653	361,219	371,431	375,618
Other	\$139,352	\$125,227	\$136,938	\$247,194
Total Charges	\$703,146	\$691,591	\$715,069	\$834,680
Net State Aid	\$5,691,934	\$5,837,162	\$5,907,603	\$6,082,451



State School Building Assistance

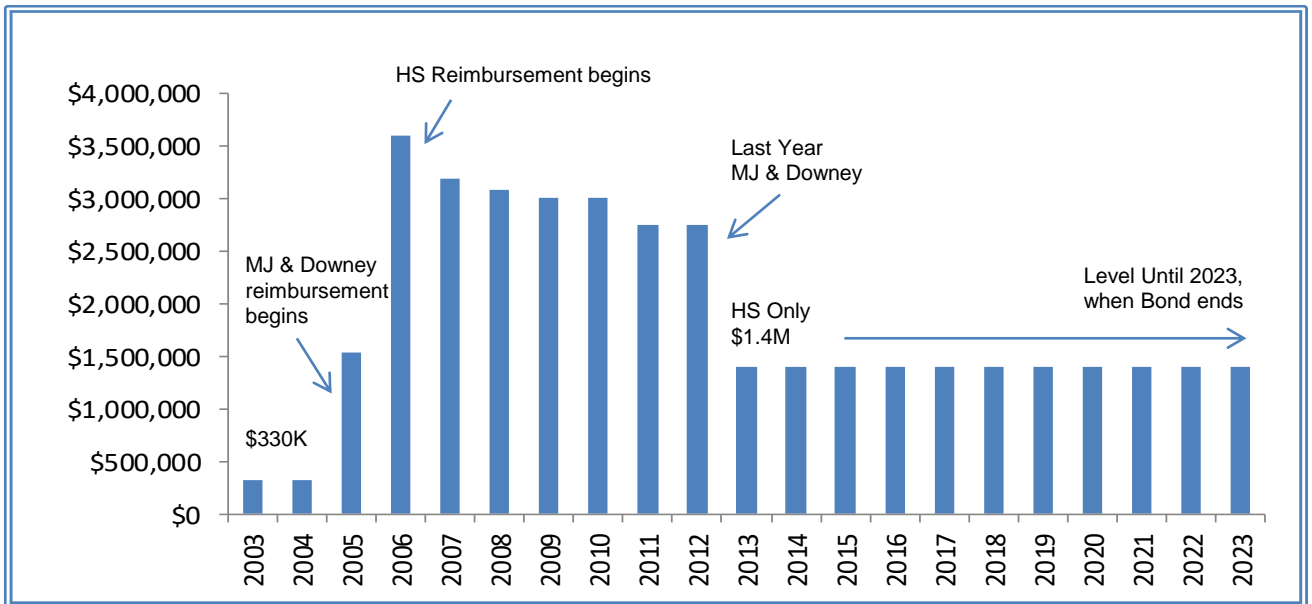
School building projects have been done as part of the Massachusetts School Building Assistance Program. Through this program, the State pays a significant portion of the total cost of the project. The Town renovated and expanded the Martha Jones and Downey schools and constructed the new High School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



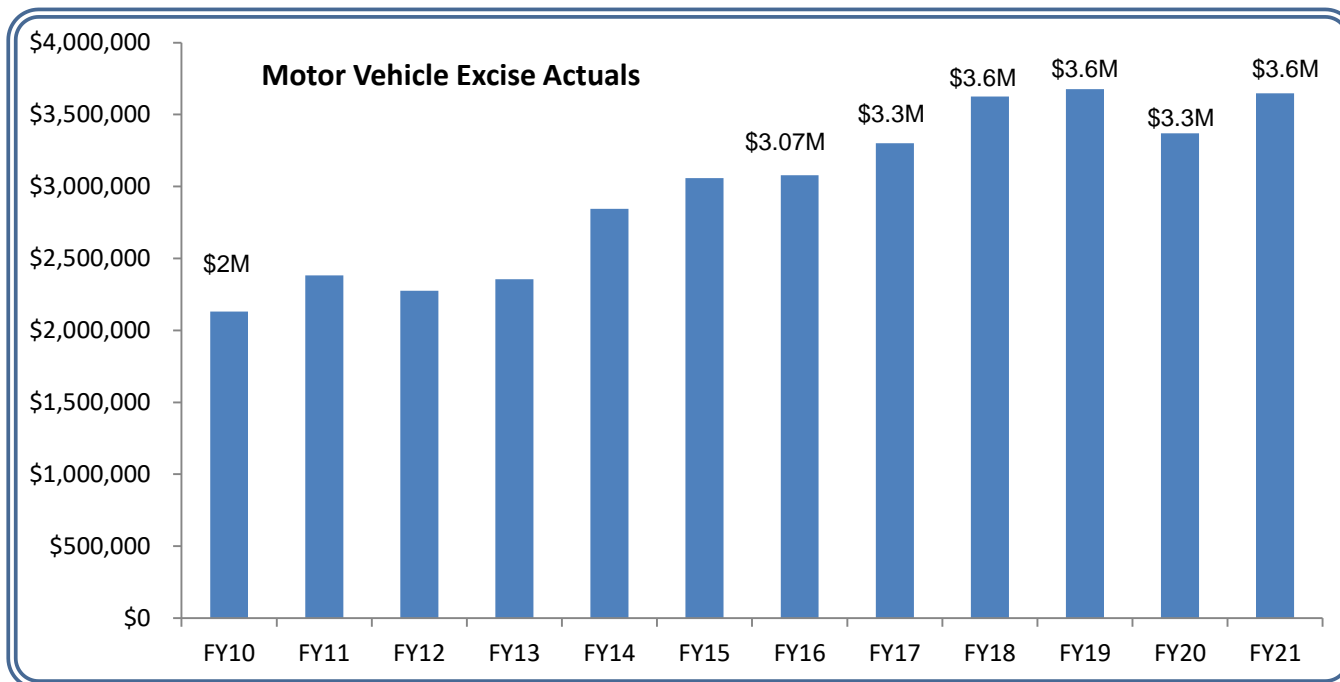
- Note: The MSBA has changed this program. New projects now receive the MSBA’s funding share on a pay as you go basis.
- In Fall 2021, Town Meeting approved an amount of \$87.8M for a new Hanlon Deerfield School. The project was accepted into MSBA program with anticipated MSBA reimbursement of \$18.2M, leaving the Town share at \$69.5M.

FY2023 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.

	FY19	FY20	FY21	FY21	FY22	FY23
	Actual	Actual	Budget	Actual	Budget	Budget
Motor Vehicle Excise Tax	\$3,675,895	\$3,368,741	\$2,680,000	\$3,648,226	\$2,718,500	\$2,718,500
Penalties and Interest	\$210,068	\$93,136	\$90,000	\$136,758	\$90,000	\$90,000
License/Permits	\$1,200,836	\$1,283,355	\$657,915	\$959,731	\$658,615	\$658,615
Departmental Receipts	\$397,861	\$311,462	\$310,500	\$413,885	\$292,300	\$292,300
Investment Income	\$216,319	\$169,795	\$90,000	\$69,046	\$69,000	\$69,000
Recreation	\$180,000	\$180,000	\$332,442	\$332,442	\$332,442	\$332,442
Other	\$80,560	\$208,807	\$35,000	\$39,947	\$35,000	\$35,000
	\$5,961,539	\$5,615,295	\$4,195,857	\$5,600,035	\$4,195,857	\$4,195,857

- 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. This has been particularly important during COVID and economic disruptions.
- Major revenue in this category is motor vehicle excise tax. Motor vehicle revenue has recently been very strong. Actual revenue over budget flows to free cash.



FY2023 Available Funds

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

Available Funds Allocated	FY19	FY20	FY21	FY22	FY23
	Budget	Budget	Budget	Budget	Budget
Conservation Receipts	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
Cemetery Trust					
Cemetery Lot Sales	\$101,250	\$96,750	\$92,250	\$0	\$0
Ambulance Receipts for Ongoing Budget	\$376,500	\$391,075	\$411,075	\$411,075	\$411,075
High School Bond Premium (will end FY23)	\$10,912	\$8,690	\$6,468	\$4,197	\$2,098
Library Bond Premium (end with bond refinance 3/21)	\$15,170	\$13,661	\$12,453	\$11,246	\$0
	\$520,832	\$527,176	\$539,246	\$443,518	\$430,173

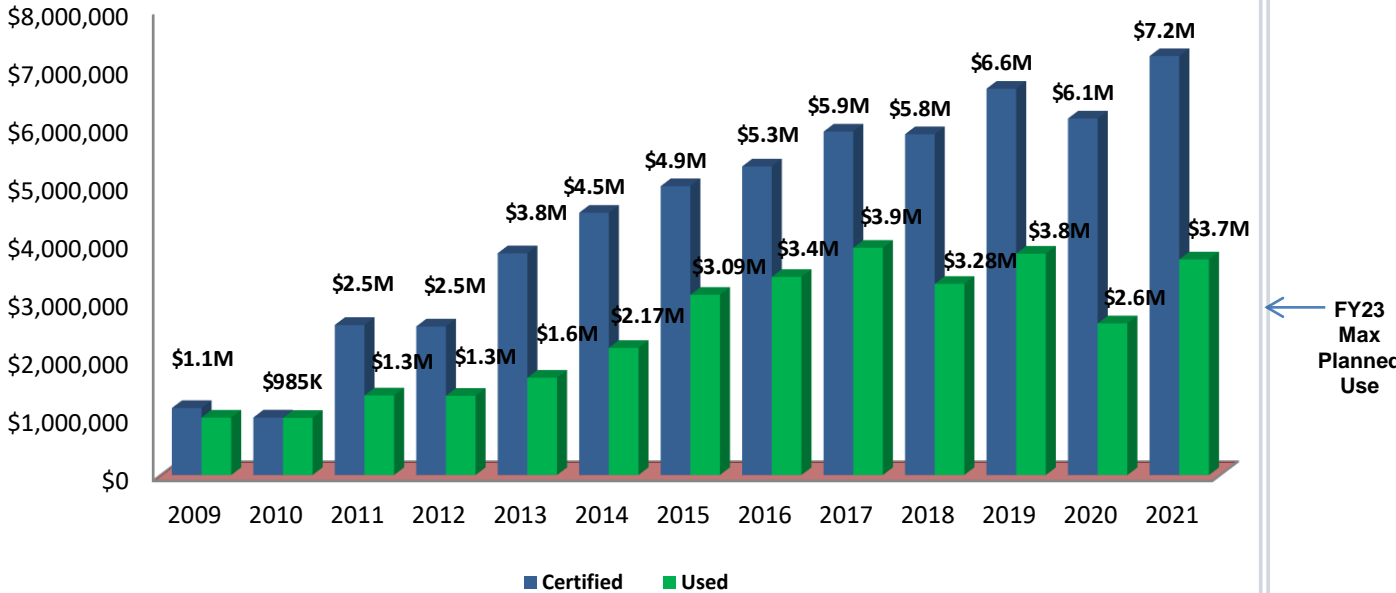
Available Funds for Prior Year/Misc Warrant Articles	FY19	FY20	FY21	FY21	FY21
	Budget	Budget	Budget	Budget	Budget
Additional Ambulance (equipment/salaries/purchase ambulance)	\$514,760	\$141,000	\$127,220	\$502,500	\$32,000
Sale of Assets Account					
Overlay Surplus	\$35,000	\$26,000	\$31,500		
Cemetery Lot Sales for special article					
Additional State Aid					
Bond Premium					
Miscellaneous Funding	\$489,000				
	\$1,038,760	\$167,000	\$158,720	\$502,500	\$32,000

- 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 (1/22) before appropriation - \$947K.
 - 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 library premium ended with the refinancing of the Library bond 3/2021
 - The HS premium will end in FY23 when the bond ends.
 - 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 debt ended in FY21.

A Look at Free Cash

- Certified Free Cash as of June 30, 2021 is \$7,264,563.
- Good FY21 budget to actual results, strong management of COVID response 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.
- FY23 budget uses \$2.3M for capital and \$125,000 for Stabilization, and \$300K articles

Certified/Used Free Cash



Certified Date	July 2021	July 2020	July 2019	July 2018	July 2017	July 2016
Amount	\$ 7,264,563	\$ 6,124,816	\$ 6,637,200	\$5,854,683	\$5,900,219	\$5,386,795
Fall Town Meeting/ Other	Planned use:				\$801,000	\$256,000
Stabilization	\$ 125,000	\$125,000	\$125,000	\$125,000	\$100,000	\$100,000
Capital	\$ 2,373,250	\$2,321,650	\$3,383,900	\$3,163,500	\$2,198,118	\$1,769,050
Articles	\$ 300,000	\$181,000	\$350,000	\$0	\$861,000	\$1,295,000
Total Used	\$ 2,798,250	\$ 2,627,650	\$ 3,858,900	\$3,288,500	\$3,960,118	\$3,420,050
Unallocated	\$ 4,466,313	\$ 3,497,166	\$ 2,778,300	\$2,566,183	\$1,940,101	\$1,966,745

- Financial Policy target is approximately \$3.5M 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

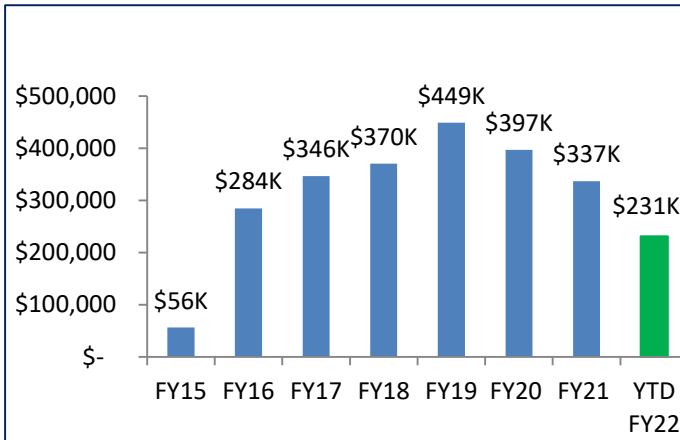
- Municipalities are allowed to charge a local hotel tax up to 6%.
- Westwood adopted the 6% charge at the 2016 Annual Town Meeting.

