

AGENDA

FINANCE AND WARRANT COMMISSION

FEBRUARY 2023 MEETING

Tuesday, February 14th, 2023 &

Wednesday, February 15th, 2023 (if needed)

REMOTE MEETING - ZOOM WEBINAR

7:00 P.M.

Pursuant to Chapter 20 of the Acts of 2021, On June 16, 2022, Governor Baker signed into law an Act Extending Certain COVID-19 Measures Adopted during the State of Emergency. This Act includes an extension, until March 31, 2023, of the remote meeting provisions of his March 12, 2020, Executive Order. This meeting will be conducted via in-person & remote means. Members of the public who wish to access the meeting may do so either in- person or by using the Webinar link below. In-person attendance of members of the public will be permitted based on space availability following CDC, State and Local guidelines, every effort will be made to ensure that the public can adequately access the proceedings in real time, via technological means and in-person. In the event that we are unable to do so, for reasons of economic hardship and despite best efforts, we will post on the Town website an audio or video recording, transcript, or other comprehensive record of proceedings as soon as possible after the meeting.

The meeting will be live streamed by Westwood Media Center and the public can view the meeting there or on our government channels broadcasting the meeting on Comcast channel 12 and Verizon channel 42.

The public is encouraged to watch our meeting via Westwood Media Center live stream and join via Zoom webinar as instructed below. The public will be allowed to make comments, if they wish to do so, during the portions of the meeting designated for public comment.

Tuesday, February 14, 2023

You are invited to a Zoom webinar.

When: Feb 14, 2023 07:00 PM Eastern Time (US and Canada)

Topic: Finance and Warrant Commission Meeting

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84210254710?pwd=enlHbW4vKzZPeGRycmpJVzIENnJWUT09>

Passcode: 521421

Or One tap mobile :

US: +13092053325,,84210254710# or +13126266799,,84210254710#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 309 205 3325 or +1 312 626 6799 or +1 646 931 3860 or +1 929 205 6099 or +1 301 715 8592 or +1 305 224 1968 or +1 253 215 8782 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833 or +1 689 278 1000 or +1 719 359 4580 or +1 253 205 0468 or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) or 833 548 0276

(Toll Free) or 833 548 0282 (Toll Free)

Webinar ID: 842 1025 4710

International numbers available: <https://us02web.zoom.us/j/kdzYF9iOt>

Wednesday, February 15, 2023

You are invited to a Zoom webinar.
When: Feb 15, 2023 07:00 PM Eastern Time (US and Canada)
Topic: Finance and Warrant Commission Meeting (if needed)

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82833380933?pwd=WIBiR1JTSWNTK1lieU42Zm9zaS9pUT09>

Passcode: 613718

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US: +13052241968,,82833380933# or +13092053325,,82833380933#

Or Telephone:

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US: +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 646 931 3860 or +1 929 205 6099 or
+1 301 715 8592 or +1 507 473 4847 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833 or +1
689 278 1000 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 360
209 5623 or +1 386 347 5053 or 888 475 4499 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282
(Toll Free) or 877 853 5257 (Toll Free)

Webinar ID: 828 3338 0933

International numbers available: <https://us02web.zoom.us/j/82833380933?pwd=WIBiR1JTSWNTK1lieU42Zm9zaS9pUT09>

- I. Call to Order at 7:00 P.M.
- II. Grant permission to Westwood Media Center to live stream and videotape the meeting.
Ask if anyone else wishes to record this meeting.
- III. Welcome all participants including members, presenters, and members of the public and press.
- IV. Pledge of Allegiance.
- V. **Member Roll-Call.**
- VI. **Presenter(s):** Robert Gotti (Select Board Chair), Christopher Coleman (Town Administrator), Stephanie McManus (Finance Director) – Update on ATM 2023 Budget Warrant Articles, FY24 Municipal Budget and FY24 Overall Budget
- VII. **Presenter(s):** Emily Parks (Superintendent) and Lemma Jn-Baptiste (WPS Director of Finance and Operations) – FY24 School Budget
- VIII. Chair's update –.
- IX. Vice Chair's update – Report on Capital Budget Subcommittee meeting, Hale Info Session and Westwood Housing Authority Capital expenditures.
- X. Other business that may properly come before the board not previously anticipated by the Chair–
- XI. Old Business – Approval of 01.31.23 Minutes.
- XII. Public and Press -
- XIII. Adjournment – **Roll-Call Vote.**



FY24 Budget Finance and Warrant Commission February 14, 2023

Stephanie McManus
Assistant Town Administrator/Finance Director

FY24 Budget Presentation Overview

- Collaborative process for both Municipal and Overall Operating Budgets
 - Budget Steering Committee meetings
 - Working collaboratively with Municipal Department heads to present a well rounded budget that preserves a high level of services.
- Proposed Municipal Budget
 - Review of services included in the proposed budget
 - Highlighted changes to salaries and expenses
 - History of increases
- Proposed Overall Budget
 - Proposed budget is currently balanced
 - High level summary of proposed expenditures and revenue sources
 - Details on proposed Operating budget
- Next Steps



FY24 Proposed Municipal Budget

FY24 Proposed Municipal Budget Summary

What does the Municipal Budget Provide?

- High quality services that respond to all areas and all age groups throughout the Town.

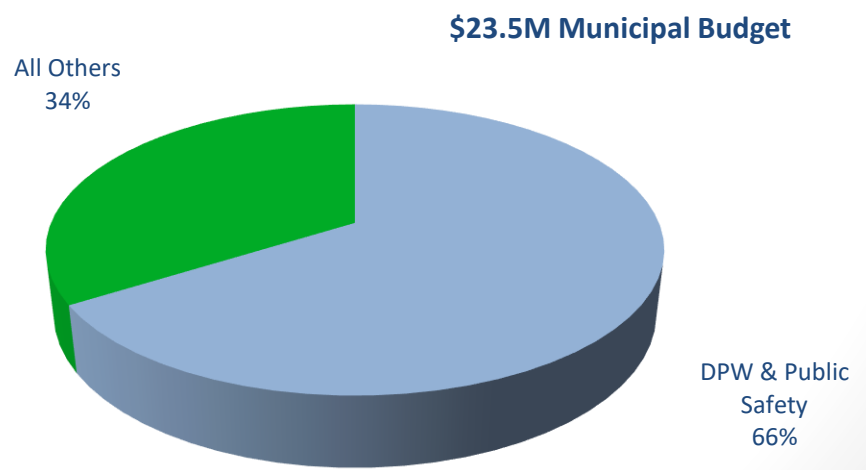
What Are the Components of the Municipal Budget?

- Majority of the budget is Public Safety and Public Works – 66% of the budget
- Police and Fire - 45% of the budget
- DPW services include maintenance of roads, fields and all buildings - 21% of the budget

- Programs and services for all ages in Town:
 - Council on Aging
 - Library
 - Recreation

- State required
 - Zoning, Health, Licensing, Veterans

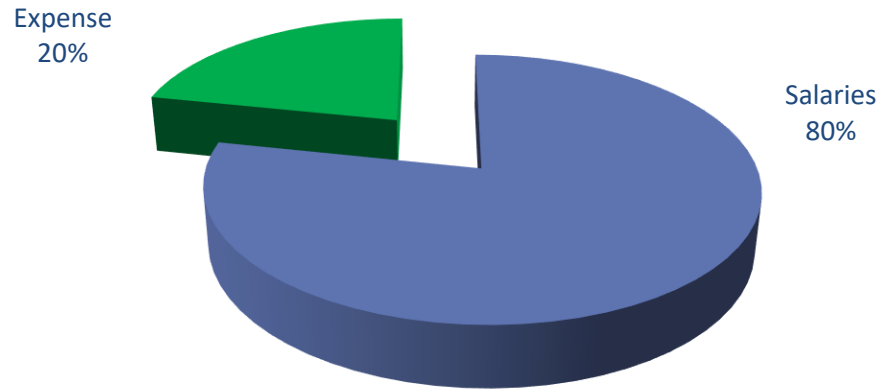
- Administrative Departments



FY24 Proposed Municipal Budget Summary

The municipal budget is salary driven.

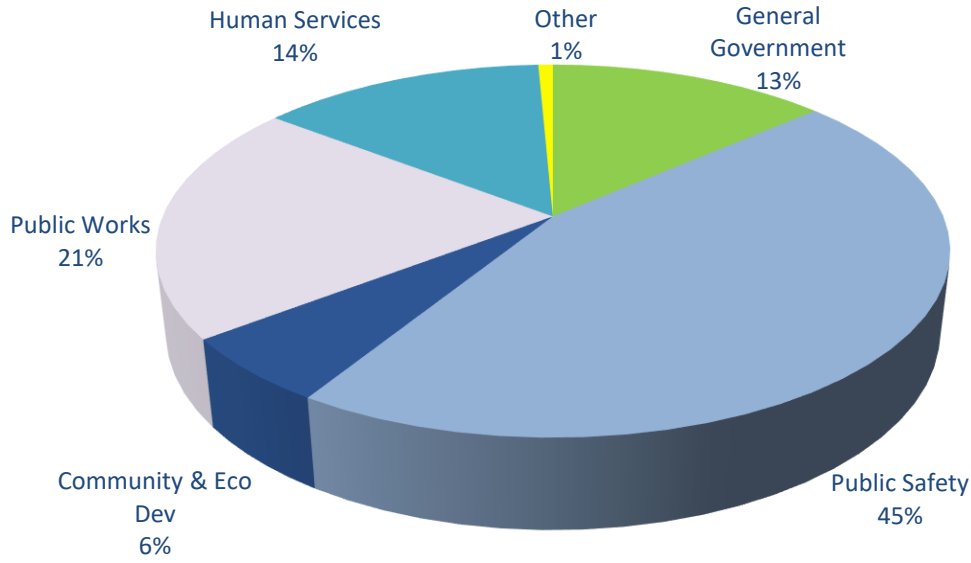
- The majority of the municipal budget is spent on staffing
- Our primary service delivery is through our staff – police officers, firefighters and DPW workers providing direct services to our residents



| FY23 Budget | Function | FY24 Proposed Budget | % of Total |
|------------------------|-----------------|---------------------------------|-------------------|
| \$18,193,366 | Salaries | \$18,990,180 | 80% |
| \$4,446,697 | Expenses | \$4,605,557 | 20% |
| \$22,640,063 | Total | \$23,595,737 | 100% |

FY24 Proposed Municipal Budget

How is the municipal budget funding allocated among service areas?



| | FY23 Budget | FY24 Proposed | \$ Increase | % Increase |
|---------------------|---------------------|----------------------|--------------------|-------------------|
| General Government | \$3,063,897 | \$3,200,745 | \$136,848 | 4.5% |
| Public Safety | \$10,341,457 | \$10,691,416 | \$349,959 | 3.4% |
| Community & Eco Dev | \$1,318,804 | \$1,354,965 | \$36,161 | 2.7% |
| Public Works | \$4,718,021 | \$4,906,996 | \$188,975 | 4.0% |
| Human Services | \$3,031,884 | \$3,275,115 | \$243,231 | 8.0% |
| Other | \$166,000 | \$166,500 | \$500 | 0.3% |
| Total | \$22,640,063 | \$23,595,737 | \$955,674 | 4.2% |

- Public Works and Public Safety have an increase in FY24 of \$538K, which is 57% of the total overall increase.

FY24 Proposed Municipal Budget Summary

What are the salary changes in the FY24 Budget?

| Category | FY23 | Proposed | Difference | |
|--------------|---------------------|---------------------|------------------|-------------|
| | Budget | FY24 | \$ | % |
| Salaries | \$18,193,366 | \$18,990,180 | \$796,814 | 4.4% |
| Expenses | \$4,446,697 | \$4,605,557 | \$158,860 | 3.6% |
| Total | \$22,640,063 | \$23,595,737 | \$955,674 | 4.2% |

Approximately \$796K or 83% of the total increase is for salaries and includes the following major items:

| Department | Item | Amount |
|-----------------|--|------------------|
| All Departments | Salary contractual obligations, COLA/Step increases for all staff | \$624,500 |
| Human Services | Restructuring in FY23 with new division head, and increased admin support | \$63,000 |
| Human Resources | Impact on FY24 of restructuring in FY23 | \$57,500 |
| Recreation | Inclusive program manager position approved in FY23, budgeted for partial year, as hiring planned for fall | \$40,000 |
| | Total | \$785,000 |

FY24 Proposed Municipal Budget Summary

What are the expenses in the FY24 proposed budget?

| Category | FY23 | Proposed | Difference | |
|--------------|---------------------|---------------------|------------------|-------------|
| | Budget | FY24 | \$ | % |
| Salaries | \$18,193,366 | \$18,990,180 | \$796,814 | 4.4% |
| Expenses | \$4,446,697 | \$4,605,557 | \$158,860 | 3.6% |
| Total | \$22,640,063 | \$23,595,737 | \$955,674 | 4.2% |

