

# WESTWOOD



## Town of Westwood, Massachusetts

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**Proposed FY25 Overall Budget Summary  
July 1, 2024 – June 30, 2025**

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*This report is a summary of the Fiscal Year 2025 budget as well as an overview of the Town’s finances.*

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**Information to Know....**

*Everything You Wanted to Know About:*

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# Town of Westwood

## Commonwealth of Massachusetts

### Select Board

Marianne C. LeBlanc Cummings, Chair  
Robert R. Gotti  
Joseph Previtera

Christopher Coleman, Town Administrator  
Stephanie McManus, Assistant Town Administrator/Finance Director

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February 12, 2024

To the Select Board:

Enclosed you will find the *Proposed FY25 Budget Summary* document which includes the following:

- **FY25 Proposed Budget** – outlines the overall budget currently proposed by the Select Board, including information on revenue projections and expenditure requests by department.
- **Information to Know** – provides significant, comprehensive detail on important areas of the Town's finances.

I am confident our residents will find this document a comprehensive, straightforward reference tool.

This material has been publicly reviewed at Select Board and Finance and Warrant Commission meetings over the last few months, as well as widely distributed to all parties involved in the development of the budget. The process behind this document highlights the Select Board's commitment to fiscal transparency with the objective of an open and accountable budget process.

#### **Budget Summary**

The Town strives to provide a well-balanced, comprehensive budget keeping in mind certain fiscal principles. The Select Board, working closely with the Finance and Warrant Commission, Long Range Financial Planning Committee and Town and School officials and administration, has continued to work cooperatively to ensure core services are provided in an efficient way, in order to minimize increases in taxes and still maintain the excellence that is expected.

Directly following this letter is a summary of the FY25 budget.

## Next Steps

Work will continue to finalize the FY25 budget before Town Meeting. We will monitor and update the information as it evolves and keep parties informed.

Particular budget items to monitor include:

- **Health Insurance budget.** The Group Insurance Commission (GIC) will update FY25 plan design and premiums during February and March and we will update the budget accordingly. The health insurance budget currently includes an estimated 8.3% increase in premiums. This number will be adjusted in early March to reflect the actual premium voted by GIC.
- **State Aid.** The State budget process has just begun. Based on the Governor's preliminary budget, the State Aid budget currently includes an estimated 1.3% increase in revenue. 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 on language for any borrowing article and determining which borrowing articles, if any, may go forward.

The budget represents a culmination of hard work. 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 impressive for a small community like Westwood and is the direct result of the Select Board and Town Administrator'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, Budget Director, 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. Westwood has a great financial team and I am proud to work with them. We will continue to monitor and update the information and keep parties informed as we move forward to Town Meeting.

Respectfully submitted,



Stephanie McManus  
Assistant Town Administrator/Finance Director

# FY25 Budget Summary

The FY25 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 FY24 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.