Restricted Funding

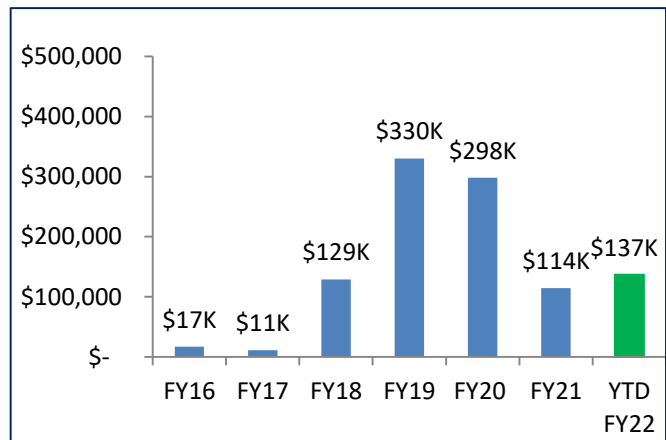
- At the November 2017 Town Meeting, the residents approved establishing a special purpose fund to hold all Hotel and Meals Tax revenue until appropriated by future Town Meetings. All use of funding requires a 2/3 vote by Town Meeting.

Revenue

Annual Meals Tax Revenue



Annual Hotels Tax Revenue



Most Recent Quarterly Receipts

	Meals	Hotels
9/30/20	\$72,820	\$47,399
12/31/20	\$86,881	\$20,582
3/31/21	\$91,942	\$18,463
6/30/21	\$85,213	\$27,921
9/30/21	\$112,419	\$54,637
12/31/21	\$119,050	\$81,954

Meals/Hotel Tax

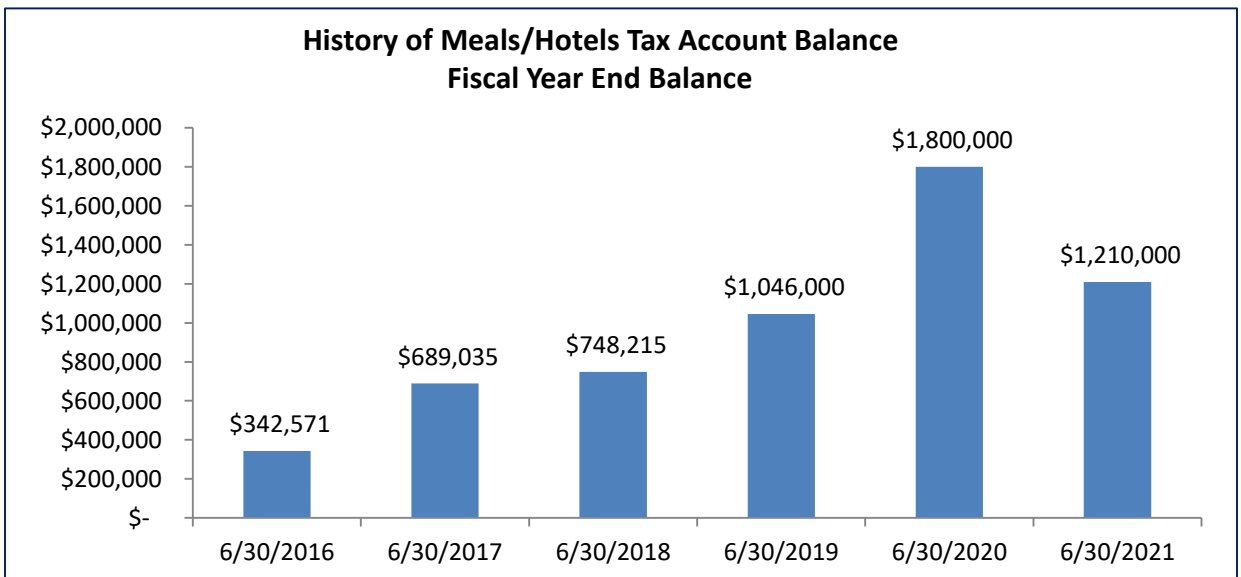
Use of Funds

Any use of funds must be appropriated by Town Meeting, and requires a 2/3 vote. Funds have been used for capital projects.

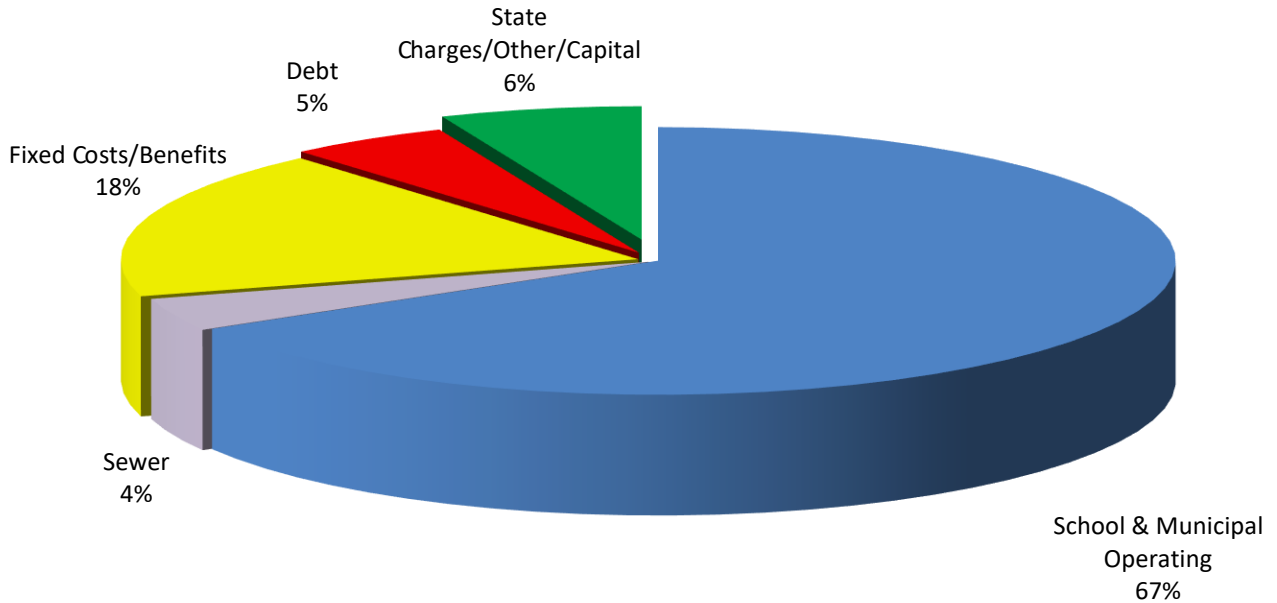
- May 2018 Town Meeting appropriated \$432K of funds:
 - Lighting of the High School tennis courts
 - HVAC project at the High School pool
 - These facilities receive extensive use by residents of all ages.
- May 2019 Town Meeting appropriated \$515K of funds:
 - Design of Recreation Field Lighting
 - Thurston Middle School HVAC project
 - Council on Aging HVAC project
- No Funding was used at the June 2020 Town Meeting
- May 2021 Town Meeting appropriated \$1,060,000 of funds
 - High School Multipurpose Turf Field replacement
 - Pool – Deck surfacing/ Drainage and Refurbishment
 - These facilities receive extensive use by residents of all ages.
- Proposal for May 2022 Town Meeting \$650,000
 - School Street Playground Refurbishment \$60,000
 - Fire – Self contained breathing apparatus system upgrade - \$215,000
 - Building Maintenance – Library Parking Lot - \$75,000
 - Schools Project – Network Upgrade - \$300,000

Balance in the Account

- The balance in the account as of June 30, 2021 was \$1.2M
- The balance at December 31, 2021 is \$1.57M



FY2023 Expenditure Summary



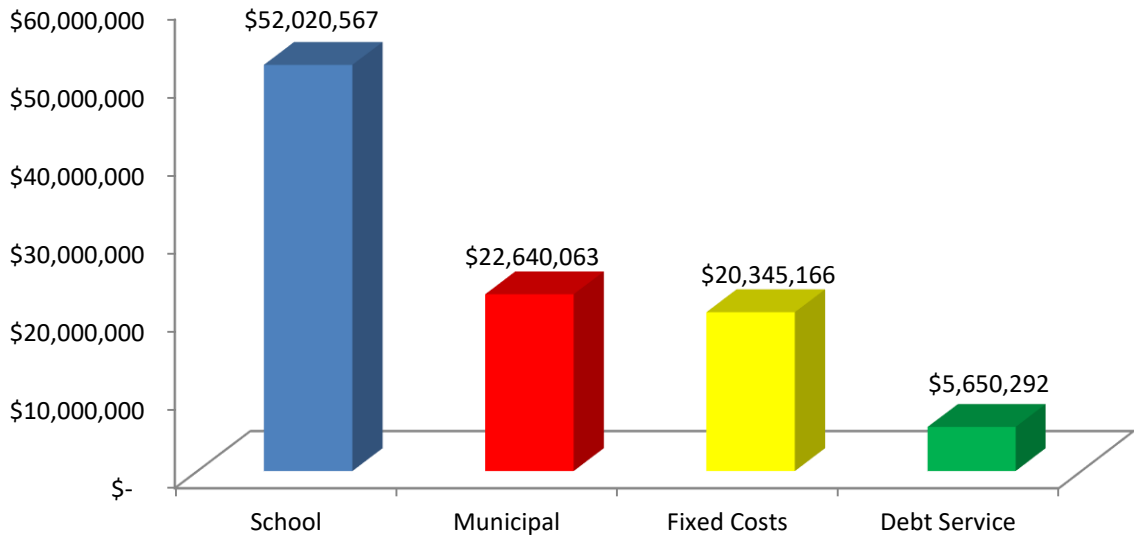
FY2023 Proposed Expenditure Summary

	FY2022	FY2023 Projected	\$ Change	% Change
Operating Budget - School Categories	\$50,261,446	\$52,020,567	\$1,759,121	3.5%
Operating Budget - Municipal	\$21,823,709	\$22,640,063	\$816,354	3.74%
Benefits/Reserves/Insurance	\$19,064,056	\$20,345,166	\$1,281,110	6.7%
Sewer - Operating	\$4,421,757	\$4,506,346	\$84,589	1.9%
Debt Service	\$5,749,331	\$5,650,292	(\$99,039)	-1.7%
Total Operating	\$101,320,299	\$105,162,434	\$3,842,135	3.8%
Capital Base Budget - School & Municipal	\$2,321,650	\$2,373,250	\$51,600	2.2%
Capital - Sewer	\$70,000	\$700,000	\$630,000	900.0%
Other Appropriations:				
To Stabilization	\$125,000	\$125,000	\$0	0.0%
Additional Capital	\$1,495,000	\$682,000	(\$813,000)	-54.4%
To OPEB Trust	\$1,490,000	\$1,515,000	\$25,000	1.7%
Prior Year/Other Articles	\$248,500	\$300,000	\$51,500	20.7%
State Charges/Offsets/Overlay/Snow	\$1,296,439	\$1,394,845	\$98,406	7.6%
Total Expenditures	\$108,366,888	\$112,252,529	\$3,885,641	3.6%