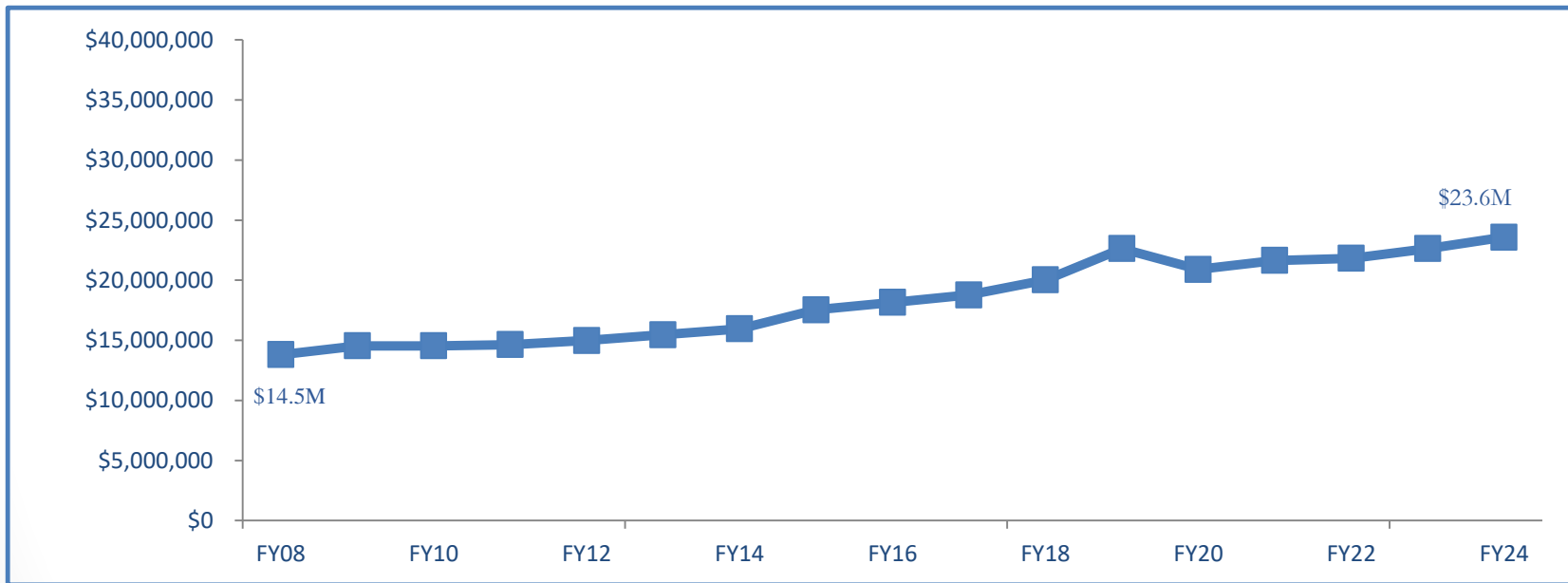
Approximately \$158K or 17% of the total budget increase is in the expense line.

| Department | Item | Amount |
|----------------------|---|------------------|
| Building Inspection | Professional services increase due to State weights and measures requirements | \$10,000 |
| Training | DPW new requirements in OSHA Training | \$10,000 |
| Building Maintenance | Increased cost due to purchase of American Legion building | \$35,000 |
| Building Maintenance | Increased utility costs for all Town buildings | \$53,000 |
| Fire Department | Emergency Management Project | \$5,000 |
| | | |
| Total | | \$113,000 |

FY24 Proposed Municipal Budget Summary

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

- The municipal base budget has historically had relatively moderate growth.
- The Select Board strives for sustainable budget growth.
- Additional, separate University Station funding has been used to help increase the staffing in Public Safety.
- In FY24 the proposed municipal budget increase is 4.2%.



| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | Proposed FY24 |
|------------------|------|------|------|-------|-------|-------|---------------|
| Municipal Budget | 3.6% | 3.1% | 3.5% | 3.57% | 3.17% | 3.74% | 4.2% |



FY24 Overall Proposed Budget

FY24 Overall Summary Book

- Section 1 - FY24 Proposed Budget:

- Projected Revenue
- Tax Levy
- Proposed Expenditures
 - Operating Budget
 - Capital Articles

- Section 2 - Information to Know:

- Tax Bill
- State Aid
- Meals/Hotels Tax
- Debt
- University Station
- Free Cash
- Stabilization funds
- OPEB/Pension



FY24 Overall Proposed Budget Summary

FY24 Proposed Budget is a comprehensive plan that provides for:

- ✓ Maintain high quality of services provided by Town and School
 - Continued stable and sustainable operating budget growth.
 - School Budget 4.5%
 - Municipal Budget 4.2%
 - Fixed costs currently 5.1%

- ✓ Base Capital Budget
 - Municipal Capital Improvements - \$1,355,500 Funded with Free Cash
 - School Capital Improvements- \$1,017,000 Funded with Free Cash

- ✓ Supplemental Capital Budget – Funded with Meals/Hotels Tax/Other funding
 - Appropriation for additional capital as done in prior year
 - Town and School Projects - \$1,100,000
 - Funded with Meals/Hotels Tax (current balance \$1.7M)
 - Sewer Capital Improvements - \$1,260,000 Funded with Sewer retained earnings
 - Other Capital Improvements - \$445,000 Funded with Ambulance receipts

- ✓ Liabilities/Reserves
 - \$125K transfer from Free Cash to Stabilization Fund – keeps on target with financial policy
 - \$1.540M contributed to OPEB trust fund – keeps on target with required funding

- ✓ Borrowing
 - Capital Projects that would require borrowing:

| | |
|---|-------------|
| • Fire Department Replacement of Ladder 1 | \$1,850,000 |
| • Cemetery Expansion Construction | \$1,500,000 |
| • Sewer Inflow and Infiltration Program (MWRA Loan) | \$500,000 |

- ✓ Fincom Reserve Fund \$405k – funded with Free Cash.

FY24 Total Expenditures Summary - \$119.9M, 5.6% Increase

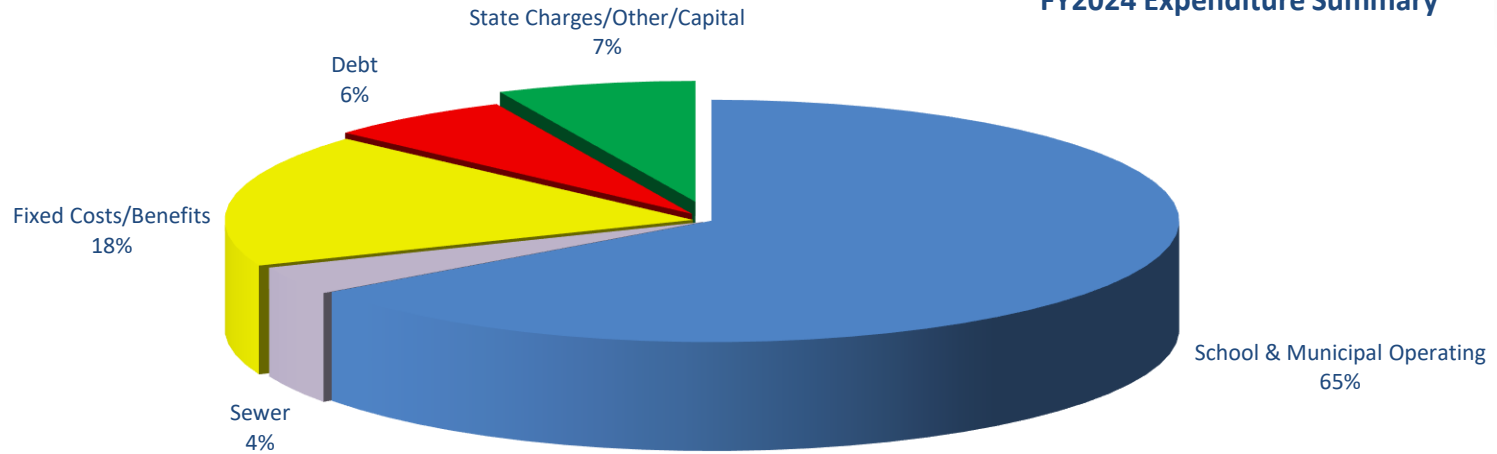
| FY2024 Proposed Expenditure Summary | | | | |
|--|----------------------|----------------------|--------------------|-------------|
| | FY2023 | FY2024 Proposed | \$ Change | % Change |
| Total Operating | \$105,283,689 | \$111,675,977 | \$6,392,288 | 6.1% |
| Capital Articles | \$3,755,250 | \$5,177,500 | \$1,422,250 | 37.9% |
| OPEB & Stabilization | \$1,640,000 | \$1,665,000 | \$25,000 | 1.5% |
| Prior Year/Other Articles | \$1,527,000 | \$0 | (\$1,527,000) | -100.0% |
| Other Amounts to be Raised | \$1,360,515 | \$1,395,227 | \$34,712 | 2.6% |
| Total Expenditures | \$113,566,454 | \$119,913,704 | \$6,347,250 | 5.6% |

There are five major categories of the Expenditure Budget:

- Operating budget – includes Municipal, Schools, Fixed Costs, Sewer and Debt
- Capital Articles – includes base Municipal, base School, Sewer, Additional, Borrowing
- OPEB and Stabilization – annual appropriations to reserve accounts in compliance with Financial Policies
- Prior Year/Other Articles – adjustments made to current fiscal year budget
 - All of these categories are appropriations made by Town Meeting action
- Other Amounts to be Raised – charges assessed by State and County

FY24 Proposed Expenditure Budget - \$119.9M, 5.6% Increase

FY2024 Expenditure Summary



FY2024 Proposed Expenditure Summary

| | FY2023 | FY2024 Proposed | \$ Change | % Change |
|--|----------------------|----------------------|--------------------|-------------|
| Operating Budget - School Categories | \$52,015,866 | \$54,372,961 | \$2,357,095 | 4.5% |
| Operating Budget - Municipal | \$22,640,063 | \$23,595,737 | \$955,674 | 4.2% |
| Benefits/Reserves/Insurance | \$20,345,166 | \$21,412,176 | \$1,067,010 | 5.2% |
| Sewer - Operating | \$4,463,674 | \$4,585,858 | \$122,184 | 2.7% |
| Debt Service | \$5,818,920 | \$7,709,245 | \$1,890,325 | 32.5% |
| Total Operating | \$105,283,689 | \$111,675,977 | \$6,392,288 | 6.1% |
| Capital Base Budget - School & Municipal | \$2,373,250 | \$2,372,500 | (\$750) | 0.0% |
| Capital - Sewer | \$700,000 | \$1,260,000 | \$560,000 | 80.0% |
| Other Appropriations: | | | | |
| To Stabilization | \$125,000 | \$125,000 | \$0 | 0.0% |
| Additional Capital | \$682,000 | \$1,545,000 | \$863,000 | 126.5% |
| To OPEB Trust | \$1,515,000 | \$1,540,000 | \$25,000 | 1.7% |
| Prior Year/Other Articles | \$1,527,000 | | (\$1,527,000) | -100.0% |
| State Charges/Offsets/Overlay/Snow | \$1,360,515 | \$1,395,227 | \$34,712 | 2.6% |
| Total Expenditures | \$113,566,454 | \$119,913,704 | \$6,347,250 | 5.6% |

FY24 Proposed Capital Budget Articles

The Select Board has supported continued reinvestment in the Town's assets and infrastructure.

The FY24 Budget:

- ✓ Continues high level of Capital Investment
 - Important to maintain Town and School buildings and infrastructure
 - Important to ensure safe and efficient capital equipment
 - Efforts to increase base capital
 - Continue efforts for additional funding beyond base for important projects

- ✓ Base Capital Budget
 - Municipal Capital Improvements - \$1,355,500 Funded with Free Cash
 - School Capital Improvements- \$1,017,000 Funded with Free Cash
 - Sewer Capital Improvements - \$1,260,000 Funded with Sewer retained earnings
 - Sewer Capital Borrowing - \$500,000 Funded with MWRA loan
 - Other Capital Improvements - \$445,000 Funded with Ambulance receipts