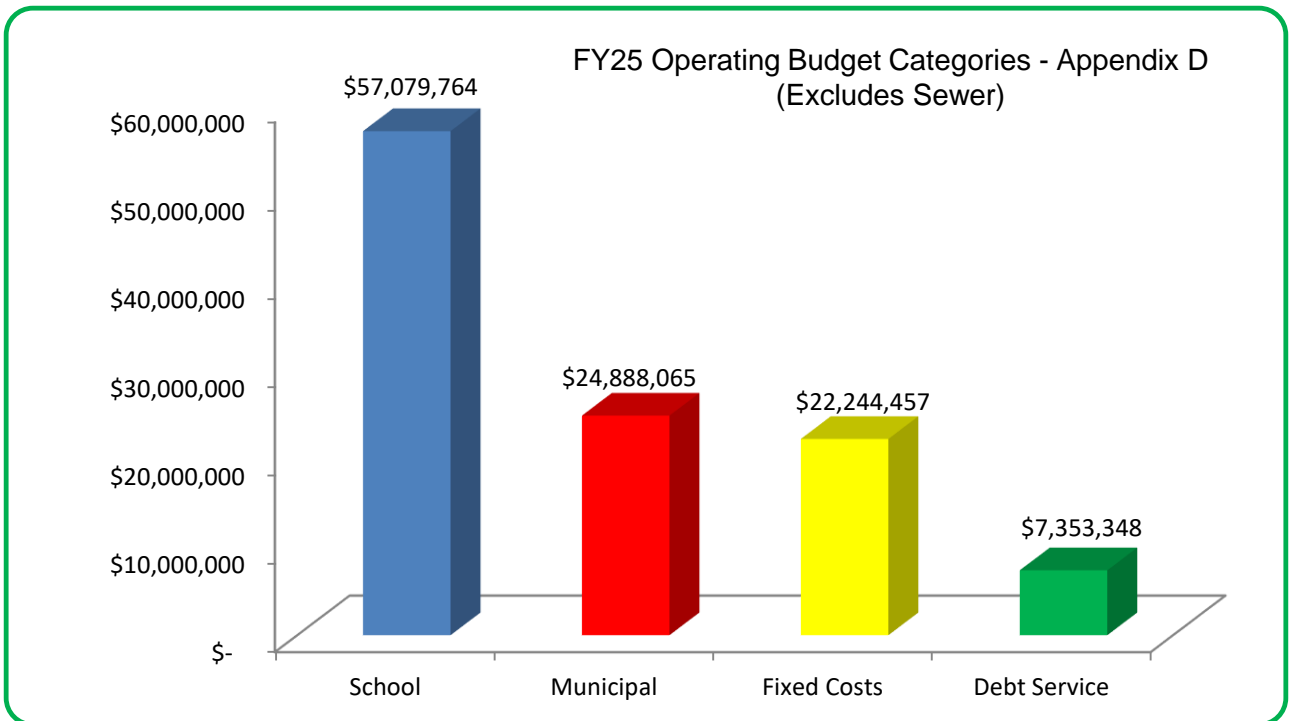
# FY25 Budget Summary

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.

The FY25 proposed budget continues with this discipline and seeks to balance all of the many needs of the community. The FY25 budget currently includes:

- Commitment to high quality services provided by school and municipal departments.
- Approximate 5.1% increase to municipal and 3.7% to school operating budgets.
- Commitment to high level of ongoing base school and municipal capital \$2,352,250.
- 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 \$1.565M annual appropriation. This allows the Town to remain on target with the liability funding schedule.



*For further detail on the operating budget, please see the FY24 Proposed Budget section of 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.

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.

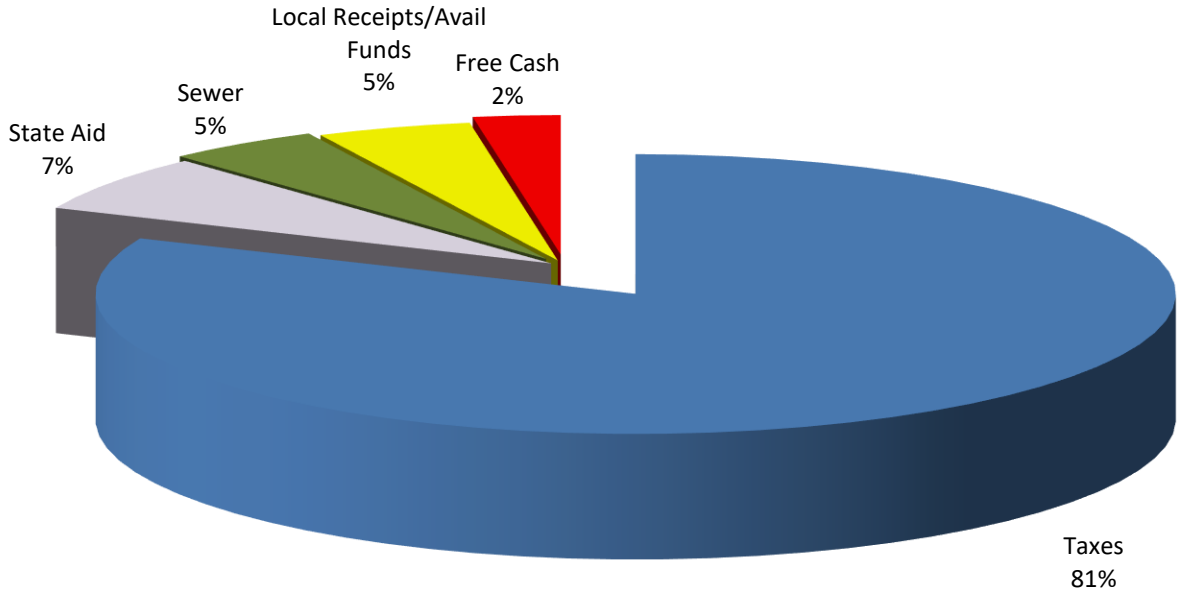
# Town of Westwood Summary of Proposed FY25 Budget