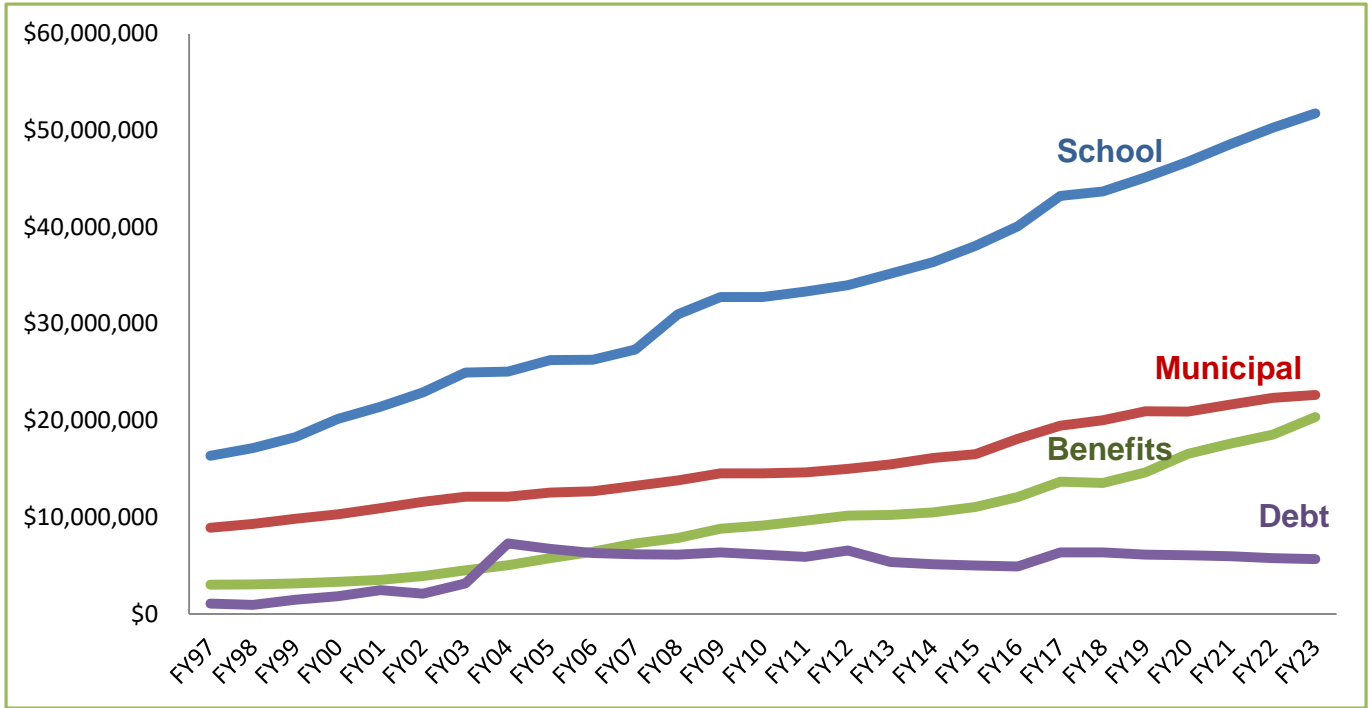
Operating Budget Categories

FY22 Budget	Category	FY23 Proposed	\$ Change FY23 v FY22	% Change FY23 v FY22
\$ 50,012,588	School Operating	\$ 51,762,397	\$ 1,749,809	3.50%
\$ 21,823,709	Municipal Operating	\$ 22,640,063	\$ 816,354	3.74%
\$ 129,617	Blue Hills Regional School	\$ 136,098	\$ 6,481	5.00%
\$ 119,241	Traffic Supervisors	\$ 122,072	\$ 2,831	2.37%
\$ 19,064,056	Fixed Costs	\$ 20,345,166	\$ 1,281,110	6.72%
\$ 5,749,331	Debt Service	\$ 5,650,292	\$ (99,039)	-1.72%
\$ 4,421,757	Sewer	\$ 4,506,346	\$ 84,589	1.91%
\$ 101,320,299	Total	\$ 105,162,434	\$ 3,842,135	3.8%

FY23 Operating Budget Categories - Appendix D
(Excludes Sewer)



A Look at the Budget History

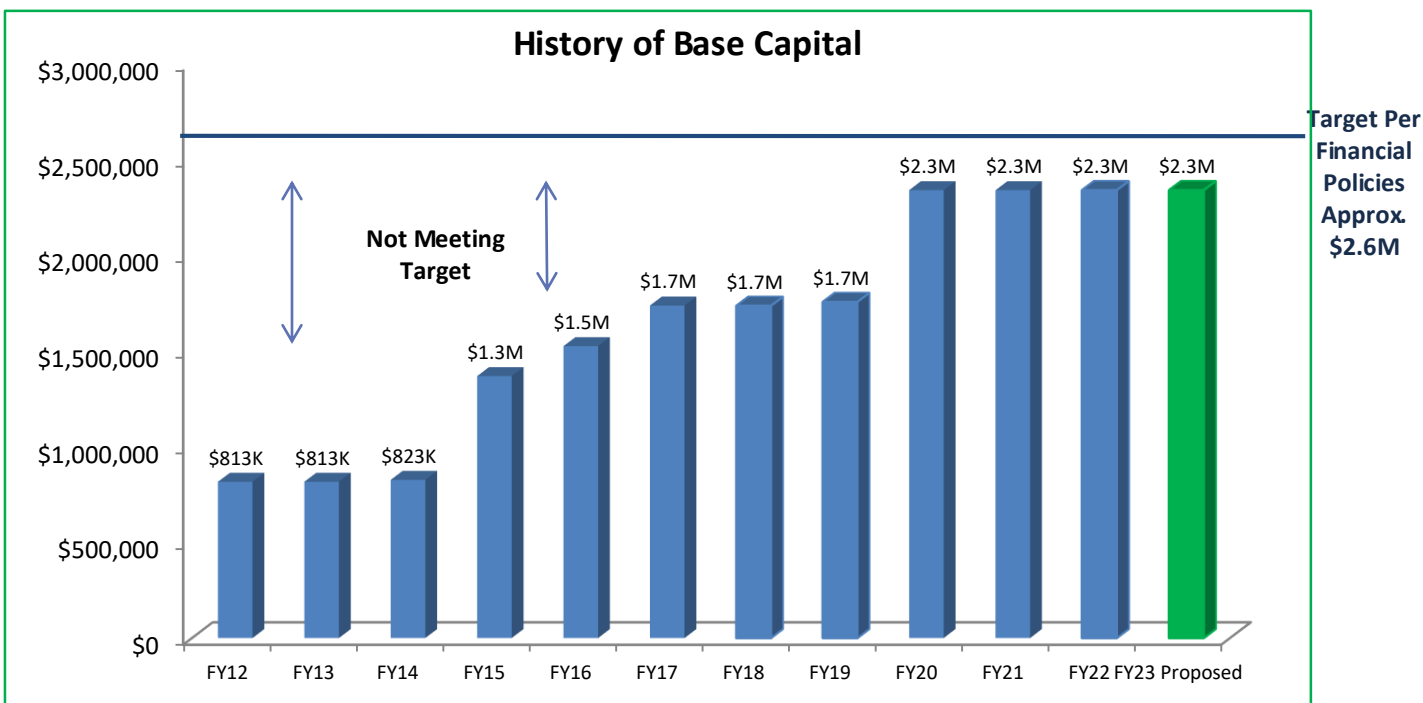


Budget	% Change in Budget								
	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
School Budgets	4.2%	5.3%	4.9%	3.3%	3.4%	3.47%	3.6%	3.44%	3.50%
Municipal Budgets	3.4%	5.2%	3.7%	3.6%	3.8%	3.5%	3.57%	3.17%	3.74%
Benefits/ Insurance/ Reserves	5.5%	3.1%	8.8%	10.6%	8.1%	4.1%	6.4%	5.3%	6.7%
Debt Service	-2.3%	-2.3%	30%	-1.4%	-3.6%	-1.3%	-1.8%	-3.4%	-1.7%

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 \$2.6M.
 - 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.
- FY23 continues improvement in ongoing capital funding.



Base Capital

- Article: Municipal Capital Improvements
 - \$1,356,250 funded with Free Cash
- Article: School Capital Improvements
 - \$1,017,000, funded with Free Cash

Other Capital

- Article: Sewer Capital Improvements
 - \$700,000 funded with Sewer Retained Earnings

Capital Funding

Capital Budget – Other Capital Article

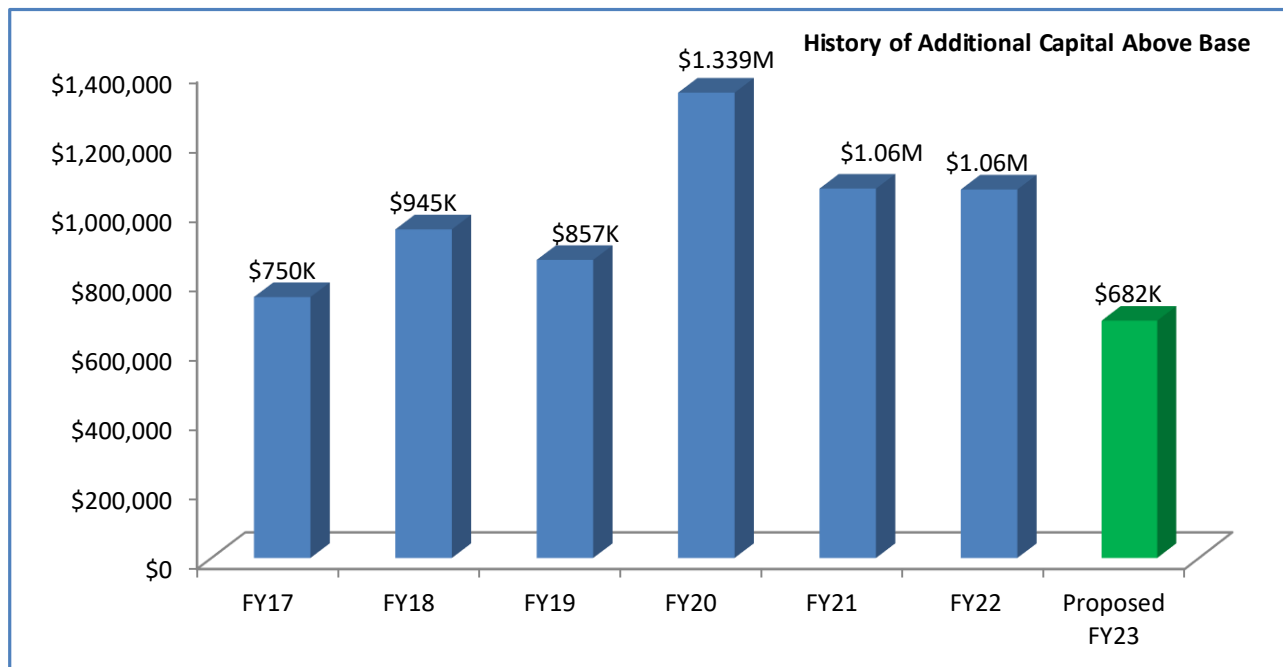
- Since FY17, the Town Meeting has approved an “additional” capital budget article beyond the main base articles.
- Effort to fund:
 - Capital that has been deferred by years of not meeting financial goal
 - Larger items that do not easily fit within base capital budget articles:

Prior Years

- School IT network
- High School Tennis Court Lighting
- Thurston/Senior Center HVAC

FY22

- H.S. Multipurpose Turf Field Replacement \$750K
- Pool repairs \$310K



- FY23 Proposed Other Capital
 - \$650K Funded with Meals/Hotels Tax, \$32K funded with Ambulance Receipts
 - School Street Playground Refurbishment \$60,000
 - Fire – Self contained breathing apparatus system upgrade - \$215,000
 - Building Maintenance – Library Parking Lot - \$75,000
 - Schools Project – Network Upgrade - \$300,000
 - Fire – Rescue Upgrade and replacement - \$32,000

FY23 Capital Budget – Proposed Municipal Capital Article

Item	Amount	Funding Source
COA - Wheelchair Accessible Van	\$90,000	Free Cash
DPW -One Ton Dump Truck With Plow (Truck 26)	\$80,000	Free Cash
DPW -One Ton Dump Truck (Truck 30)	\$80,000	Free Cash
DPW - Mechanic lift set	\$50,000	Free Cash
DPW - Design Funding for Downey St Sidewalk to proceed w/ already approved State Grant of \$365K	\$75,000	Free Cash
Fire -Turnout Gear	\$21,250	Free Cash
Fire -Replacement of Command Staff Vehicle	\$65,000	Free Cash
IT - End User Technology - All Departments	\$75,000	Free Cash
Library - Patron/Staff End User Technology	\$15,000	Free Cash
Library - Sound Dampening Project	\$50,000	Free Cash
Library - Book Mobile - Retrofit existing COA van	\$30,000	Free Cash
Library - Mobile Shelving Units	\$10,000	Free Cash
Police - Police Vehicles	\$215,000	Free Cash
Police -Police Equipment	\$60,000	Free Cash
Building Maintenance - Facility Maintenance	\$100,000	Free Cash
Building Maintenance - Energy Efficiency	\$50,000	Free Cash
Building Maintenance - CSMOB mechanical upgrades	\$45,000	Free Cash
Housing - Building Maintenance and Improvement (Year 5 of 5)	\$150,000	Free Cash
Municipal Communication - Radio Upgrade and Replacement	\$15,000	Free Cash
Municipal Communication - Police, Fire & EMS Radio Infrastructure	\$80,000	Free Cash
Total	<u>\$1,356,250</u>	

FY23 Capital Budget – Proposed Schools Capital Article

Item	Amount	Funding Source
Technology	\$130,000	Free Cash
Furniture, Fixtures, and Equipment	\$30,000	Free Cash
HVAC and Controls	\$200,000	Free Cash
Roofing	\$150,000	Free Cash
Facility Improvements	\$487,000	Free Cash
Copiers	\$20,000	Free Cash
Total	<u>\$1,017,000</u>	