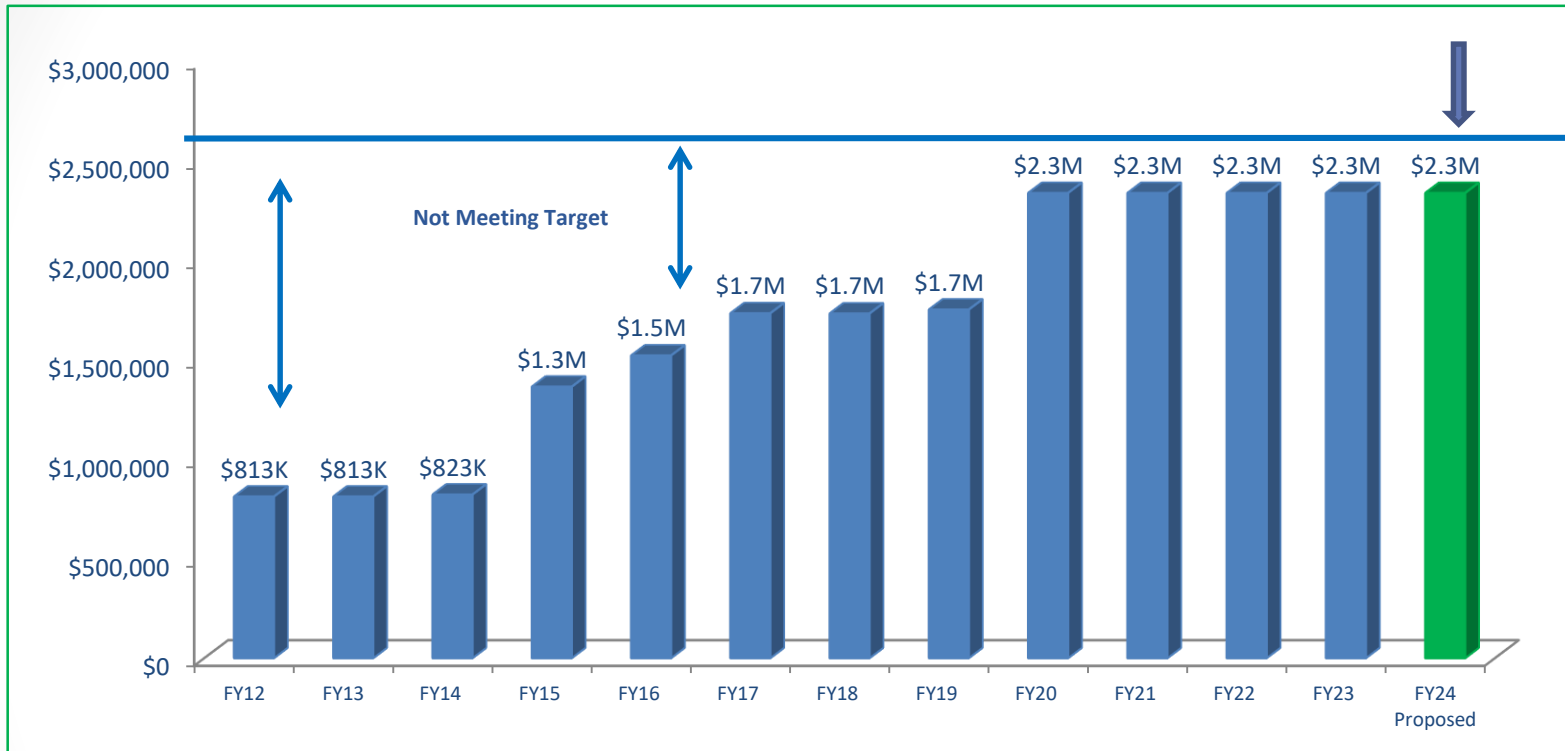
- ✓ Additional Capital Budget – Funded with Meals/Hotels Tax
 - Appropriation for additional capital as done in prior years
 - Additional Capital Improvements - \$1,100,000 Funded with Meals/Hotels Tax Revenue

- ✓ Additional Capital Article with projects that would require borrowing

Capital Budget - Important reinvestment in buildings, equipment and assets

- Important to maintain Town and School assets – buildings, infrastructure, and equipment.

Base Capital for School and Municipal



FY24 continues improvement in ongoing capital funding.

- Could not meet policy target for many years during difficult economic budget cycles.
- The Town has made steady progress in increasing the ongoing capital budget.

Capital Budget – Additional Capital Article Beyond the Base

- Since FY17, the Town Meeting has approved an “additional” capital budget article
- FY24 Proposed Budget includes an Additional Capital Article of \$1.1M
- 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

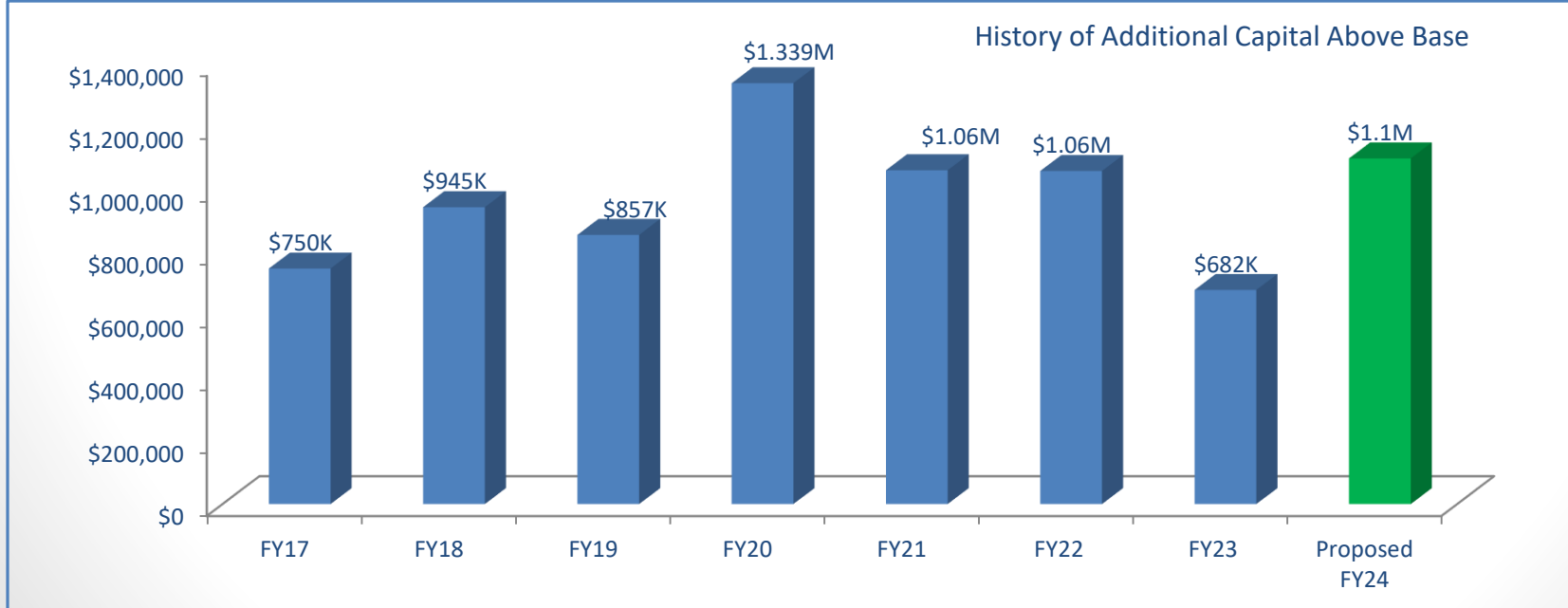
- School IT network
- High School Tennis Court Lighting
- Thurston/Senior Center HVAC

FY22

- H.S. Multipurpose Turf Field Replacement
- Pool repairs

FY23

- School Street Playground
- Schools Network Project
- Fire systems upgrade
- Library parking lot



Addresses important capital needs with available funding, such as free cash and meals/hotels tax.

FY24 Capital Budget–Proposed Municipal Capital Article

| Item | Amount | Funding Source |
|---|--------------------------|----------------|
| DPW – One Ton Pickup with Plow (Truck 3) | \$80,000 | Free Cash |
| DPW - Bucket Truck (Truck 33) | \$225,000 | Free Cash |
| DPW - One Ton Dump Truck with Plow (Truck 17) | \$80,000 | Free Cash |
| Fire - Replacement of Command Staff Vehicles | \$72,500 | Free Cash |
| Fire - Turnout Gear Purchase and Replacement | \$10,000 | Free Cash |
| Fire - Radio Upgrade and Replacement | \$28,000 | Free Cash |
| Fire - Training Equipment and Props | \$15,000 | Free Cash |
| IT - End User Technology | \$75,000 | Free Cash |
| Library - Library Technology | \$45,000 | Free Cash |
| Library - Media Suite | \$50,000 | Free Cash |
| Police - Police Vehicles | \$275,000 | Free Cash |
| Police - Safety Equipment | \$65,000 | Free Cash |
| Police - Radio Telecom Infrastructure | \$85,000 | Free Cash |
| Buildings - Facility Maintenance | \$135,000 | Free Cash |
| Buildings - Energy Efficiency | \$50,000 | Free Cash |
| Buildings - Municipal Parking Lots | \$30,000 | Free Cash |
| Buildings - Police Station Flooring | \$35,000 | Free Cash |
| | <u>Total \$1,355,500</u> | |

This Article is to be Funded with Free Cash
 This is the annual base capital for Municipal

FY24 Capital Budget – Proposed Schools Capital Article

| Item | Amount | Funding Source |
|------------------------------------|--------------------------|----------------|
| Technology | \$120,000 | Free Cash |
| HVAC and Controls | \$132,000 | Free Cash |
| Vehicles | \$125,000 | Free Cash |
| Building Improvements | \$400,000 | Free Cash |
| Roofing | \$100,000 | Free Cash |
| Furniture, Fixtures, and Equipment | \$80,000 | Free Cash |
| Copiers / Duplicators | \$60,000 | Free Cash |
| | <u>Total \$1,017,000</u> | |

This Article is to be Funded with Free Cash
This is the annual base capital for Schools

FY24 Capital Budget – Proposed Other Capital Articles / Sewer

Sewer Capital Improvements

| Item | Amount | Funding Source |
|-----------------------------|---------------------------|-------------------------|
| Stormwater MS-4 Requirement | \$75,000 | Sewer Retained Earnings |
| Pump Station Upgrade | \$500,000 | Sewer Retained Earnings |
| One Ton Truck (Truck 28) | \$95,000 | Sewer Retained Earnings |
| Sewer Vac Truck Replacement | \$590,000 | Sewer Retained Earnings |
| Total | <u>\$1,260,000</u> | Sewer Retained Earnings |

Sewer Capital Borrowing

| Item | Amount | Funding Source |
|-------------------------------|-----------|----------------|
| Inflow & Infiltration Program | \$500,000 | MWRA Loan |

Other Capital Improvements - Ambulance

| Item | Amount | Funding Source |
|--|-------------------------|--------------------|
| Fire - Replace Ambulance (A1) (rotating cycle) | \$400,000 | Ambulance Receipts |
| Fire - Rescue Upgrade and Replacement | \$45,000 | Ambulance Receipts |
| Total | <u>\$445,000</u> | Ambulance Receipts |

FY24 Capital Budget – Proposed Additional Capital

| Item | Amount | Funding Source |
|------------------------------|--------------------|--------------------------|
| DPW - Backhoe/Loader (JCB 1) | \$175,000 | Meals/Hotels Tax Revenue |
| Buildings - Library Projects | \$125,000 | Meals/Hotels Tax Revenue |
| School - Network upgrade | \$400,000 | Meals/Hotels Tax Revenue |
| School - WHS Auditorium | \$400,000 | Meals/Hotels Tax Revenue |
| Total | <u>\$1,100,000</u> | Meals/Hotels Tax Revenue |

Funded by Meals/Hotels Revenue

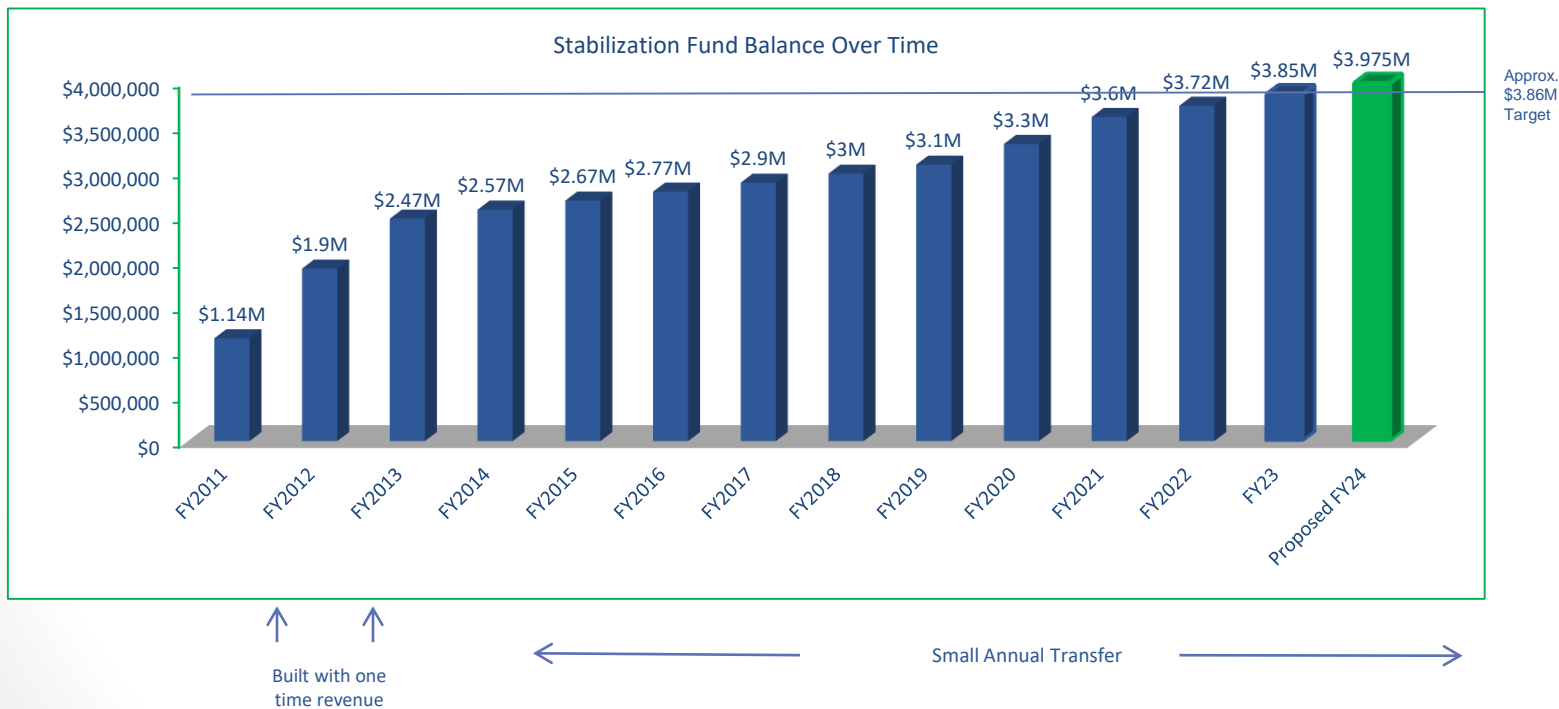
FY24 Capital Budget – Projects that would require borrowing

| Item | Amount | Funding Source |
|---------------------------------------|--------------------|-------------------------|
| Fire - Replace Ladder 1 (estimate) | \$1,850,000 | Would require borrowing |
| DPW - Cemetery Expansion Construction | \$1,500,000 | Would require borrowing |
| Total | <u>\$3,350,000</u> | |