	FY2021 Approved Per Recap	FY2022 Approved Per Recap	FY2023 Approved Per Recap	FY2024 Approved Per Recap	FY2025 Proposed
<b>BUDGET CATEGORIES</b>					
<b>Appropriations Made by Town Meeting:</b>					
Operations Budget	\$98,247,867	\$101,320,299	\$105,283,689	\$112,208,192	\$116,039,729
Capital - Municipal	\$1,304,400	\$1,304,650	\$1,356,250	\$1,355,500	\$1,335,250
Capital -Schools	\$1,017,000	\$1,017,000	\$1,017,000	\$1,017,000	\$1,017,000
Capital - Sewer	\$765,000	\$70,000	\$700,000	\$1,260,000	\$750,000
Stabilization Account Appropriation - annual article	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
OPEB Account Appropriation - annual article	\$1,465,000	\$1,490,000	\$1,515,000	\$1,540,000	\$1,565,000
Other Financial Warrant Articles	\$0	\$31,000	\$1,000,000	\$0	\$0
Prior yr. Adjustments voted at Town Meeting	\$444,000	\$217,500	\$527,000	\$598,000	\$0
Other Capital - School & Municipal	\$1,127,220	\$1,495,000	\$682,000	\$1,545,000	\$670,000
	\$0	\$0	\$0	\$0	\$0
<b>Total Appropriations - Town Meeting</b>	<b>\$104,495,487</b>	<b>\$107,070,449</b>	<b>\$112,205,939</b>	<b>\$119,648,692</b>	<b>\$121,501,979</b>
<b>Other Amounts to be Raised (not Voted at Town Meeting)</b>					
State Aid Offsets (Funds which must be restricted )	\$22,946	\$27,806	\$32,523	\$37,724	\$37,723
State and County Charges	\$691,591	\$715,069	\$805,192	\$811,877	\$808,339
Overlay (Reserve for abatements/exemptions)	\$551,218	\$553,564	\$522,802	\$503,121	\$499,420
Other - Snow & Ice Raised on Recap	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Other Amounts</b>	<b>\$1,265,755</b>	<b>\$1,296,439</b>	<b>\$1,360,517</b>	<b>\$1,352,722</b>	<b>\$1,345,482</b>
<b>Total Expenditures</b>	<b>\$105,761,242</b>	<b>\$108,366,888</b>	<b>\$113,566,456</b>	<b>\$121,001,414</b>	<b>\$122,847,461</b>
<b>Financial Resources</b>					
<b>State Revenue:</b>					
State Aid	\$6,523,982	\$6,622,672	\$6,944,202	\$8,023,334	\$8,131,535
State School Building Assistance Funding	\$1,401,276	\$1,401,276	\$1,401,276	\$0	\$0
<b>Local Revenue:</b>					
Total Property Taxes	\$83,468,800	\$86,593,963	\$90,274,411	\$97,119,785	\$100,121,042
Local Receipts	\$4,195,857	\$4,195,857	\$4,195,857	\$4,195,857	\$4,595,857
Enterprise (Sewer ) Funding (for all - capital , articles, etc)	\$5,614,461	\$4,919,452	\$5,597,007	\$6,188,863	\$5,685,452
Available Funds for misc articles	\$158,720	\$502,500	\$224,000	\$650,000	\$120,000
Available Funds	\$539,246	\$443,518	\$446,453	\$428,075	\$434,325
Meals/Hotel Tax	\$0	\$1,060,000	\$650,000	\$1,100,000	\$550,000
Free Cash	<u>\$3,858,900</u>	<u>\$2,627,650</u>	<u>\$3,833,250</u>	<u>\$3,295,500</u>	<u>\$3,209,250</u>
<b>Total Revenues</b>	<b>\$105,761,242</b>	<b>\$108,366,888</b>	<b>\$113,566,456</b>	<b>\$121,001,414</b>	<b>\$122,847,461</b>
<b>Total Revenue less Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Authorization to borrow (Projects approved at Town Meeting -funds are borrowed and debt service included in future budgets) :</b>					
Approved at 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			
Approved at 2022 ATM - Conant Road Culvert Design			\$200,000		
Approved at 2022 ATM - Cemetery Expansion Design			\$125,000		
Approved at 2022 ATM - Canton Street Sidewalk Design			\$900,000		
Approved at 2023 ATM - Sewer System MWRA Grant/Loan Program				\$500,000	
Approved at 2023 ATM - Fire Ladder 1				\$1,850,000	
Approved at 2023 ATM - Cemetery Expansion Construction				\$1,500,000	
Proposed for 2024 ATM - Fire Squad Vehicle					\$725,000
Proposed for 2024 ATM - High School Roof Restoration					\$2,500,000
Proposed for 2024 ATM - Conant Road Culvert Construction					\$1,500,000