FY23 Capital Budget – Proposed Sewer Capital Article

Item	Amount	Funding Source
Stormwater Compliance	\$ 75,000	Sewer Retained Earnings
Inflow & Infiltration Assessment	\$ 125,000	Sewer Retained Earnings
Pump Station Facility Maintenance Program	\$ 500,000	Sewer Retained Earnings
Total	<u>\$ 700,000</u>	

FY23 Capital Budget – Proposed Additional Capital

Item	Amount	Funding Source
School Street Playground Refurbishment	\$60,000	Meals/Hotels Tax
Fire - Self Contained Breathing Apparatus Full System Upgrade	\$215,000	Meals/Hotels Tax
Building Maintenance - Library Parking Lot	\$75,000	Meals/Hotels Tax
	\$300,000	Meals/Hotels Tax
Fire - Rescue Upgrade and Replacement	\$32,000	Ambulance Receipts
Total	<u>\$682,000</u>	

Funded by \$650K Meals/Hotels and \$32K Ambulance receipts

FY23 Capital Budget – Projects that would require borrowing

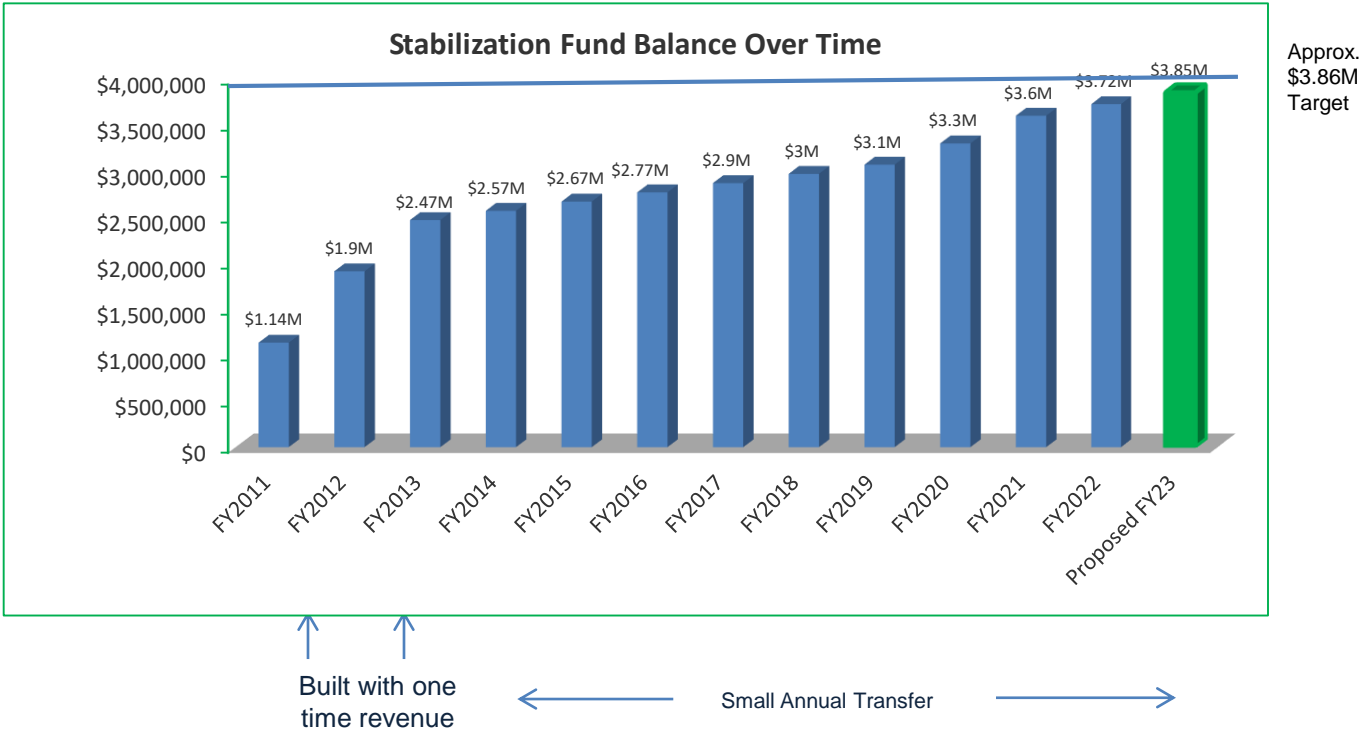
The following projects are being reviewed by the Select Board. Any of these projects would be proposed as a borrowing article.

Item	Amount	Funding Source
Gay Street Sidewalk Construction	\$5,500,000	Borrowing
Conant Road Culvert Design	\$200,000	Borrowing
Cemetery Expansion Design	\$125,000	Borrowing
Canton Street Sidewalk Design (to get State funding for construction)	\$900,000	Borrowing
Total	<u>\$6,725,000</u>	

These projects would be funded as a borrowing article.
Cemetery borrowings are funded with cemetery lot sales receipts.

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.

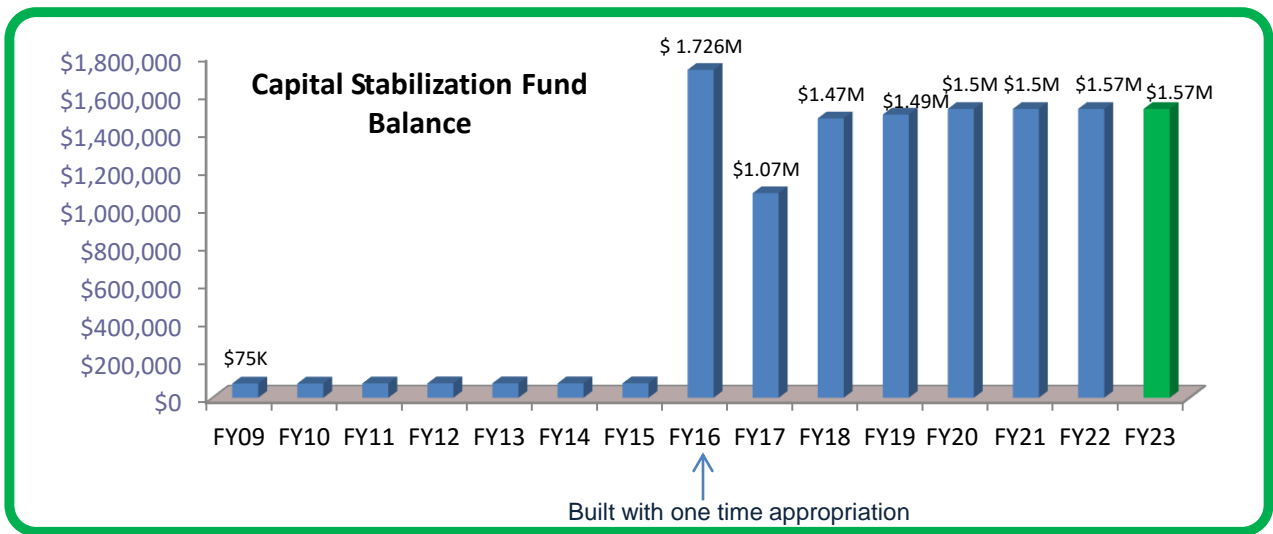


Stabilization Fund						
	FY2018	FY2019	FY2020	FY2021	FY22	Proposed FY23
Annual Appropriation	\$100,000	\$100,000	\$125,000	\$125,000	\$125,000	\$125,000
One Time Additional Appropriation	\$0	\$0	\$0	\$0	\$0	\$0

- The FY23 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	FY2021	FY22	FY23
Annual Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One Time Appropriation	\$1,650,000	\$0	\$397,000	\$0	\$0	\$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.

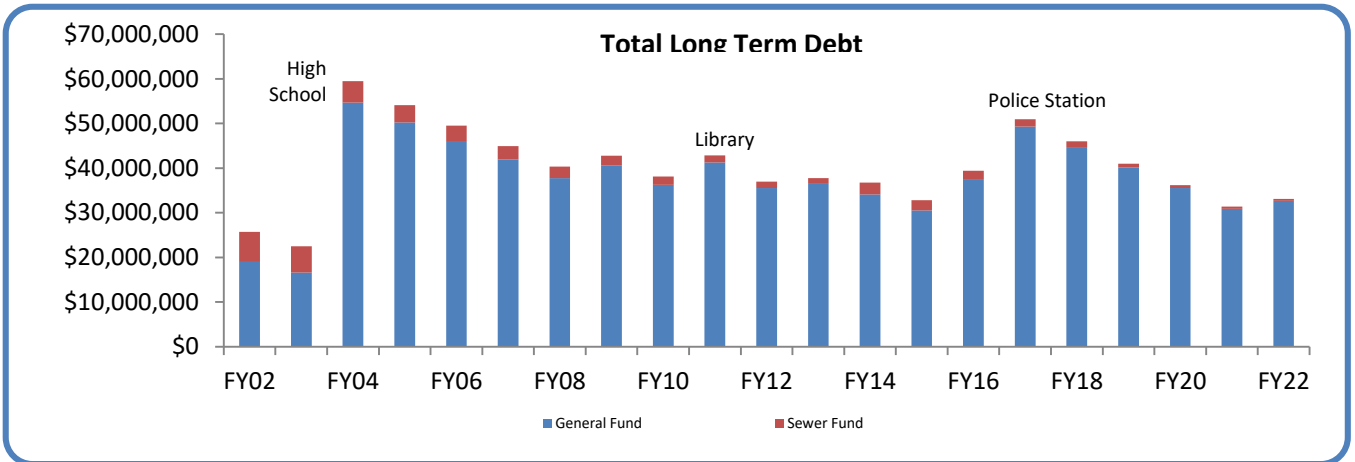
Credit Rating

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 March 2021, in conjunction with the sale of a \$7.7M bond. Current Credit Ratings:

AAA Standard & Poor’s (2021)
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	FY17	FY18	FY19	FY20	FY21	FY22
General Fund	49,355,000	44,710,000	40,120,000	35,545,000	30,990,000	32,655,000
Sewer Fund	1,680,000	1,274,700	868,600	666,800	465,000	465,000
Total	51,035,000	45,984,700	40,988,600	36,211,800	31,455,000	33,120,000

Debt Management

Town Debt – Utilized Favorable Borrowing Climate

Favorable Borrowing Climate

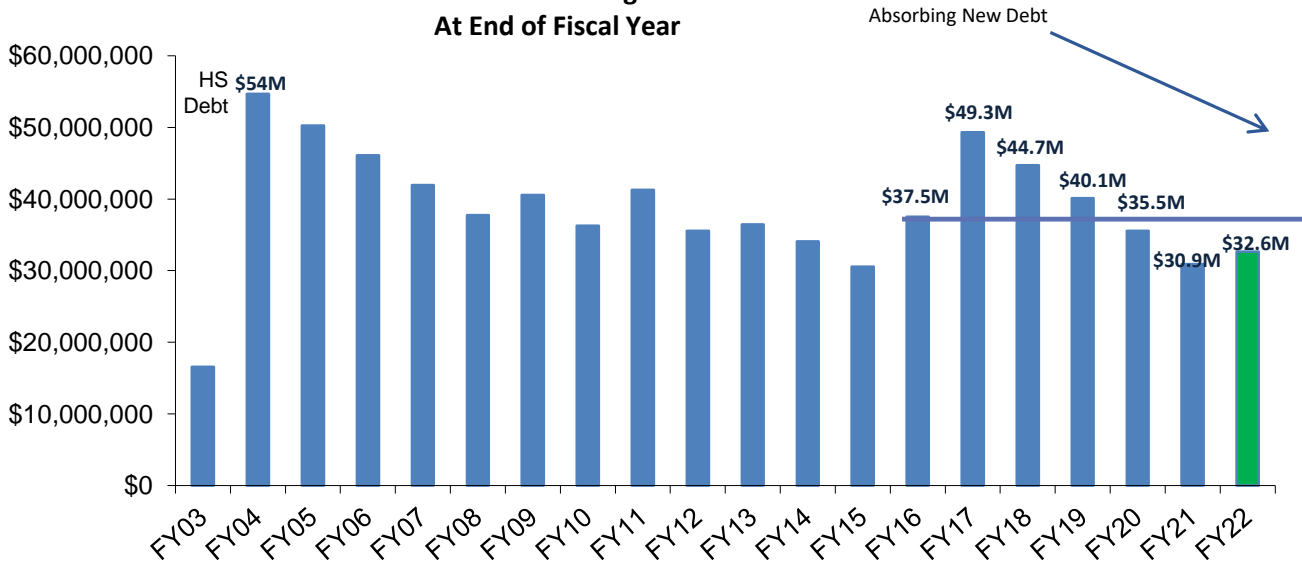
- Very strong credit ratings.
 - Standard & Poor’s AAA.
 - Moody’s AA1
- Excellent interest rate environment.
- Portion of recent bond sales replaced debt dropping off
- Next debt drop off 2023.

Recent Bond Sales

- Bond sold March 2021
 - \$7.715M, 8-20 year term, 1.148%
 - Also, completed refinance of older bonds, savings of \$1.12M achieved
 - \$4.45M BAN sale, 1 year term, .249%
- Bond sold August, 2016:
 - \$16.64M, 10-30 year term, 2.4%.