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

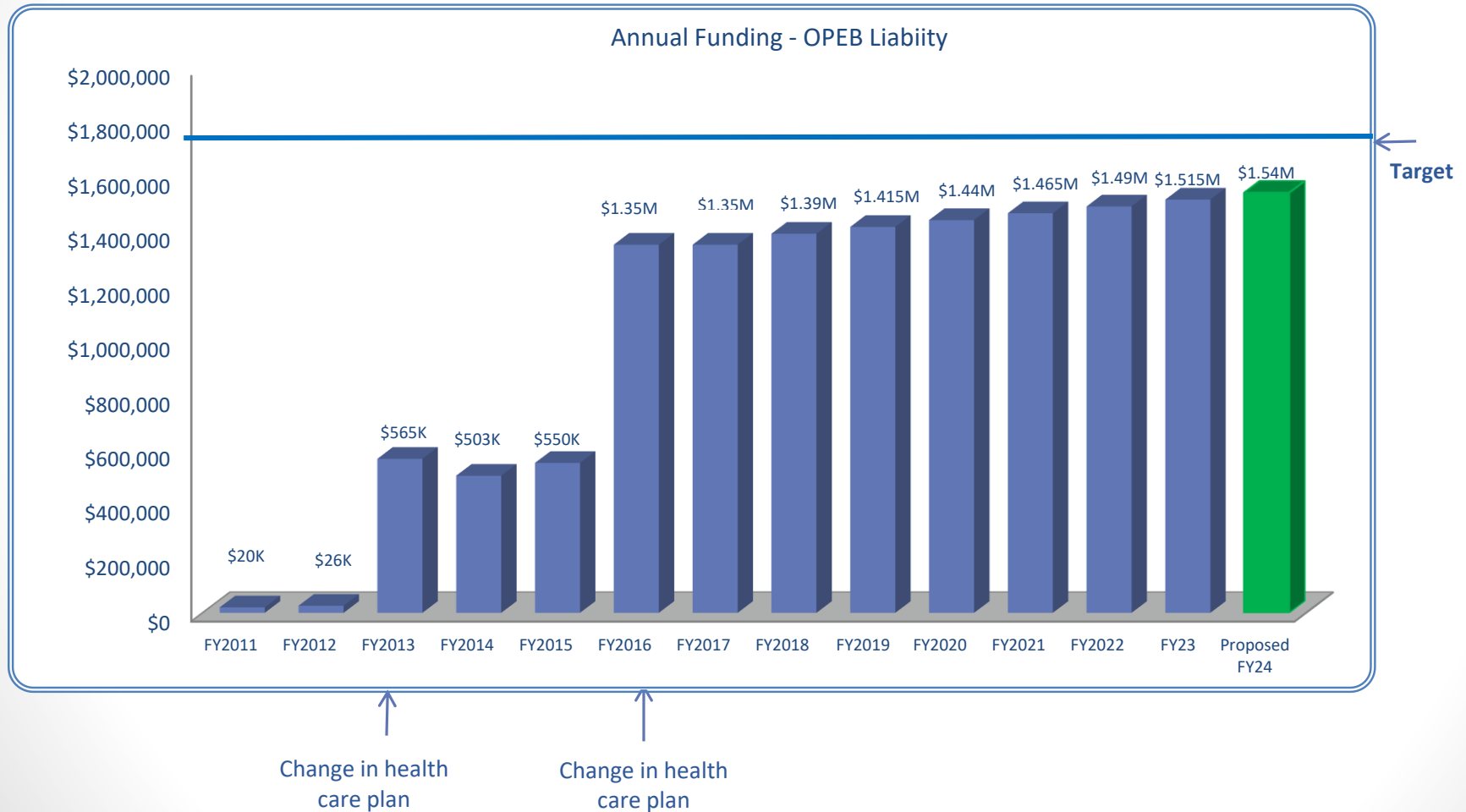
Stabilization Fund – FY24 Appropriation \$125,000

- The Stabilization Fund is the Town’s main reserve account.
 - Protects the Town against emergencies.
 - Very important for credit rating (AAA).
 - Can help mitigate budget disruptions such as economic decline.
-
- Did not need to use during COVID:
 - Outside COVID funding
 - No cuts to State Aid



OPEB Liability Trust Fund – FY24 Appropriation \$1,540,000

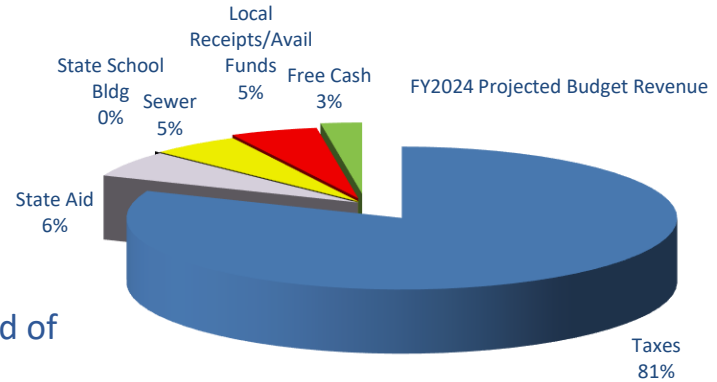
- On target with funding plan, \$25K additional per year
- Balance in trust fund account as of 12/22 is approximately \$17.9M.



FY24 Proposed Budget Revenue - \$119.9M, 5.6% Increase

There are eight major categories of the Expenditure Budget:

- Taxes – main revenue source
- State Aid – annual revenue program
- Sewer Enterprise – funds both operating and capital
- Local Receipts – biggest driver motor vehicle excise
- Available Funds – conservation & ambulance receipts
- Prior Year/Other Articles – funds offset costs to general fund of providing support services
- Meals/Hotel Tax – funds one time cost
- Free Cash – Town’s retained earnings, certified by DOR



FY2024 Projected Budget Revenue

| | FY2023 | FY2024 Proj | \$ Change | % Change |
|---|----------------------|----------------------|--------------------|-------------|
| Taxes | \$90,274,411 | \$97,360,228 | \$7,085,817 | 7.8% |
| State Aid | \$6,944,202 | \$7,193,452 | \$249,250 | 3.6% |
| State School Bldg Reimbursement | \$1,401,276 | \$0 | (\$1,401,276) | -100.0% |
| Sewer Enterprise | \$5,597,007 | \$6,288,592 | \$691,585 | 12.4% |
| Local Receipts | \$4,195,857 | \$4,195,857 | \$0 | 0.0% |
| Available Funds | \$446,453 | \$428,075 | (\$18,378) | -4.1% |
| Available Funds - prior yr/other articles | \$224,000 | \$445,000 | \$221,000 | 98.7% |
| Meals/Hotels Tax | \$650,000 | \$1,100,000 | \$450,000 | 69.2% |
| Free Cash | \$3,833,250 | \$2,902,500 | (\$930,750) | -24.3% |
| Total | \$113,566,456 | \$119,913,704 | \$6,347,248 | 5.6% |

Tax Levy Calculation per Prop 2 1/2

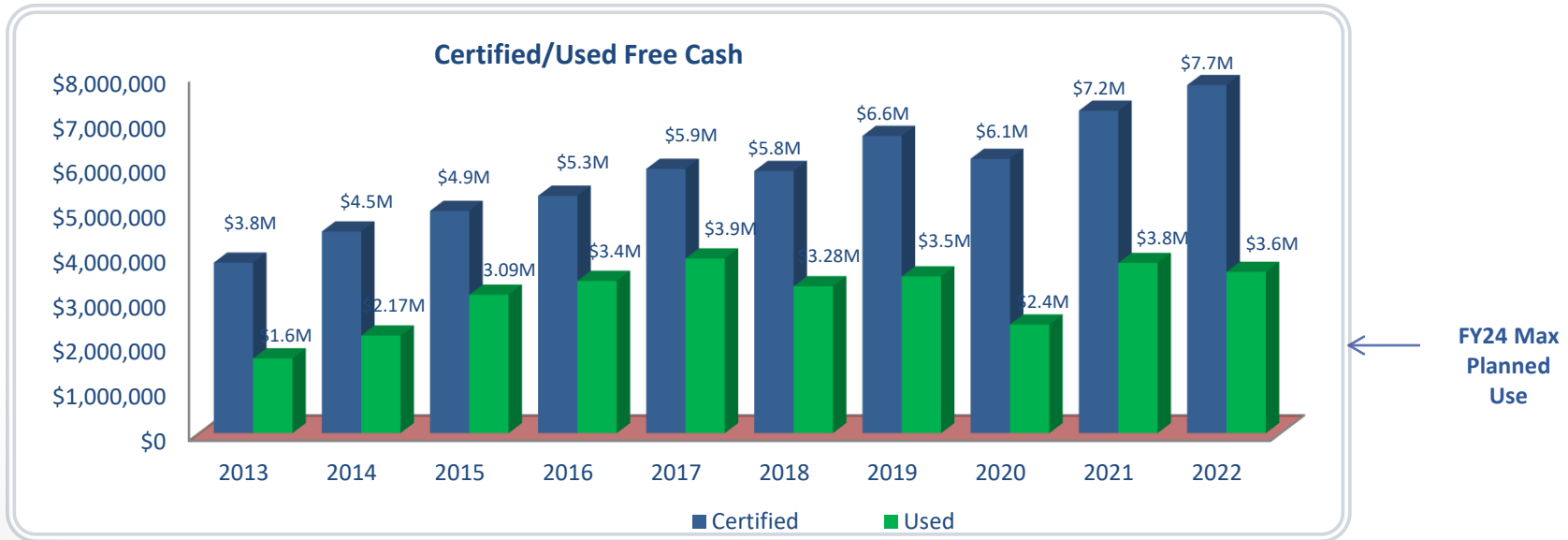
| Tax Levy Calculation | FY2020 | FY2021 | FY2022 | FY2023 | Budget FY2024 | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Prior Year Levy Limit | \$76,623,854 | \$79,703,916 | \$83,076,625 | \$86,718,329 | \$90,010,426 | |
| Plus 2.5% Increase | \$1,915,596 | \$1,992,598 | \$2,076,916 | \$2,167,958 | \$2,250,261 | Plus 2.5% |
| Plus New Growth | \$661,466 | \$889,111 | \$1,356,788 | \$1,017,139 | \$450,000 | New growth |
| New Tax Levy - University Station TIF* | \$503,000 | \$491,000 | \$208,000 | \$107,000 | \$100,000 | Uni Station growth |
| General Overrides | \$0 | \$0 | \$0 | \$0 | \$0 | General Override |
| Tax Levy Limit | \$79,703,916 | \$83,076,625 | \$86,718,329 | \$90,010,426 | \$92,990,687 | |
| Exempt Debt* | \$1,320,986 | \$1,217,416 | \$1,048,819 | \$1,059,561 | \$4,369,541 | Exempt Debt |
| Levy Capacity | \$81,024,902 | \$84,294,041 | \$87,767,148 | \$91,069,987 | \$97,360,228 | What we could tax |
| Actual Levy Assessed | \$80,224,068 | \$83,468,800 | \$86,593,963 | \$90,274,411 | \$97,360,228 | What we do tax |
| Excess Levy(Taxes not raised) | \$800,834 | \$825,241 | \$1,173,185 | \$795,576 | \$0 | Unused Tax Levy |
| Increase in Actual Levy (including new growth) | 4.2% | 4.0% | 3.7% | 4.3% | 7.8% | |
| Increase in Levy without new growth | 2.73% | 2.32% | 1.87% | 2.95% | 7.24% | |

* One time growth due to TIF transition year.

- 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.
- Note: FY24 will be the first year for the Hanlon/Deerfield project construction bond payment.
- No general override since 2007

Free Cash Certification

- DOR Certified Free Cash as of June 31, 2022 is \$7,772,702.
- Disciplined use of free cash balance.
 - Not applied to operating budgets. Not using full allowance.
 - In line with Financial Policy, apply higher amounts to capital needs, not operating budget.
 - Good FY22 budget to actual results.
- FY23 current budget is funded by \$2,798,250 of free cash :
 - \$2,373,250 for school and municipal capital
 - \$125,000 for Stabilization
 - \$300,000 for Town Meeting Article – Aid to the Elderly Fund



Financial policy target approximately \$3.5M unallocated

- FY24 proposed budget is funded by \$2,902,500 of free cash :
 - \$2,372,500 for school and municipal capital
 - \$125,000 for Stabilization
 - \$405,000 for the Fincom Reserve Fund.