Debt Authorized, Not Yet Issued		
School MSBA Initial Phase	ATM 2018	\$ 1,750,000
Hanlon School “Bridge” Funding	ATM 2021	\$ 1,460,000
Road Improvement Bond	ATM 2020	\$ 4,650,000
Hanlon/Deerfield New School Project	STM 2021	\$ 84,610,396
DPW/Fire Capital Equipment	ATM 2021	\$ 650,000
	Total	\$ 93,120,386

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



Long Term Debt Outstanding

Long Term Debt Outstanding – General Fund

Description	Rate of Interest	Date Issued	Maturity Date	Amount Issued	Total Outstanding 30-Jun-21
Outside of Prop 2 1/2					
High School (2003) Refinanced 3.12	1.63	3/2012	6/2023	\$39,262,300	\$3,540,000
New Library (2011) Refinanced 4.21	1.15	4/2021	2/2031	\$9,300,000	\$3,920,000
Within Prop 2 1/2					
High School Completion	3.48	8/2008	2/2023	\$1,950,000	\$260,000
Thurston Modulares (2009) Refinanced 4.21	1.15	4/2021	2/2029	\$3,500,000	\$1,068,304
School Roof	1.43	12/2012	6/2022	\$935,000	\$89,000
DPW Roads/Equipment	1.43	12/2012	6/2022	\$3,700,000	\$366,000
DPW Roads/Equipment	1.62	5/2014	5/2024	\$1,400,000	\$420,000
Design Fire Station	2.66	9/2015	9/2035	\$850,000	\$637,500
Construct Fire Station	2.66	9/2015	9/2035	\$8,650,000	\$6,487,500
LED Lights Upgrade	2.66	9/2015	9/2025	\$500,000	\$250,000
Cemetery Expansion	2.66	9/2015	9/2020	\$450,000	\$0
Deerfield Rd/Parking Imprvments	2.42	9/2016	3/2026	\$2,000,000	\$1,000,000
Land Purchase	2.42	9/2016	3/2026	\$890,000	\$440,000
Police Station Design	2.42	9/2016	3/2045	\$1,000,000	\$825,000
Police Station Construction	2.42	9/2016	3/2046	\$12,755,000	\$10,625,000
Islington/Wentworth Library	1.15	4/2021	2/2041	\$1,831,696	\$1,831,696
Road improvement	1.15	4/2021	2/2031	\$895,000	\$895,000
Total General Fund					\$32,655,000

General Fund Debt Authorized - Not Yet Issued Long Term

School MSBA Eligibility Phase	ATM 2018	\$1,750,000
Hanlon School "Bridge" Funding	ATM 2021	\$1,460,000
Road Improvement Project	ATM 2020	\$4,650,000
Hanlon/Deerfield New School Project	STM 2021	\$84,610,3860
DPW/Fire Capital Equipment	ATM 2021	\$650,000
Total		\$93,120,386

Short term debt outstanding: \$4,450,000 one year Ban issued 4/08/2021

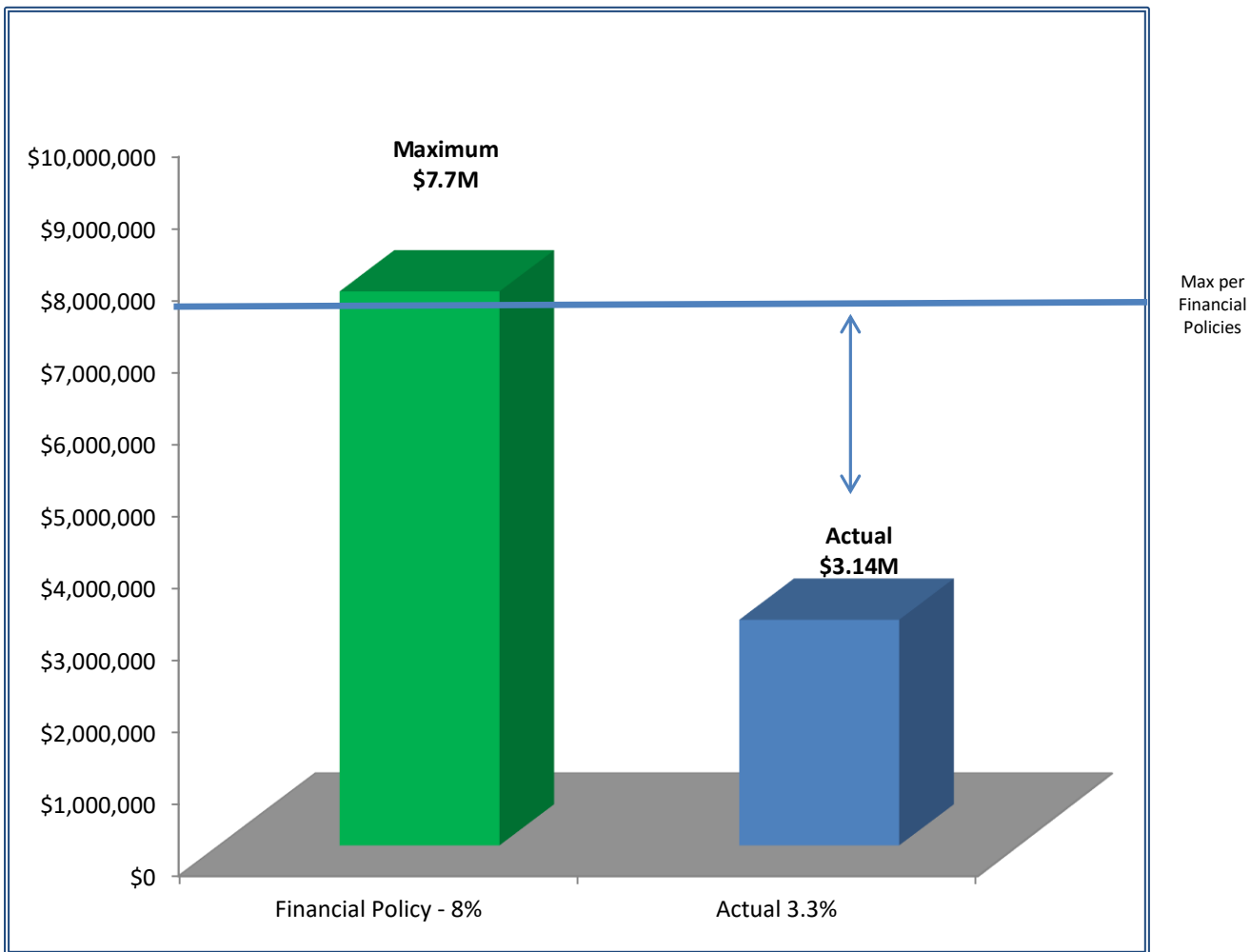
Long Term Sewer Fund Debt Outstanding

Description	Rate of Interest	Date Issued	Maturity Date	Amount Issued	Outstanding 30-Jun-21
MWRA - no interest loan	0.00	6/2016	6/2021	\$234,000	\$0
Sewer Bond	2.50	5/2014	5/2024	\$1,570,000	\$465,000
Total Sewer Fund					\$465,000

Total General Fund and Sewer Debt Outstanding \$33,120,000

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

Long Term Bond Sale March 2021 - \$7.715M, very low interest rate

- The Town had a major bond sale, March 2021
- Prior to the bond sale, Town underwent an updated credit review with Standard & Poors (S&P)
 - Credit Review Result – AAA rating reaffirmed
 - This is an excellent rating for a small community.
 - Reflects well on the work done by the Town, including the Select Board, Finance and Warrant Commission, other appointed and elected officials and Boards, our management and staff and our residents, who all contribute to the work required to obtain this rating.
 - A high rating helps the Town issue debt at the lowest possible interest rate and save money for our residents.
- The Town sold a long term bond for \$ 7,715,000
 - 5 bids received
 - Terms 8-20 years
 - Net Interest Rate of 1.148%
- The Town also sold a short term BAN for \$4,450,000
 - Term 1 year
 - Net Interest Rate of .249%

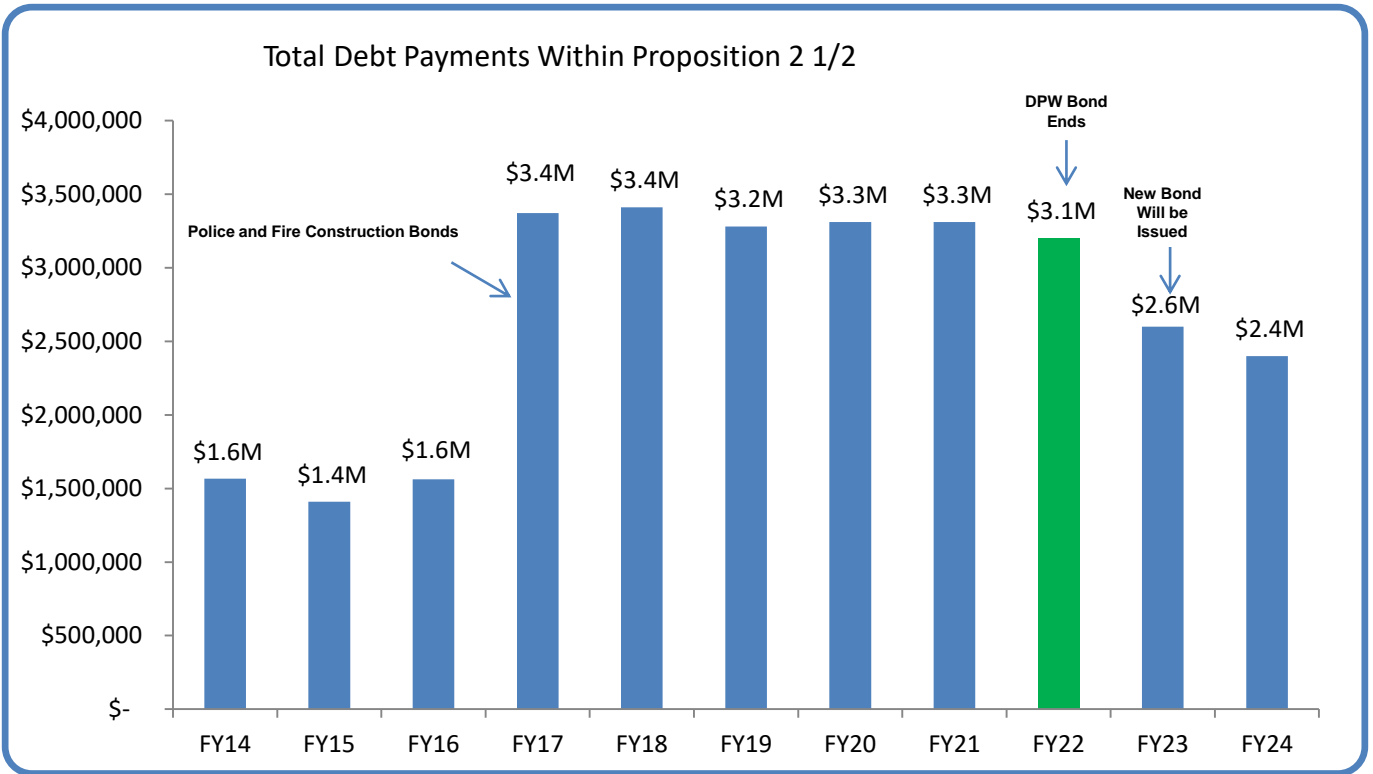
Refinance Library and Thurston Bonds – Savings of \$1.12M

- The March bond sale included refinancing (refunding) of the Thurston School Modular and New Library bonds
 - Original Bonds:
 - Thurston Bond - \$3.5M bond, issued June 2009
 - Library Bond - \$9.3M bond, issued March 2011
 - Total Budget Savings of \$1.12M:
 - Thurston Modulars (8 years remaining) - \$369K budget savings
 - New Library (10 years remaining) - \$759K budget savings
 - As the New Library bond is exempt debt:
 - Will now raise \$759K less in taxes
 - Approximately \$75K less per year.