Meals and Hotels 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

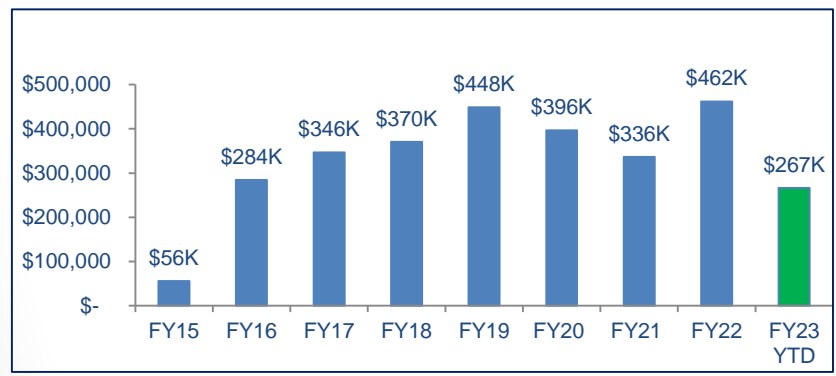
- Municipalities are allowed to charge a local hotel tax up to 6%.
- Westwood adopted the 6% charge at the 2016 Annual Town Meeting.

Restricted Funding

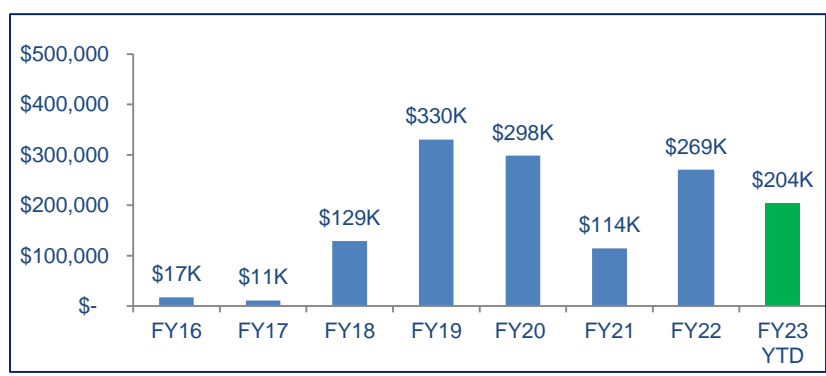
- At the November 2017 Town Meeting, the residents approved establishing a special purpose fund to hold all Hotel and Meals Tax revenue until appropriated by future Town Meetings. All use of funding requires a 2/3 vote by Town Meeting.

Revenue

Annual Meals Tax Revenue



Annual Hotels Tax Revenue



Most Recent Quarterly Receipts

| | Meals | Hotels |
|----------|-----------|-----------|
| 9/30/21 | \$112,419 | \$54,637 |
| 12/31/21 | \$119,050 | \$81,954 |
| 3/31/22 | \$114,352 | \$60,515 |
| 6/30/22 | \$116,228 | \$71,669 |
| 9/30/22 | \$137,818 | \$110,950 |
| 12/31/22 | \$128,956 | \$93,006 |

Meals and Hotels Tax

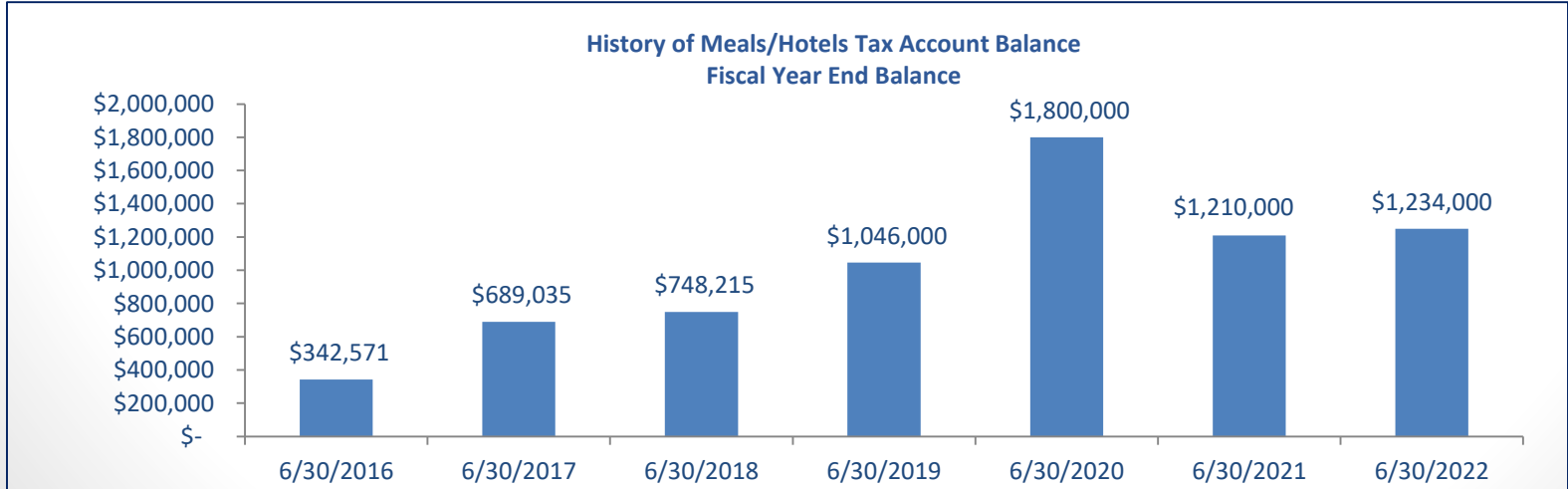
Use of Funds

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

- Funds have been used for capital projects.
- May 2018 Town Meeting appropriated \$432K of funds:
 - Lighting of the High School tennis courts
 - HVAC project at the High School pool
 - These facilities receive extensive use by residents of all ages.
- May 2019 Town Meeting appropriated \$515K of funds:
 - Design of Recreation Field Lighting
 - Thurston Middle School HVAC project
 - Council on Aging HVAC project
- 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
 - Pool – Drainage and Refurbishment
 - These facilities receive extensive use by residents of all ages.
- May 2022 Town Meeting appropriated \$650,000 of funds
 - School Street Playground - \$60,000
 - Fire – Self contained breathing system - \$215,000
 - Building Maintenance – Library parking lot - \$75,000
 - Schools network upgrade - \$300,000
- Proposal for May 2023 Town Meeting, \$1.1M
 - Truck for DPW - \$175,000
 - Building Maintenance – Library projects - \$125,000
 - Schools Network and HS Auditorium - \$800,000

Balance in the Account

- The balance at December 31, 2022 is \$1.7M



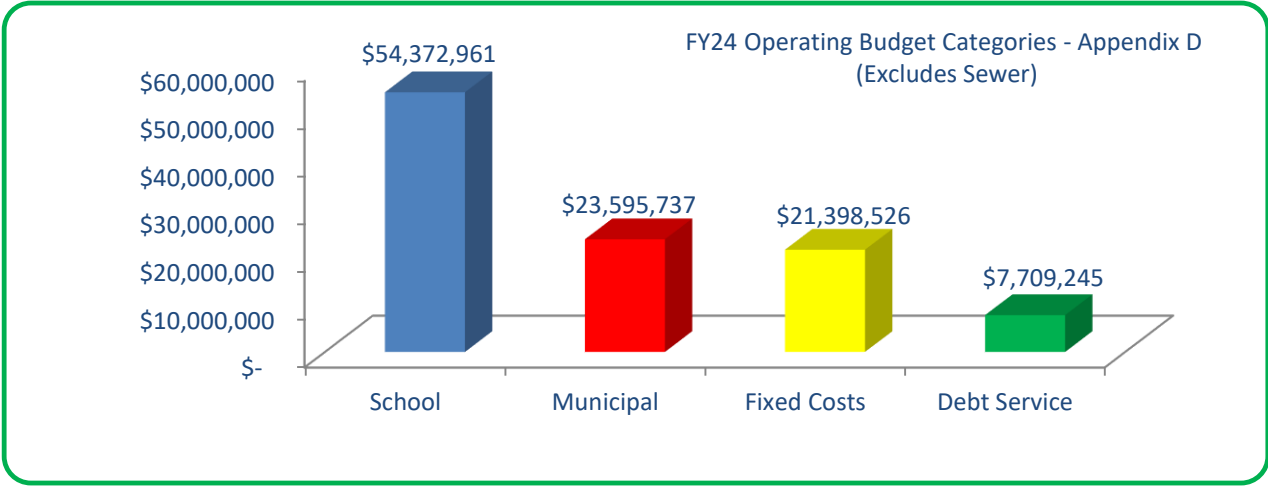


FY24 Proposed Operating Budget Details

FY24 Proposed Operating Budget

FY24 Proposed Operating Budget - \$111.6M, 6.1% increase

- This increase is driven by debt issuance, with first payment being made in FY24
- The Operating Budget excluding debt is \$103.9M or a 4.3% increase



- Current FY24 overall operating budget increase at 6.1% is higher than the last year (3.9%), due to the sale of debt for the Hanlon Deerfield School project. Without the debt, the Operating Budget increase would have been 4.3%.

History of Budget Growth

- Town Meeting approves structurally sound budgets
 - No one time subsidies.
 - Conservative revenue budgets – no inflation of revenue projections.
 - Meals/Hotels tax revenue to separate fund.
 - Purposefully building reserve accounts to target levels within financial policies.
 - Finances are designed to maintain essential services during rainy day disruption.

Percentage Change in School and Municipal Budget Over Time:

| | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 Proposed |
|-----------|------|------|------|------|------|------|-------|------|---------------|
| School | 5.3% | 4.9% | 3.4% | 3.4% | 3.5% | 3.6% | 3.44% | 3.5% | 4.5% |
| Municipal | 5.2% | 3.7% | 3.6% | 3.1% | 3.5% | 3.6% | 3.17% | 3.7% | 4.2% |

↑ ↑
Additional University Station Funding

- It is important that the operating budget has moderate growth and is sustainable.
- FY24 Municipal and School budgets are higher than the normal range of increase.
- Still have a well balanced budget that follows the financial policies.

FY24 Proposed Operating Budget \$111M, 6.1% increase

FY24 Proposed Operating Budget

- ✓ Maintain high quality of services provided by Town and School departments

| FY23 Budget | Category | FY24 Proposed | \$ Change FY24 v FY23 | % Change FY24 v FY23 |
|----------------|----------------------------|----------------------|--------------------------|-------------------------|
| \$ 51,762,397 | School Operating | \$ 54,102,057 | \$ 2,339,660 | 4.5% |
| \$ 22,640,063 | Municipal Operating | \$ 23,595,737 | \$ 955,674 | 4.2% |
| \$ 131,397 | Blue Hills Regional School | \$ 144,537 | \$ 13,140 | 10.0% |
| \$ 122,072 | Traffic Supervisors | \$ 126,367 | \$ 4,295 | 3.5% |
| \$ 20,345,166 | Fixed Costs | \$ 21,412,176 | \$ 1,067,010 | 5.2% |
| \$ 5,818,920 | Debt Service | \$ 7,709,245 | \$ 1,890,325 | 32.5% |
| \$ 4,463,674 | Sewer | \$ 4,585,858 | \$ 122,184 | 2.7% |
| \$ 105,283,689 | | Total \$ 111,675,977 | \$ 6,392,288 | 6.1% |



- Some items are still estimates, including: Health Insurance, Blue Hills Assessment and MWRA Assessment, to be updated.
- Total Debt Service increase of 32.5% significantly higher due to issuance of Hanlon Deerfield Project debt as approved at May 2022 Town Meeting.

A Look at Fixed Costs/Shared Costs – Proposed FY24 Budget

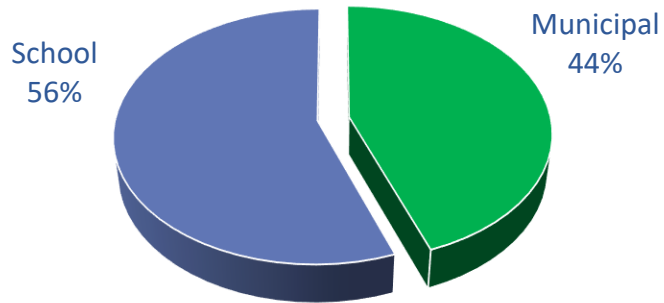
Fixed Costs – Employee Benefits Costs, Shared Costs/Trash/Reserve Accounts

- Fixed costs are approximately 20% of the Operating Budget

| Budget Provides For | |
|--|---------------------|
| Municipal and School Employee Benefits Costs | \$17,410,969 |
| Municipal and School Insurance/Shared Accounts | \$1,467,207 |
| Trash Services | \$1,774,000 |
| Town Wide Reserves | <u>\$760,000</u> |
| Total FY24 | \$21,412,176 |

| | School | Municipal | Total |
|------------------------------|-------------|-------------|--------------|
| Fixed Employee Related Costs | \$9,803,723 | \$7,607,246 | \$17,410,969 |

Employee Benefit Related Costs



Fixed Costs – Projected Increases in FY24

Fixed Costs – current estimated increase to total fixed costs budget - approx. 5.1%

\$1.0M

- Pension Assessment Updated (\$6.68M) increase of 1.7% over FY23 **Approx \$108K**
 - Received FY24 assessment from Norfolk County Retirement System

- Health Insurance (current \$7.8M) increase of 8% - Estimate only. **Approx \$580K**
 - Current estimate only
 - Group Insurance Commission (GIC) updates FY24 Information
 - Plan Description – February 2023 meeting
 - Final Rates – March 2023 meeting
 - Previous year’s actual increases have been:
 - FY20 5%, FY21 5%, FY22 5%, FY23 7%

- Trash (current \$1.7M) estimated increase of 4.7% **Approx \$80K**

- Other fixed cost increases **Approx \$168K**
 - Comprehensive insurance, 5%
 - Medicare, 0%
 - Payroll tax, 10%

- OPEB Appropriation (current \$1.540M) increase per funding schedule **\$25K**

- Other Shared Costs – Increases in Town and School energy/sustainability and communications. **Approx \$80K**

Next Steps in Budget Cycle

February and March Meetings:

- Continue update and review of FY24 revenue projections.
 - Local Revenue Sources
 - FY24 State Budget
 - Governor's budget will be delayed beyond the typical end of January time frame, by an estimated 5 weeks.
- Continue review of expenditures/other updates
 - Assessments (Blue Hills, MWRA)
 - Health Insurance
- Continue to review capital budget articles with Select Board
 - Ongoing Capital
 - Timing of larger projects being considered
- Prepare Articles 1 and 2 FY23 Budget Supplements
- Any updates will be presented to Finance and Warrant Commission in advance of Fincom March Public Hearings





Westwood Public Schools FY'24 Proposed Budget

FinCom
February 14, 2023

Topics

- Context for the FY'24 budget
- FY'24 Proposed operating budget,
 - *Including revisions since production of budget book*
- FY'24 Proposed capital budget
- Next steps in the process

FY'24 Budget Development: A very challenging year

- **Increased costs due to inflationary pressures. For example,**
 - heating fuel costs - 30% increase over FY'21 (budget was not increased last year)
 - bus contract - 7.4% increase in FY'23 (budgeted 3%), 7% increase in FY'24
 - SPED transportation contract - 10% increase in FY'23 (budgeted 3%), 4% in FY'24
- **Significantly increased costs in special education due to:**
 - unexpected tuitions due to summer move-ins
 - OSD announced a 14% increase in private out-of-district tuitions in FY'24
- **Unknown salary increases**
 - 85% of the total budget goes to salaries
 - With an unsettled contract, we have to make assumptions for both FY'23 and FY'24 in order meet budget deadlines

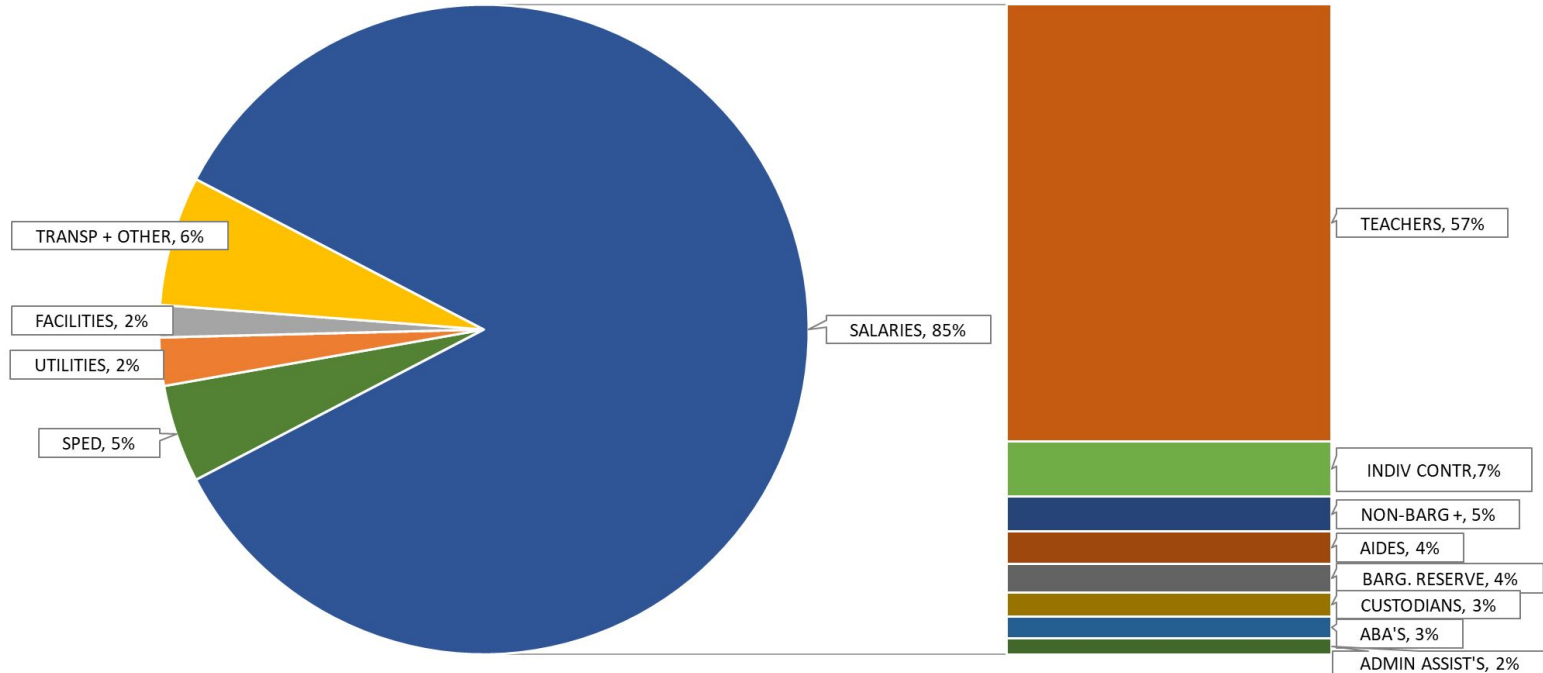
FY'24 Budget Development: A very challenging year

- The proposed FY'24 budget recommends a higher increase than in the last several years.
- Even with this higher increase, FY'24 budget reflects a cut to level services.
- Budget was developed using multiple strategies:
 - Increase to offsets
 - Increase in user fee revenue
 - Reduction in staff
 - Making our best assumptions about contract settlements
 - **Working collaboratively with the Town**

Factors considered in budget priorities

- **Contractual salary obligations and other fixed costs**
- **Enrollment trends**
- **Current student needs**
- **WPS Strategy for District Improvement**

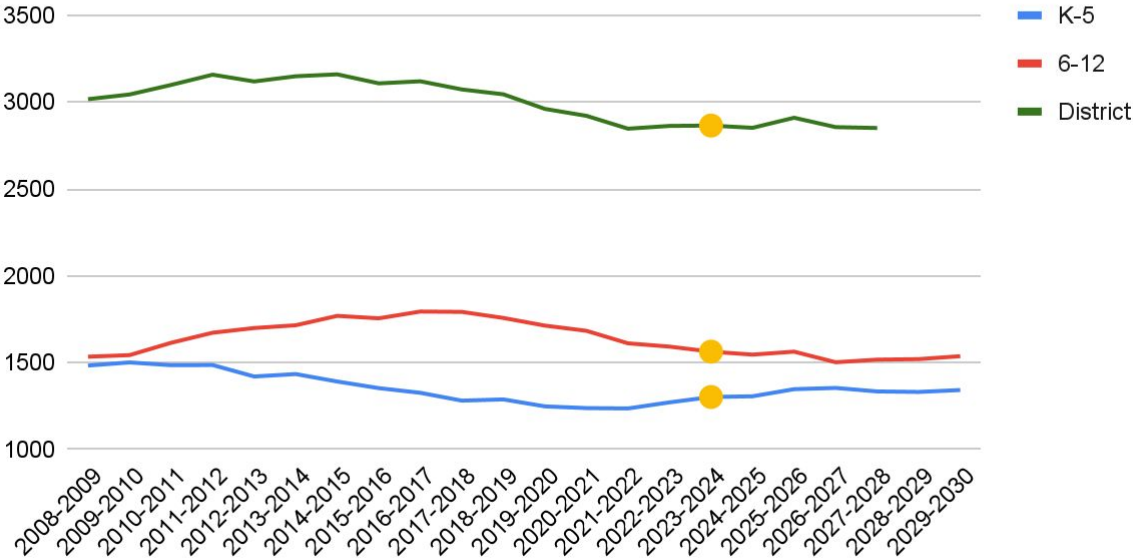
School budgets are largely about people



Enrollment Trends

WPS Elementary and Secondary Enrollment

Historic and Projected



Lookback at staffing for enrollment trends

TMS enrollment: After several years of significant increases, peaked in FY'18 and began to decline

- ❑ Staffing cuts made in FY'20
- ❑ No significant change in enrollment projected for next 5 years
- ❑ **Current staffing level in general education is sufficient**

WHS enrollment peaked in FY'19 and started a projected gradual decline in FY'21

- ❑ Decline not significant enough to warrant cuts in FY'21, but 5.4 FTE had to be made during Spring, 2020 budget adjustments to respond to pandemic needs at elementary level
- ❑ Analyzed impact, budget priorities, and enrollment trends and memorialized cuts in FY'22
- ❑ **Current staffing level in general education is sufficient this year; however, additional cuts are proposed for FY'24.**

Lookback at staffing for enrollment trends

As staff has been cut at the secondary levels, the FTE has been reallocated to elementary to support enrollment numbers and class sizes.

- Spring, 2020 adjustment significantly increased elementary general education staffing to support in-person learning for our youngest learners while in the hybrid model
- The FY'22 budget returned elementary staffing to typical levels, and added 3.0 FTE general education teachers to support our priority of keeping class sizes favorable
- The FY'23 budget kept elementary general education staffing at current levels (70 class sections)
- **The FY'24 budget reduces elementary general education staffing to 69 sections.**
 - **At this level of staffing, all elementary general education classes are projected to be within or below class size guidelines.**

Anticipated Elementary Enrollment

| | Deerfield | Downey | Hanlon | Martha Jones | Sheehan | TOTAL |
|-----------------------|------------|------------|------------|--------------|------------|-------------|
| Kindergarten | 30 | 28 | 24 | 30 | 45 | 157 |
| Grade 1 | 34 | 50 | 38 | 34 | 42 | 198 |
| Grade 2 | 41 | 51 | 42 | 44 | 46 | 224 |
| Grade 3 | 35 | 46 | 40 | 53 | 54 | 228 |
| Grade 4 | 29 | 42 | 35 | 34 | 44 | 184 |
| Grade 5 | 27 | 65 | 34 | 43 | 60 | 229 |
| Total Students | 196 | 282 | 213 | 238 | 291 | 1220 |

Reflects kindergarten students who are currently "visible" in Town census data. This number will likely increase. The budget proposal plans for that scenario.

Anticipated Elementary Enrollment

**Kindergarten Enrollment
Difference Between Actual and Census Data by Year**

| | Eligible Kindergarten Students in Town Census | Enrolled (as of Oct. 1 report) | Difference (Actual to Census) |
|-----------|---|--------------------------------|-------------------------------|
| 2019-2020 | 185 | 206 | 21 |
| 2020-2021 | 174 | 203 | 19 |
| 2021-2022 | 181 | 201 | 20 |
| 2022-2023 | 177 | 197 | 20 |
| 2023-2024 | 157 | | |

**Kindergarten Enrollment
Difference Between Actual and Census Data by School**

| | Deerfield | Downey | Hanlon | Martha Jones | Sheehan | Total |
|-----------|-----------|--------|--------|--------------|---------|-------|
| 2021-2022 | 5 | 12 | 0 | -1 | 4 | 20 |
| 2022-2023 | 12 | 11 | 7 | -11 | 1 | 20 |

Student Needs and Strategic Priorities

FY'24 budget continues robust funding in curriculum and instruction.

- Annual prioritization of these funds to support goals
- Academic support: Strong foundation in last 4 budgets
(e.g. Elementary gen ed teachers, Elementary math specialists, TMS math and literacy specialists, TMS department heads, HS academic support)

FY'24 Budget continues to support student mental health, social emotional, and special education needs

- No cuts to Students Services Department

FY'24 Proposed Operating Budget

| | |
|-----------------------|--------------|
| FY'23 Final Budget | \$51,762,397 |
| Proposed FY'24 Budget | \$54,102,057 |
| Increase (\$) | \$2,339,660 |
| Increase (%) | 4.5% |

FY'24 Budget in Context

| WPS Operating Budget Increases | | | | | | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| FY'14 | FY'15 | FY'16 | FY'17 | FY'18 | FY'19 | FY'20 | FY'21 | FY'22 | FY'23 | FY'24 |
| 3.2% | 4.2% | 5.4% | 6.0% | 3.3% | 3.4% | 3.5% | 3.6% | 3.4% | 3.5% | 4.5% |

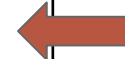
Major Budget Categories

| Major Budget Category | Voted FY'23 Budget | Proposed FY'24 Budget | Incremental Change (\$) | Incremental Change as % |
|-----------------------|--------------------|-----------------------|-------------------------|-------------------------|
| Total Salaries | 44,177,983 | 45,855,814 | 1,677,831 | 3.8% |
| Non-Salary | | | | |
| Special Education | 2,074,331 | 2,625,520 | 551,189 | 26.6% |
| Utilities | 1,200,000 | 1,287,180 | 87,180 | 7.3% |
| Facilities | 970,335 | 864,337 | (105,998) | (10.9%) |
| All other non-salary | 3,339,748 | 3,469,206 | 129,458 | 3.9% |
| TOTAL | 51,762,397 | 54,102,057 | 2,339,660 | 4.5% |

The FY'24 proposed budget converts the HVAC Controller from a contractor to a salaried employee. This change necessitates a transfer from non-salary to salary, resulting in a net decrease in the Facilities line. The cost for the position is currently **budget neutral**.