The Treasurer has capitalized on low interest rates to save our residents money

- This refinancing – saves \$1.12M
- High School bond refinanced in 2012 – saved \$2.7M (\$1.1M Town, \$1.6M MSBA)

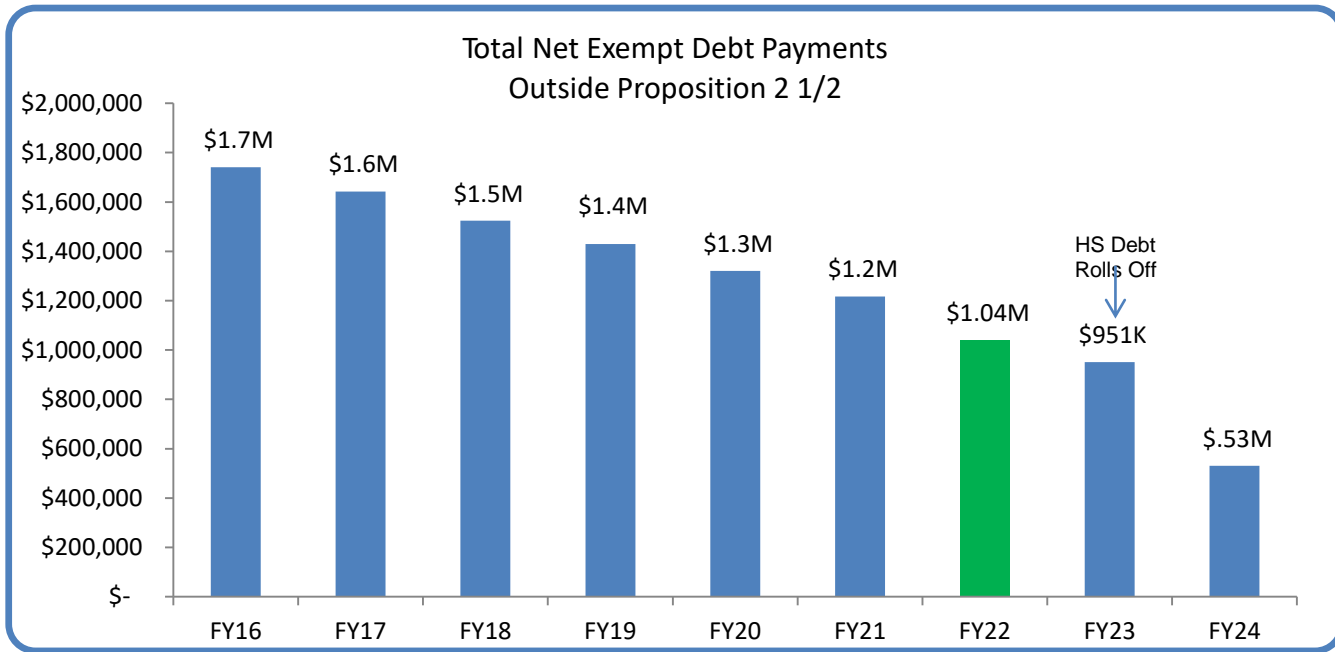
Total Non Exempt Debt – Within Proposition 2 1/2



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 \$4.65M road bond approved at 2020 Town Meeting within Proposition 2 ½ .

Total Net Exempt Debt – Outside Proposition 2 1/2



Debt outside of Proposition 2 1/2

- High School and Library Bonds.
- Principal and interest payments for projects approved outside Proposition 2 1/2.
- Exact amount of debt cost, net of state school reimbursement, is raised in taxes.
- When bond ends, exempt taxes end.
- FY22: High School \$485K, Library \$563K.
- High School bond ends FY2023, Library FY2031.
- High School Payments decline approximately \$100K per year.
- High School bond ends 2023
 - Debt rollover will help with Elementary School Project
- Library refinanced in April 2021
 - Total savings \$759K
 - Approximately \$75K per year savings for remaining life of bond

Total Principal and Interest Payments

Outstanding as of 30-Jun-21		FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31-46	Total FY22-FY46
Principal and Interest for Current Long term Debt Outstanding													
Debt Outside of Proposition 2 1/2													
HS Construct (Exempt)-Refi 3/12	3,540,000	1,980,800	1,891,200	1,807,650									\$3,698,850
Library Construct (Exempt) 4.21	3,920,000	656,813	563,093	547,600	533,600	519,350	499,850	480,350	460,850	446,350	426,600	406,850	\$4,884,493
Debt Within Proposition 2 1/2													
High School Completion 8/08	260,000	145,990	140,660	135,330									\$275,990
Mid Sch Modulars 2009. Refi 4.21	1,068,304	239,838	186,778	181,250	174,500	167,750	156,000	149,500	143,000	136,500			\$1,295,278
DPW Roadway 12/12	150,000	159,000	154,500										\$154,500
School Roof 12/12	89,000	99,490	91,670										\$91,670
DPW Equipment 12/12	46,000	48,760	47,380										\$47,380
DPW Drainage 12/12	20,000	21,200	20,600										\$20,600
DPW Equipment 12/12	150,000	159,000	154,500										\$154,500
DPW Roads 5/14	90,000	32,475	31,875	31,275	30,675								\$93,825
DPW Drainage 5/14	180,000	64,950	63,750	62,550	61,350								\$187,650
DPW Equipment 5/14	150,000	54,125	53,125	52,125	51,125								\$156,375
Fire Station Design 8/15	637,500	66,619	64,494	62,369	60,244	58,119	55,994	54,400	53,338	52,169	50,894	278,482	\$790,503
Fire Station Construction 8/15	6,487,500	677,944	656,319	634,694	613,069	591,443	569,818	553,600	542,788	530,894	517,919	2,833,957	\$8,044,500
Street lights LED upgrade 8/15	250,000	63,750	61,250	58,750	56,250	53,750	51,250						\$281,250
Cemetery Expansion 8/15	0	92,250											\$0
Deerfield Rd/Parking 8/16	1,000,000	248,000	240,000	232,000	224,000	216,000	208,000						\$1,120,000
Land Purchase 8/16	440,000	111,200	107,600	104,000	100,400	91,800	88,400						\$492,200
Police Design 8/16	825,000	60,494	59,094	57,694	56,294	54,894	53,494	52,094	50,694	49,994	49,294	623,751	\$1,107,296
Police Construction 8/16	10,625,000	752,781	735,781	718,781	701,781	684,781	667,781	650,781	633,781	625,281	616,781	8,461,750	\$14,497,281
Islington/Wentworth Hall 4.21	1,831,696	0	148,528	153,850	149,100	144,350	139,600	134,850	125,100	120,600	116,100	1,111,500	\$2,343,578
Road Improvement Bond 4.21	895,000	0	125,038	128,550	124,050	119,550	115,050	110,550	106,050	101,550	97,050	87,550	\$1,114,988
New Debt - Budget Adjustment		214,302		529,724	529,724	529,724	529,724	529,724	529,724	529,724	529,724	1,059,448	\$5,297,240
Total General Fund Debt	32,655,000	5,949,779	5,597,235	5,498,192	3,466,162	3,231,511	3,134,961	2,715,849	2,645,325	2,593,062	2,404,362	14,863,288	46,149,947
Total Non - Exempt Debt	25,195,000												
Non - Exempt Debt Payments		3,312,167	3,142,942	3,142,942	2,932,562	2,712,161	2,635,111	2,235,499	2,184,475	2,146,712	1,977,762	14,456,438	\$37,566,604
Change in non- Exempt Debt		0	(169,225)	0	(210,380)	(220,401)	(77,050)	(399,612)	(51,024)	(37,763)	(168,950)		
Total Exempt Debt	7,460,000												
Total Exempt Debt Payments		2,637,613	2,454,293	2,355,250	533,600	519,350	499,850	480,350	460,850	446,350	426,600	406,850	\$8,583,343
Change in Gross Exempt Debt		(107,000)	(183,320)	(99,043)	(1,821,650)	(14,250)	(19,500)	(19,500)	(19,500)	(14,500)	(19,750)	(19,750)	
State Reimbursement Being Received - for School Projects - all project audits completed													
High School Project - FY06 - FY23		1,401,276	1,401,276	1,401,276									\$2,802,552
High School Bond Premium		6,648	4,197	2,098									\$6,293
Library Bond Premium		12,453	0										\$0
Total State/Bond Premium Annual payments		1,420,377	1,405,473	1,403,374	0	0	0	0	0	0	0	0	2,808,845
Net annual Exempt Debt		1,217,236	1,048,820	951,876	533,600	519,350	499,850	480,350	460,850	446,350	426,600	406,850	5,774,496
Change in annual Exempt Debt		(103,570)	(168,416)	(96,944)	(418,276)	(14,250)	(19,500)	(19,500)	(19,500)	(14,500)	(19,750)	(19,750)	

Sewer Total Principal and Interest Payments

Outstanding as of 30-Jun-22	FY22	FY23	FY24	FY25	FY26	FY27	Total
Principal and Interest payments for current Sewer Debt Outstanding							
Balance							Total FY23-32
MWRA no interest loans - 2022 (FY32)	125,000	0	12,500	12,500	12,500	12,500	\$125,000
Sewer - \$1.5m bond 5/14 (ends FY24)	310,000	164,688	158,488	0	0	0	\$320,076
	0	0	0	0	0	0	\$0
Total Sewer Debt	\$ 435,000	\$ 164,688	\$ 174,088	\$ 170,988	\$ 12,500	\$ 12,500	\$ 12,500
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 – 6/30/19, 6/30/21 Study currently in process

Westwood is required to update the valuation of the liability every other year. The most recent valuation was completed in early 2020 for the period ending 6/30/19. The full report is available on the Town's website.

	6/30/13	6/30/15	6/30/17	6/30/19
Discount Rate		7.75%	7.25%	7%
Unfunded Actuarial Liability	\$55.9M	\$35.6M	\$39.1M	\$36.1M
Funded Ratio		4.6%	11.4%	19.7%

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 \$36.1M liability is comprised as follows:

Schools	\$22.5M
Public Safety	\$8.6M
DPW/Gen Government/Other	\$5.06M
Total	\$36.1M

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 per year. The Town has continued appropriations each year per this plan.
- The FY22 appropriation was \$1.490M, and the planned appropriation for FY23 is \$1.515M.

Benefits/Expense

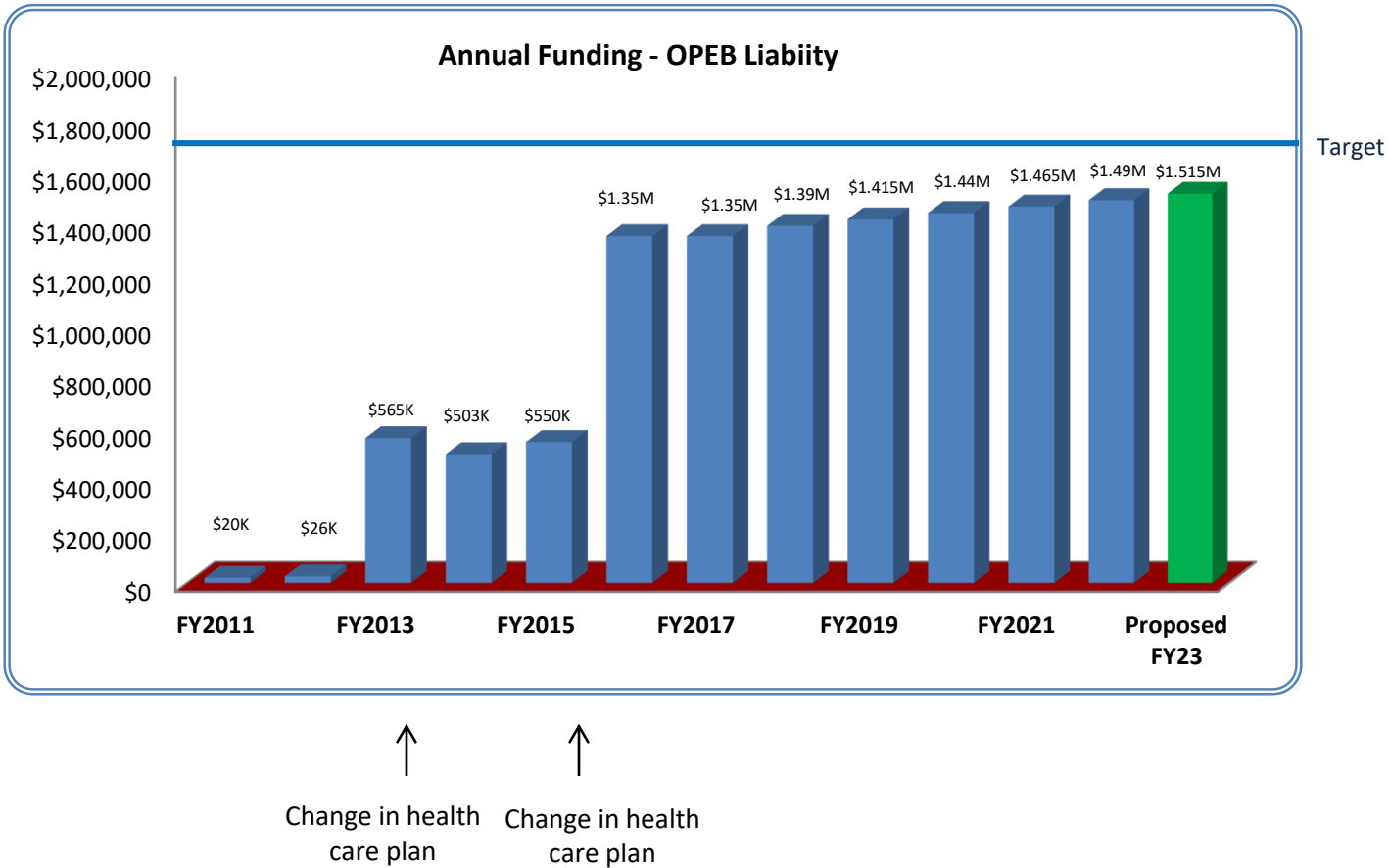
- The liability has also been addressed by making changes on the benefit/expense side.
- In FY14, the Selectmen eliminated the 50% Medicare B premium payment for all new retirees as of 7/1/2014. This action reduced the full liability by 10% or \$5M and reduces the annual funding requirement by \$400K 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 \$17.7M as of 12/31/21.

OPEB Liability – FY23 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 FY23 funding will be \$1,515,000.



- On target with funding plan of \$25K additional each year.
- The current balance in the OPEB trust fund account as of 12/21 is \$17.7M.

Pension System

Teachers:

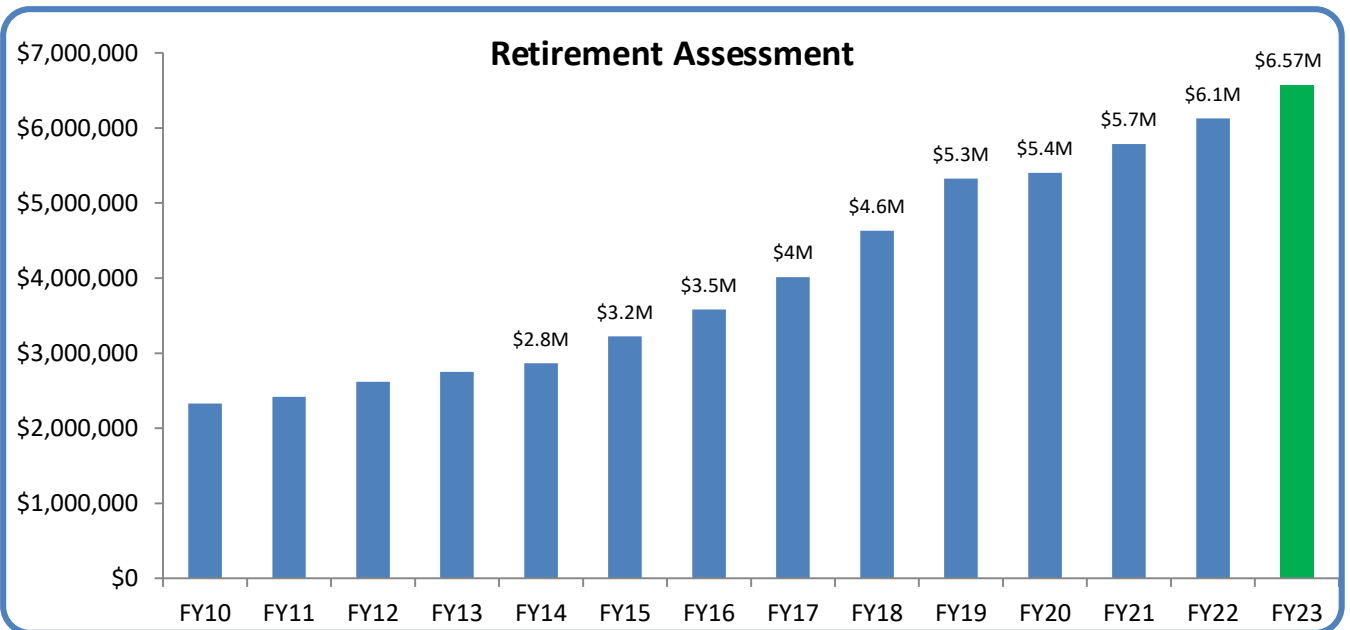
- All MA teachers are part of State Teachers' Retirement System (MTRB).
- Employees required to contribute 5 - 11% of weekly earnings, depending on hire date.
- State, not Westwood, pays an annual assessment (employers' share) for Westwood teachers to MTRB.

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Westwood Assessment	\$4.4M	\$6.78M	\$9.3M	\$9.952M	\$9.936M	\$12.7M	\$14.6M

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 70%.
- Westwood is approximately 7% of overall Norfolk system.
- The FY23 assessment is \$6,572,941



- 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.

FY23 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 FY2021	Current FY2022 Budget	Proposed FY2023 Budget	\$ Change FY23 vs FY22	% Change FY23 vs FY22
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School Employee Benefits/Costs

Retirement Assessments	1,736,210	1,838,126	1,970,534	132,408	7.2%
Workers Compensation	218,544	371,310	371,310	0	0.0%
Unemployment Compensation	61,883	130,671	143,738	13,067	10.0%
Health Insurance	4,374,957	5,131,080	5,490,256	359,176	7.0%
Life Insurance	6,287	8,000	8,800	800	10.0%
Payroll service/Other	26,712	38,495	40,170	1,675	4.4%
Medicare Part B	122,111	183,785	183,785	0	0.0%
Social Security Tax	1,865	7,500	7,500	0	0.0%
Medicare Payroll Tax	554,791	904,229	994,652	90,423	10.0%
School Employee Benefits/Costs	7,103,360	8,613,196	9,210,745	597,549	6.9%

Municipal Employee Benefits/Costs

Retirement Assessment	4,051,323	4,289,289	4,602,407	313,118	7.3%
Workers Compensation	102,529	174,865	174,865	0	0.0%
Unemployment Compensation	3,020	18,448	20,293	1,845	10.0%
Health Insurance	1,700,911	1,699,210	1,818,155	118,945	7.0%
Life Insurance	3,662	5,000	5,500	500	10.0%
Pre-Hire/Payroll/Other	97,049	142,830	143,870	1,040	0.7%
Public Safety Medical/111F ins	62,356	96,000	99,000	3,000	3.1%
Medicare Part B	51,958	74,547	74,547	0	0.0%
Social Security Tax	447	5,000	5,000	0	0.0%
Medicare Payroll Tax	252,061	355,585	391,144	35,559	10.0%
Municipal Employee Benefits/Costs	6,325,316	6,860,774	7,334,781	474,007	6.9%

Shared/Other Fixed Costs

Comprehensive & Liability Insurance	462,938	608,580	608,580	0	0.0%
Waste Collection/Disposal Expenses	1,501,025	1,658,284	1,694,500	36,216	2.2%
Energy/Sustainability Efforts		58,322	109,810	51,488	88.3%
Townwide Hardware/Software Maintenance	415,358	458,650	515,500	56,850	12.4%
Town Wide Newsletter Communication			30,000	30,000	
Audit Services -Town and School	80,804	81,250	81,250	0	0.0%
Total Shared/Other Fixed Costs	2,460,126	2,865,086	3,039,640	174,554	6.1%

Total Benefits/Shared Fixed Costs	15,888,801	18,339,056	19,585,166	1,246,110	6.8%
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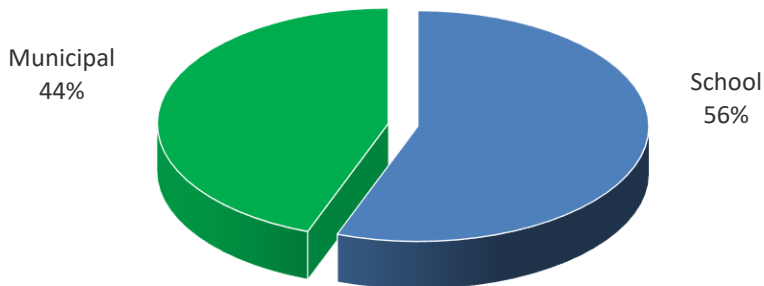
FY23 Budget Municipal and School Employee Benefits/Costs

FY20 Actual	FY21 Actual	FY2022 Budget	Distribution Number	Item	FY2023 Budget
\$5,406,233	\$5,787,533	\$6,127,415	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	\$6,572,941
\$5,406,233	\$5,787,533	\$6,127,415	TOTAL:		\$6,572,941

FY 20 Actual	FY21 Actual	FY2022 Budget	Distribution Number	Item	FY2023 Budget
\$359,673	\$321,073	\$546,176	01-912-5740	Workers Compensation	\$546,175
\$108,971	\$64,903	\$149,119	01-913-5173	Unemployment compensation	\$164,031
\$5,858,562	\$6,075,868	\$6,830,290	01-914-5171	Group Health Insurance	\$7,308,410
\$815,882	\$806,853	\$1,259,814	01-914-5172	Mandatory Medicare Payroll Tax	\$1,385,795
\$6,347	\$2,311	\$12,500	01-914-5174	Social Security	\$12,500
\$10,471	\$9,948	\$13,000	01-915-5172	Group Life Insurance	\$14,300
\$40,425	\$62,356	\$96,000	01-919-5311	Public Safety Medical/111F	\$99,000
\$170,579	\$123,762	\$181,325	01-919-5310	Prehire/Payroll/Other	\$184,039
\$166,438	\$174,069	\$258,332	01-919-5740	Medicare Part B Refund	\$258,332
\$7,537,348	\$7,641,143	\$9,346,556	TOTAL:		\$9,972,583

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

Employee Benefit Cost



	School	Municipal	Total
Fixed Employee Related Costs	\$9,210,745	\$7,334,780	\$16,545,524

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	\$16,545,526
Insurance/Reserve Accounts/Other Shared Costs	\$3,039,640
Total FY23	\$19,585,166

Employee Benefit Costs

	FY22	FY23	\$ Change	% Change
School	\$8,613,196	\$9,210,745	\$597,549	6.9%
Municipal	\$6,860,774	\$7,334,781	\$474,007	6.9%
Total	\$15,473,970	\$16,545,526	\$1,071,556	7%

Employee Benefit Cost



This increase in benefit costs includes:

- FY23 Pension Assessment of \$6.5M, an increase of 7.3% or \$445K .
- FY23 Health Insurance budget of \$7.3M, an increase of 7% or \$478K.

	FY22	FY23	\$ Change	% Change
Fixed Costs	\$18,547,084	\$19,585,166	\$1,246,110	6.8%

The total FY23 Fixed costs budget is \$19,585,166 an increase of \$1,246,110 or 6.8% over FY22.

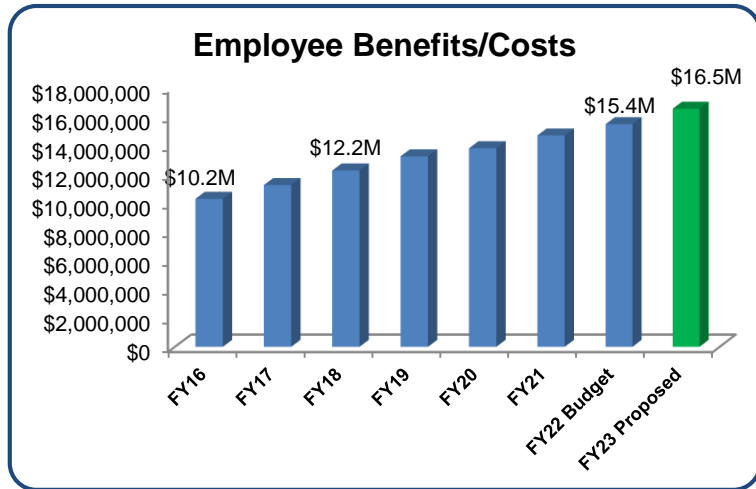
Shared Fixed Costs

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

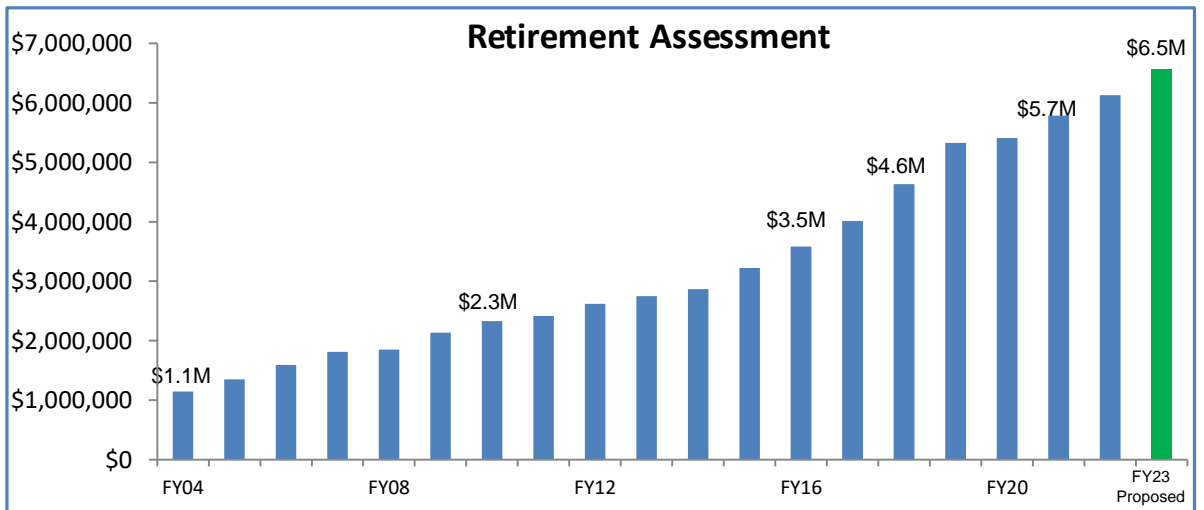
Provides for the protection and well being of Westwood’s employees, in conformance with State statutes. This budget includes costs for the following and covers all municipal and school employees.

- 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.