Major Budget Categories (Inclusive of All Funds)

| Major Budget Category | Voted FY'23 Budget | Proposed FY'24 Budget | Incremental Change (\$) | | Change as % |
|-----------------------|--------------------|-----------------------|-------------------------|--|-------------|
| Total Salaries | 46,159,164 | 48,208,489 | 2,049,325 | | 4.4% |
| Non-Salary | | | | | |
| Special Education | 2,805,747 | 3,730,097 | 924,350 | | 32.9% |
| Utilities | 1,279,000 | 1,391,180 | 112,180 | | 8.8% |
| Facilities | 970,335 | 864,335 | (106,000) | | (10.9%) |
| All other non-salary | 3,946,314 | 4,180,621 | 234,307 | | 5.9% |
| TOTAL | 55,160,560 | 58,374,722 | 3,214,162 | | 4.5% |



Increase in IDEA grant to offset IA salaries (One-time funds, will need to be backfilled in FY'25)



\$400K increase in circuit breaker offset for tuitions and transportation



Increased reliance on bus fees to pay for transportation

FY'24 Proposed Budget

| | | |
|--|-----------|---------------------|
| FY'23 Budget | | \$51,762,397 |
| Increase salaries for existing personnel (contractual) | | \$1,667,709 |
| Net Change Faculty/Professional Positions | (1.5 FTE) | (\$138,534) |
| Net Change Support Staff Positions | 1.0 FTE | \$38,656 |
| Transfer from Non-Salary to Salary | 1.0 FTE | \$110,000 |
| Net increase to various non-salary accounts | | \$661,829 |
| Total Change | .5 FTE | \$1,749,809 |
| TOTAL FY'24 RECOMMENDED BUDGET | | \$54,102,057 |

FY'24 Proposed Budget (Revised)

| | | | | |
|--|-----------|---------------------|-----------|---------------------|
| FY'23 Budget | | \$51,762,397 | | \$51,762,397 |
| Increase salaries for existing personnel (contractual) | | \$1,667,709 | | \$2,021,299 |
| Net Change Faculty/Professional Positions | (1.5 FTE) | (\$138,534) | (8.6 FTE) | (\$750,514) |
| Net Change Support Staff Positions | 1.0 FTE | \$38,656 | 10.8 FTE | \$297,046 |
| Transfer from Non-Salary to Salary | 1.0 FTE | \$110,000 | 1.0 FTE | \$110,000 |
| Net increase to various non-salary accounts | | \$661,829 | | \$661,829 |
| Total Change | .5 FTE | \$1,749,809 | 3.2 FTE | \$1,749,809 |
| TOTAL FY'24 RECOMMENDED BUDGET | | \$54,102,057 | | \$54,102,057 |

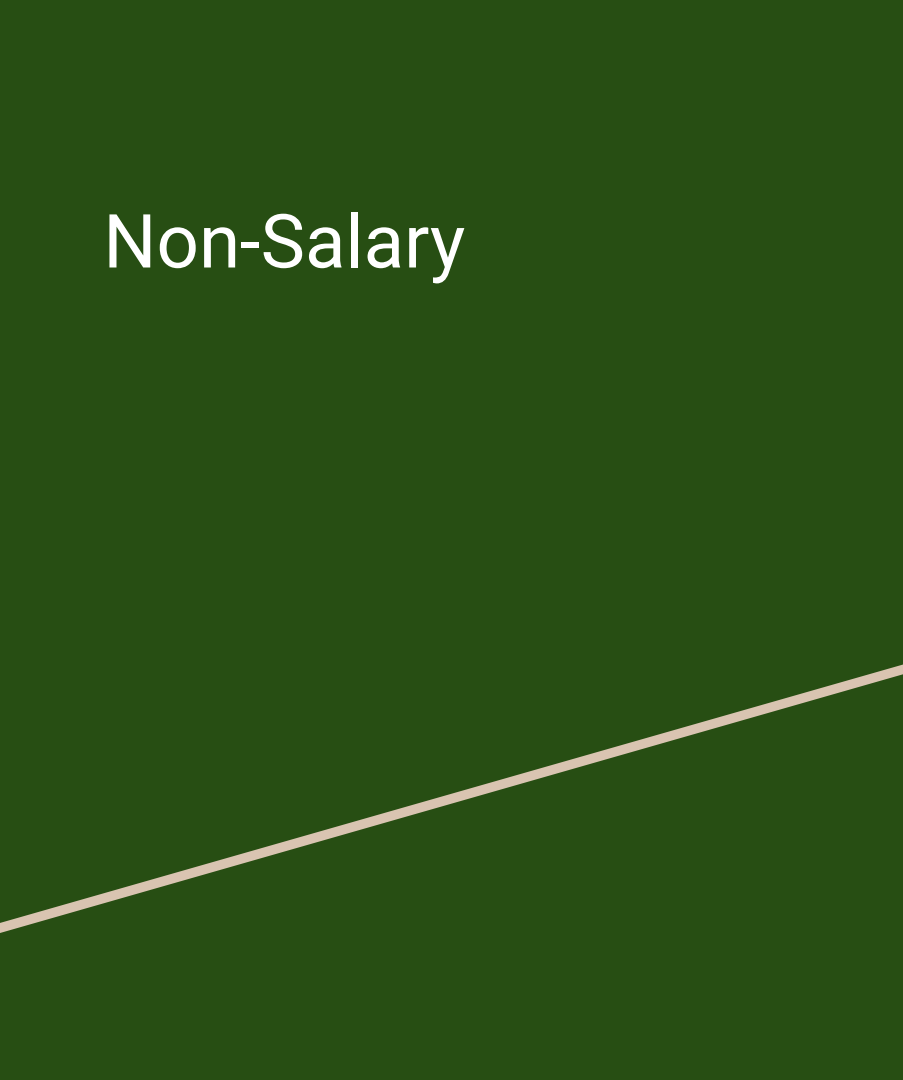
| Staffing Changes | Cost |
|--|---------|
| Reduce 1.0 FTE Elementary General Education Teacher | (\$75K) |
| Add 1.0 FTE Special Education Teacher (PEER Program) | \$75K |
| Reduce 1.0 HS World Language Teacher | (\$75K) |
| Add 1.0 FTE Districtwide Floating Nurse/Substitute Nurse | \$75K |
| Add 2.0 Applied Behavioral Analysis (ABA) Tutors | \$91K |
| Reduce 1.0 HS Administrative Assistant | (\$53K) |
| Reduce .5 FTE HS Instructional Technology Coach (ITC) | (\$48K) |
| Reduce .5 FTE MS Instructional Technology Coach (ITC) | (\$58K) |
| Reduce 1.0 FTE HS Science Teacher | (\$88K) |
| Reduce 1.0 FTE HS Math Teacher | (\$61K) |
| Reduce .4 FTE HS Social Studies Teacher | (\$10K) |
| Reduce .1 FTE Professional Development Coordinator | |
| Reduce .4 FTE HS Public Speaking | (\$30K) |

| Position | Cost |
|--|---------------------------------------|
| Reduce .4 FTE MS Performing Arts | (\$41K) |
| Reduce 2.5 Elementary Math Specialists | (\$271K) |
| Reduce 2.8 Elementary Literacy Specialists | (\$254K) |
| Increase .5 FTE Elementary Math Coordinator | \$54K |
| Increase .5 FTE Elementary Literacy Coordinator | \$55K |
| Add 3.8 FTE Literacy Paraprofessionals | \$126K |
| Add 4.0 FTE Math Paraprofessionals | \$132K |
| | |
| Transfer from Non-Salary to Salary: 1.0 FTE HVAC Controls Programmer | \$110K transfer (no budget impact) |

Impact of Reductions:

- **Reductions in all core academic departments at the high school.**
 - Results in higher class sizes, no reduction of course offerings
- **Reduction in performing arts at the middle school.**
 - Changes co-taught instructional model for middle school chorus; no reduction of course offerings or higher class sizes
- **Reductions of elementary literacy and math specialists**
 - Results in a complete restructuring of the elementary literacy and math intervention model
 - ***Does not impact elementary class size. All elementary classes are projected to be within or below SC guideline.***
- **Reduction in Instructional Technology Coaching**
 - Remote and hybrid learning accelerated educators' skills utilizing technology in the classroom; this factored into the decision to take a reduction here.
 - These cuts reduce ITC staff from 1.0 FTE to .5 FTE at the middle school and 1.2 FTE to .7 FTE at the high school.
- **Reduction of HS Administrative Assistant**
 - The budget process required extensive discussion about possible cuts and the need to minimize impact on student learning. Reducing this position is not optimal, but when weighed against other priorities, decided that HS can sustain this reduction.

Non-Salary



Non-Salary - General Education

Increase in subscriptions in Curriculum & Instruction and Technology: \$31K

- Increased cost for online platforms related to assessing student progress, planning for intervention, and individualized content support for students.
- Increased cost for student information system and time/absence reporting system.

Increase to Facilities budget for Period Products for Students: \$4K

- Student driven initiative to provide no-cost, stigma-free period products in rest rooms
- Students researched practices in other districts and new state legislation
- Made a proposal to the Business Department
- This will cover cost to install and supply dispensers in the middle school and high school

Net Reduction to Professional Development (\$13K)

- Increased PD for non-instructional staff, such as administrative assistants and custodians, in areas of safety and security (including cybersecurity)
- Increase is offset by a reduction on the same line due to increased METCO grant funding for PD.

Non-Salary - Operations

Increase in Yellow Bus Transportation: \$136K

- Significantly increased cost of transportation contracts statewide
- Reflects the costs associated with operating 17 yellow buses plus late buses at the Middle School
- The two Boston buses and Boston late bus are funded fully by the METCO grant

Increase in Utilities: \$112K

- Reflects additional \$100K for fuel due to increase in natural gas rates and a 2% increase (\$12K) to our fixed price contract for electricity (per 310 CMR 7.75)

Increase in Athletic Transportation and Ice Rink Rental: \$39K

- Increased costs in the bus contract impacts athletic buses as well. (\$30K)
- Increase cost for ice rink rental (\$9K)
- No adjustment at this time for additional costs for supplies and equipment or cost for officials. Analysis to be conducted in FY'24 for FY'25 budgeting.

Special Education Focus

The WPS continues to educate nearly all of our special education students in-district

- Less than 1% of students learning in out-of-district placements

Focus for FY'24

- Maintaining current programming and service levels
- Meeting our legal and regulatory responsibilities
- Continue to provide robust Extended School Year (ESY) program
- Expanding the PEER Program (identified as a priority in the last 3 budget cycles)

Non-Salary - Special Education

Out-of-District Tuition

| Tuition | FY'23 | FY'24 | Difference |
|-----------------------|--------------------|--------------------|------------------|
| Residential Tuition | \$522,603 | \$539,402 | \$16,799 |
| Day Tuition | \$567,405 | \$1,093,120 | \$525,714 |
| Collaborative Tuition | \$383,506 | \$649,168 | \$265,661 |
| Tuition Total | \$1,473,515 | \$2,281,690 | \$808,174 |

Non-Salary - Special Education Tuition

What accounts for the \$808K increase in tuition?

- Operational Services Division (OSD) has indicated a 14% increase to private special education tuition (typically 2-3%), which represents approx. \$300K increase next year for Westwood.
- The remaining \$508K is related to changes in student needs and IEPs.

Non-Salary - Special Education Transportation

Special Education Transportation

| Transportation | FY'23 | FY'24 | Difference |
|-------------------------------------|-----------|-----------|------------|
| Out-of-District SPED Transportation | \$395,439 | \$461,229 | \$65,789 |
| In-District SPED Transportation | \$323,389 | \$373,774 | \$50,385 |
| Transportation Total | \$712,828 | \$835,003 | \$116,174 |

Special Education Funding Sources

Town funds

- ❑ Money appropriated to the school operating budget through the Town Meeting process
- ❑ Special Education Reserve for unanticipated costs, to which the Town has dedicated additional funds in recent years, and to which we contribute on an ongoing basis via Medicaid claiming

Federal IDEA Grant

- ❑ Amount of grant varies from year to year and has to be estimated during the budget process

Circuit Breaker Offset

- ❑ State funding that provides partial reimbursement of very high cost special education placements
- ❑ Involves a claiming process
- ❑ Paid in arrears: In a given fiscal year, the district must be able to cover tuition expenses, but can apply circuit breaker funding in subsequent years as an offset to the budget

Revenue Assumptions



Revenue Assumptions

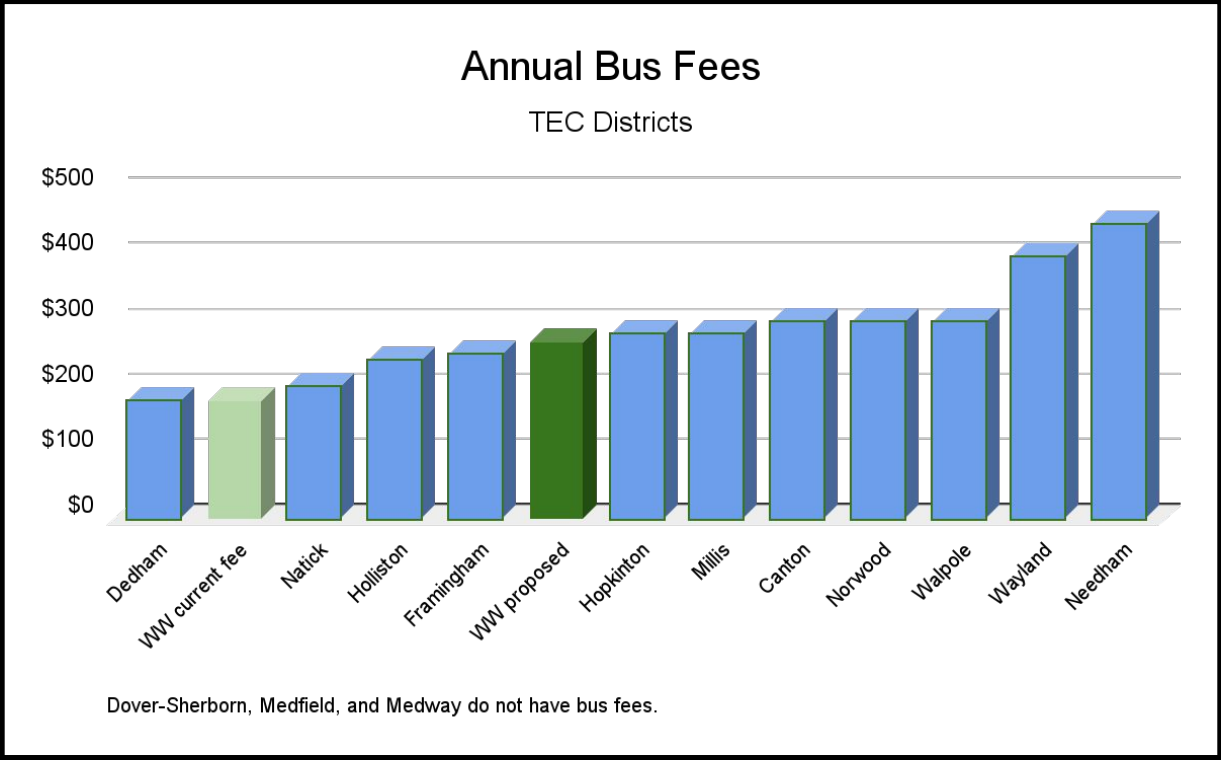
The FY'24 budget incorporates \$837K of increases in revenue assumption that were critical to reducing the overall operating budget increase to 4.5%.

- **Circuit Breaker Offset (Increase by \$400K)**
 - FY'24 budget raises the Circuit Breaker offset from \$750K to \$1.105M
 - The increase reflects an anticipated larger reimbursement next year, based on analysis of known tuitions and transportation that we believe will be eligible
- **Solar Revenue Offset (Increase by \$25K)**
 - WPS has a agreement to purchase electricity from a Woburn solar array, which generates some revenue for the District. The FY'24 budget increases the offset from \$25K to \$50K
- **Special Education IDEA Grant Offset (Increase by \$216K)**
 - \$16K increase in grant (projected to recur)
 - \$200K one time money that will expire in FY'24
 - This offset will have to be "backfilled" in FY'25 - likely by reducing positions in conjunction with the Hanlon-Deerfield Consolidation

Revenue Assumptions

- **Increases in user fees and preschool tuition (Additional \$216K in revenue)**
 - 3% increase in preschool tuition
 - Bus fee increase:
 - \$180 per student to \$270 per student
 - Family cap from \$450 to \$750
 - Athletic fee increase:
 - \$250 per sport to \$300 per sport at HS (\$450 for hockey)
 - \$125 per sport to \$150 per sport at MS (\$300 for football)
 - Family cap from \$750 to \$1050

Revenue Assumptions



Revenue Assumptions

Tri-Valley League Athletic Fees (HS)

| District | Family Cap | Fee per season | |
|----------------------|----------------|----------------|---|
| Ashland | No cap | \$290 | \$300 Football, \$350 Ski, \$450 Hockey |
| Bellingham | No cap | \$250 | \$300 Football, \$350 Hockey; |
| Norton | No cap | \$250 | \$350 Hockey |
| Medfield | No cap | \$225 | \$300 for some sports |
| Dedham | No cap | \$75 | |
| Medway | \$1,500 | \$255 | \$500 Hockey/Ski/Golf |
| Hopkinton | \$1,350 | \$225 | |
| Dover-Sherborn | \$1,340 | \$335 | |
| Holliston | \$1,125 | \$225 | |
| WW - proposed | \$1,050 | \$300 | \$450 Hockey |
| Millis | \$880 | \$220 | |
| Norwood | \$800 | \$200 | |
| WW - current | \$750 | \$250 | |

Looking Beyond FY'24



What priorities do we anticipate in upcoming budget cycles?

- ❑ Monitor impact of reductions and consider need for restorations
- ❑ Increase in English Language Learner (ELL) staffing
- ❑ Open an additional Preschool classroom
- ❑ Restore MS library staffing
- ❑ Expand Elementary specials offerings
- ❑ Add Human Resources Director
- ❑ Determine whether to fund Elementary Adjustment Counselors (ESSER granting funding will be fully spent in FY'24)

FY'24 Capital Budget



Five Years of Annual Capital Budgets

| Description | FY'20 | FY'21 | FY'22 | FY'23 | FY'24 |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Technology | \$150,000 | \$130,000 | \$130,000 | \$130,000 | \$120,000 |
| FF&E | \$111,797 | \$111,797 | \$100,000 | \$30,000 | \$80,000 |
| HVAC | \$192,400 | \$192,400 | \$217,000 | \$200,000 | \$132,000 |
| Roofing | \$100,000 | \$100,000 | \$100,000 | \$150,000 | \$100,000 |
| Improvements | \$402,803 | \$402,803 | \$400,000 | \$487,000 | \$400,000 |
| Copiers | \$60,000 | \$20,000 | \$20,000 | \$20,000 | \$60,000 |
| Vehicles | \$0 | \$60,000 | \$50,000 | \$0 | \$125,000 |
| TOTAL | \$1,017,000 | \$1,017,000 | \$1,017,000 | \$1,017,000 | \$1,017,000 |

**Multi-year plans
&
Rolling balances**

**Facilities van +
tractor**



FY'24 Potential Capital Projects

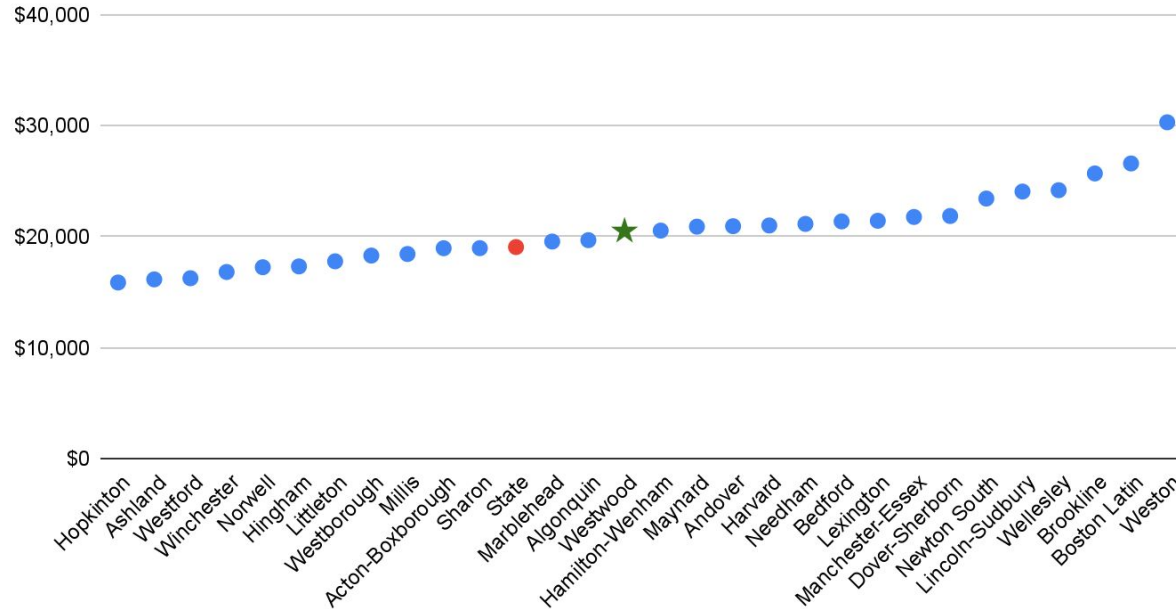
Examples of capital projects that may be undertaken with annual capital funds:

- ❑ Fire alarm panel upgrades at Downey, Martha Jones, and Sheehan
- ❑ HVAC pipe replacement in Middle School
- ❑ Glycol replacement for HVAC heating system at Westwood High School
- ❑ Rooftop unit replacement at Westwood High School (select units with repeat breakdown)
- ❑ Boiler replacement at High School and/or Downey
- ❑ Stage curtain replacement at Martha Jones
- ❑ Replace 10 teacher's desks and chairs, and purchase 2 custodial floor cleaning machines
- ❑ Lobby flooring replacement at High School
- ❑ Roof section replacements based on moisture survey at Sheehan, Martha Jones, & Middle School
- ❑ High School and Middle School library circulation desk replacement
- ❑ Repaving of asphalt sections at Middle, High School, or Downey

How does Westwood's per pupil spending compare?

Boston Magazine's Top Public High Schools (2022)

FY' 21 Per Pupil Spending (most recent data available)



Next steps

School Committee Budget Hearing: **March 9th**

FinCom Presentations and Budget Hearings: **Throughout March**

Annual Town Meeting: **May 1**

Westwood Finance and Warrant Commission
JANUARY 31, 2023 REMOTE MEETING
ZOOM WEBINAR
7:00 PM
Meeting Minutes

Finance Commission Chairperson George Hertz called the meeting to order at 7:00PM.

Finance and Warrant Commission members who were present: William Bruce Jr., James Ferraro, Lauren Fitzpatrick, Rene Gauthier, Mike Gay, George Hertz, Angeila Hughes, Caitlyn Jurczak, George Laham, George Maroun, Kristina Patyjewicz, Christopher Poreda and Sean Weller.

Chairperson Hertz then granted permission to Westwood Media Center to live stream and record the meeting. He also asked if anyone else would like to record this meeting.

He then welcomed all participants, members, presenters and members of public and press to the FinCom January 31, 2023 meeting.

The Finance Commission administrator, Ms. Wong then called the ROLL.

Afterwards, Chairperson Hertz led members in the Pledge of Allegiance.

Next, he read the Open Meeting Law pursuant to Chapter 20 of the Acts of 2021. He then stated the February 14th meeting will be on Zoom and will look into the health situation in terms of the Town to have the Public Hearing in person.

Members were provided with the final agenda and 01.17.23 meeting minutes prior to the meeting.

Member Discussion:

Chair's update-

- Chairperson Hertz watched the Select Board meeting earlier tonight. There are no changes or deletions in the warrant articles. The Select Board will be presenting the budget warrant articles more in detail to FinCom on February 14th. The municipal and school budget presentations will be on the same day.
- FY24 Budget- the school and municipal budgets have a goal of sustaining services through a balanced budget in a very challenging fiscal year.
- Based on observations from the Budget Steering Committee, the School and Town administrators have worked diligently to prepared budgets that are balanced. Challenges for the town and schools include major inflationary costs such as energy and increased programming and transportation costs for Chapter 766.

- Contracts for teachers and firefighters have not been finalized but appropriate financial assumptions have been included in the respective budgets.
- The School Committee has not yet voted on the budget presented by the Superintendent. They will be voting prior to our February 14th meeting.
- Highlights on FY24 Budget- Total Budget is proposed at 115.6 million: 6.1% increase over FY24. This includes 4.2% for municipal budget, 4.5% for School budget and 5.2% for fixed costs including in part health insurance pensions. The Town does not have final state aid numbers at this time. Debt service is increased by 32.5%, primarily due to the first year full funding of debt service related to the Hanlon School.
- The chair encouraged members to view Stephanie McManus' (Finance Director) presentation slides presented at the Select Board meeting on Jan. 24th. Information is available on the town's website under the Finance Department.
- The Capital Budget subcommittee will be meeting with the Town Administrator, department heads and School Administrators on Feb. 7th. They will review and develop recommendations on the entire capital budget including municipal improvements, school improvements and borrowing articles.
- The Chair is relying on the subcommittee reports to confirm that the FY24 budgets are sustainable and balanced and other recommendations they have for the town.
- Vice Chair Update- He will share his notes with FinCom members about the Feb 7th Capital Budget meeting. In addition, he will also share his notes on the Hale Info Session after he attends it.
- Chairperson Hertz asked members to start scheduling their subcommittee meetings after February 14th.
- One member followed up on the question in regards to members' approval on meeting minutes. The chair agreed that members who missed the meeting are allowed to vote on the minutes after they confirm that they watched the meeting on Westwood Media Center.
- Another member asked about the timeline for the subcommittee reports. Subcommittees should prepare their reports in between February 14th to March 14th. Vice Chair Poreda stated both the Chair and himself will work on the reports that go into the town meeting book.
- FinCom members received a letter concerning the article dealing with the appointment of the Tax Collector and Town Treasurer. The Chair will request that the Charter Commission and/or Select Board address this issue when FinCom reviews this warrant article.
- Members were asked to review and approve the meeting minutes for January 31, 2023. A motion was offered and seconded. A ROLL call took place. Thirteen members approved the minutes. Two members were not present for the vote.

Chairperson Hertz asked if there were any questions from the public and press. There were no questions from the public and the press.

The Chair thanked members for attending and asked for a motion to adjourn. A motion was offered and seconded. Thirteen members were in favor. Two members were not present for the vote.

Meeting Adjourned at 7:22PM

For a complete video of the 01/31/23 FinCom meeting please see the following link:
<https://westwoodmediacenter.tv/>