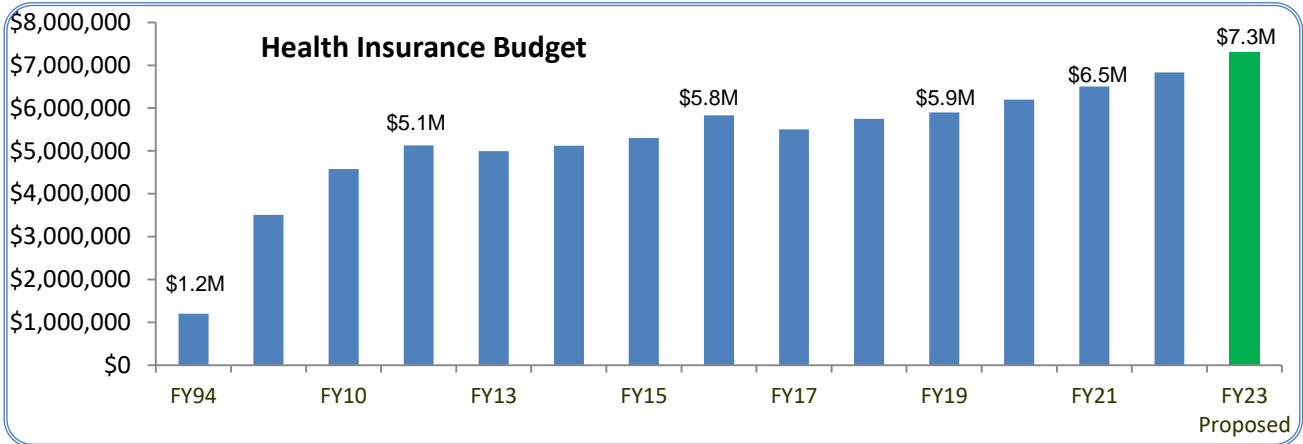


Shared Fixed Costs

Group Health Insurance

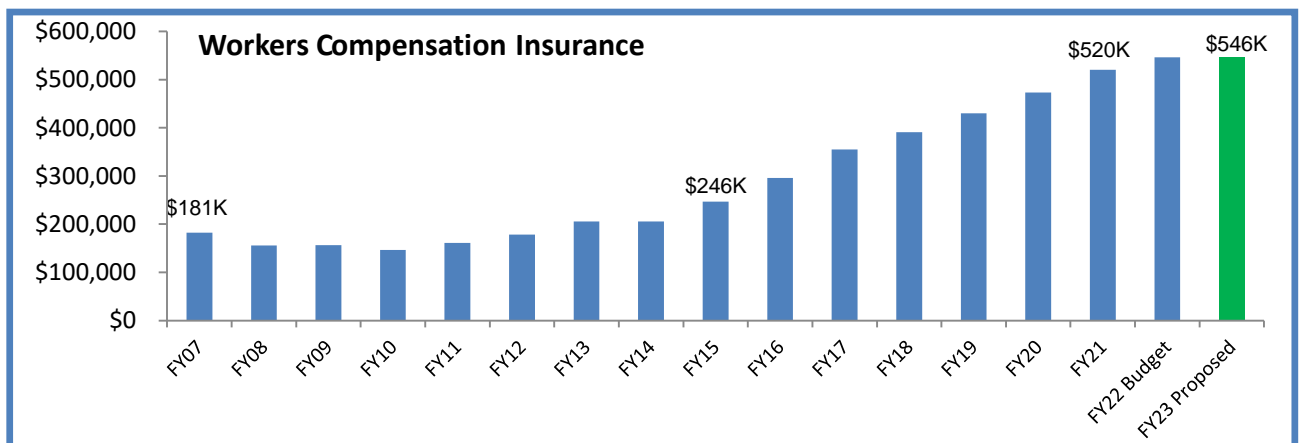
Westwood provides its employees with group health insurance coverage through the MA Group Insurance Commission (GIC). The Town became a participating municipality with the GIC in July, 2015. The Town has greatly benefited from this arrangement in the way of controlled health insurance rates.

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.



Public Safety employees in Massachusetts are covered by 111F insurance to assist with medical expense payments.

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.

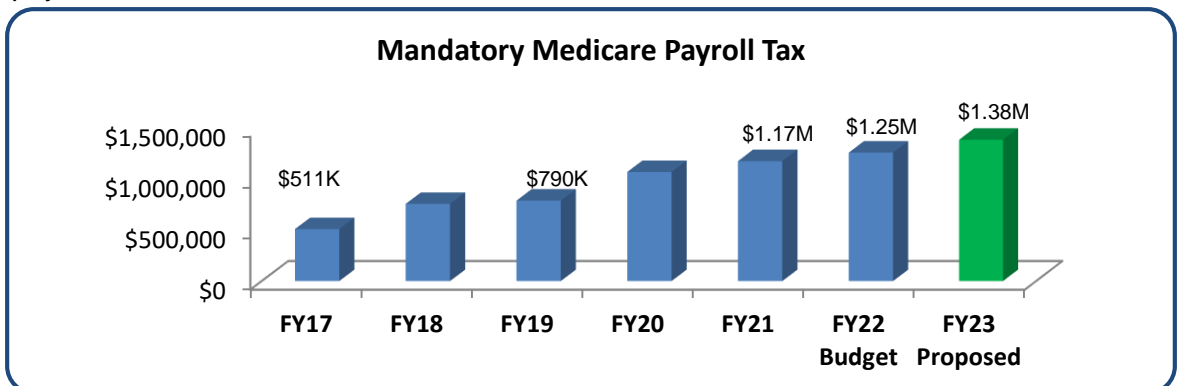
As part of efforts to control the OPEB liability, the Board of Selectmen decided to eliminate the Medicare B reimbursement for all employees who retired after July 1, 2014.

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 employees pay 1.45% of the salary earned by employees hired or promoted after April 1, 1986 as Medicare payroll tax. The Town, as the employer contributes 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.



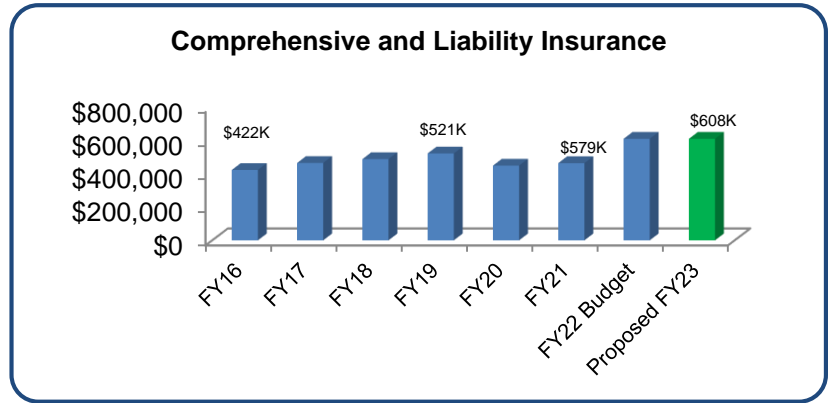
Shared Fixed Costs

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

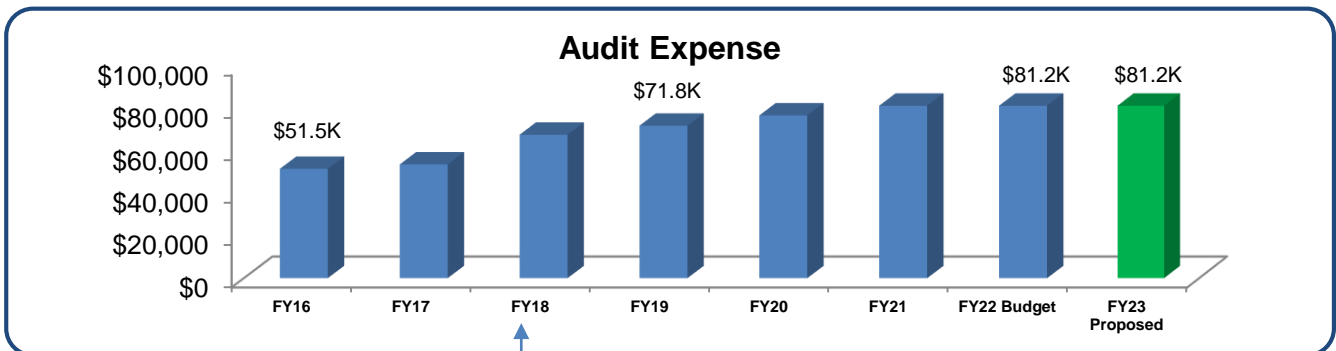
The Town is required to undergo an annual financial audit of all revenue and expenditures. The Town is required to have several audit programs conducted:

- 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 Audit budget provides for all these audit components.

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.



Student Activity
Audit Added

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.
- The current status of the *Policies* can be seen on the following pages.

Financial Policies Status Update October 2021

	Target	Actual	Comments	Target Status	Comparison to Previous Year
B. 2. Operating Reserve Fund – shall be .5% of total general fund operating budget, net of debt service. Per new policy.	\$453,721 .5%	FY22 Budget \$405,000	At approximate target. \$405,000 is a comfortable budget, but could increase to \$425K in FY23. Reserve fund not used in FY21.	✓	Continue to Meet Target
B. 3. Free Cash – shall maintain at 4% of general fund operating budget, net of debt service.	\$3,629,768 4%	\$7,264,563 7%	Actual is at goal. Full amount <u>before</u> use of any free cash. This allows us to utilize standard free cash amount for FY23 budget and still meet target. FY21 unused was \$3.4M which is on target.	✓	Stable On track with target
D. 3. Reserve accounts – 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% \$3,811,751 Total 8% or \$7,623,503	Stabilization 3.9% \$3,733,951 Total 11.5% or \$10,998,514	Stabilization approximately \$77K 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
D.4 Annual OPEB appropriation – the Town will appropriate no less than \$550,000 per year to the OPEB Liability Trust Fund.	Minimum \$550,000	\$1,490,000	FY22 budget includes \$1,490,000 appropriation. Above minimum target and on track with required funding.	✓	Continued Improvement Minimum Target Could be Increased
E. 4. General fund nonexempt debt service should not exceed 8% of net general fund revenues.	Not exceed 8% Or \$7,623,503	3.3% \$3,142,942	Target is met. Non exempt debt service is below maximum target.	✓	Continue to Meet Target
E. 4. Total General fund exempt and nonexempt debt should not exceed 10-12% of net general fund revenues.	Not exceed 12% Or \$11,435,255	5.9% \$5,597,235	Target is met. Total debt is well below target. There is already approved, but not yet issued debt of \$8.6M	✓	Continue to Meet Target
F. 5. Investment in capital stock – will maintain 3% of general fund operating budget, net of debt, on ongoing capital maintenance and replacement.	\$2,722,326 3%	\$2,321,650 2.7%	Actual is approximately \$400K short of target. Actual at 89% of target. Base capital has been increased incrementally from \$823K to \$2.33M. In each of the last 5 years, there have been appropriations of an additional \$700-\$1.3M of capital <u>above</u> the base.	Close to Target	Continued Improvement and Additional Capital
G. 5. Maintain sewer retained earnings – will maintain 10% of sewer fund revenues.	\$491,945 10%	\$4,504,306 91%	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 October 2021

Other Policies	Comments	Target Status	Comparison to Previous Year
B.1. General Fund – 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
D.3. Reserves – Town will strive to make annual appropriation to the Stabilization Fund	\$125,000 appropriation to stabilization reserve at 2021 Annual Town Meeting, funded by free cash. Will continue in FY23 budget plan. Current balance in stabilization account is \$3.7M	✓	Target has been met consistently
D.4. OPEB – Town will strive to move towards fully funding ARC (Annual Required Contribution).	\$1,490,000 appropriated to OPEB reserve at 2021 Annual Town Meeting, within budget funds. This is currently on target with required annual payment (ARC). OPEB trust account now has a balance of \$17.2M.	✓	Greatly Improved On Target with ARC from Current Valuation
F.2. Capital Planning – 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?

Abatement:	A complete or partial cancellation of a levy imposed by a governmental unit; applicable to tax levies and special assessments.
Appropriation:	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.
Assessed valuation:	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.
Audit:	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.
Balance sheet:	A statement that discloses the assets, liabilities, reserves and equities of a fund or government unit at a specified date.
Budget:	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).
Capital budget:	A plan of proposed capital outlays and the means of financing them for the current fiscal period.
Cherry sheet:	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.
Classification:	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.
Debt service:	Payment of interest and principal related to long-term debt.
Encumbrance:	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.
Enterprise fund:	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?

Expenditure:	The spending of money by the town for the programs or projects within the approved budget.
Fiscal year:	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.
Free cash:	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.
Fund:	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.
General fund:	The fund into which the general (non-earmarked) revenues of the town are deposited and from which money is appropriated to pay expenses.
Overlay:	The amount raised in excess of appropriations and other charges. It is used to cover abatements and exemptions granted locally or on appeal.
Override:	A vote to increase the amount of property tax revenue that may be raised over the levy limit.
Personal services:	The cost of salaries, wages and related employment benefits.
Property tax levy:	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
Reserve fund:	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.
Revolving fund:	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.
Tax levy:	Total amount of dollars assessed in property taxes imposed by the Town each fiscal year.
Undesignated fund balance or surplus revenue account:	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)
Warrant:	A list of items to be voted on at Town Meeting.