# FY2025 Projected Budget Revenue

## FY2025 Projected Budget Revenue



### FY2025 Projected Budget Revenue

	FY2024	FY2025 Proj	\$ Change	% Change
Taxes	\$97,119,785	\$100,121,042	\$3,001,257	3.1%
State Aid	\$8,023,334	\$8,131,535	\$108,201	1.3%
Sewer Enterprise	\$6,188,863	\$5,685,452	(\$503,411)	-8.1%
Local Receipts	\$4,195,857	\$4,595,857	\$400,000	9.5%
Available Funds	\$434,325	\$434,325	\$0	0.0%
Available Funds - prior yr/other articles	\$650,000	\$120,000	(\$530,000)	-81.5%
Meals/Hotels Tax	\$1,100,000	\$550,000	(\$550,000)	-50.0%
Free Cash	\$3,295,500	\$3,209,250	(\$86,250)	-2.6%
<b>Total</b>	<b>\$121,007,664</b>	<b>\$122,847,461</b>	<b>\$1,839,797</b>	<b>1.5%</b>

# History of Tax Levy – Budget FY2025

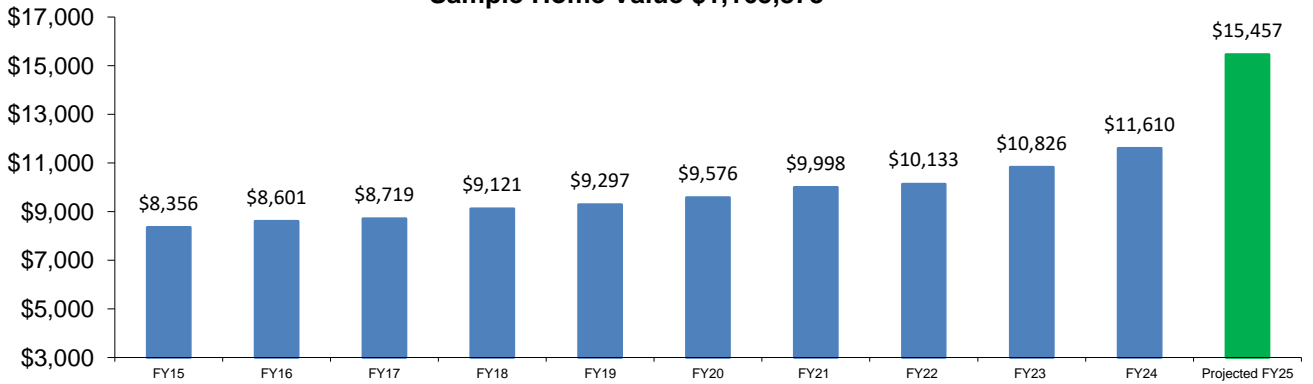
Tax Levy Calculation	FY2021	FY2022	FY2023	FY2024	Budget FY2025	
Prior Year Levy Limit	\$79,703,916	\$83,076,625	\$86,718,329	\$90,010,426	\$93,226,730	
Plus 2.5% Increase	\$1,992,598	\$2,076,916	\$2,167,958	\$2,250,261	\$2,330,668	Plus 2.5%
Plus New Growth	\$889,111	\$1,356,788	\$1,017,139	\$725,557	\$550,000	New growth
New Tax Levy University Station TIF*	\$491,000	\$208,000	\$107,000	\$52,746		Uni Station growth
General Overrides	\$0	\$0	\$0	\$0	\$0	General Override
<b>Tax Levy Limit</b>	<b>\$83,076,625</b>	<b>\$86,718,329</b>	<b>\$90,010,426</b>	<b>\$93,226,730</b>	<b>\$96,107,398</b>	
<b>Exempt Debt*</b>	<b>\$1,217,416</b>	<b>\$1,048,819</b>	<b>\$1,059,561</b>	<b>\$4,369,541</b>	<b>\$4,013,644</b>	Exempt Debt
<b>Levy Capacity</b>	<b>\$84,294,041</b>	<b>\$87,767,148</b>	<b>\$91,069,987</b>	<b>\$97,596,271</b>	<b>\$100,121,042</b>	What we could tax
Actual Levy Assessed	\$83,468,800	\$86,593,963	\$90,274,411	\$97,119,785	\$100,121,042	What we actually tax
Excess Levy(Taxes not raised )	\$825,241	\$1,173,185	\$795,576	\$476,486	\$0	Unused tax levy
Increase in Actual Levy (including new growth)	4.0%	3.7%	4.3%	7.6%	3.1%	
<b>Increase in Levy without new growth</b>	<b>2.32%</b>	<b>1.87%</b>	<b>2.95%</b>	<b>6.72%</b>	<b>2.52%</b>	

- **Exempt debt - This is the net principal and interest payment required each year for borrowing projects approved outside Proposition 2 1/2.**
- **New Growth - This represents taxes from new residential and commercial development.**
- **No general override since 2007**

# Tax Rate/Tax Bill History

Tax Rate per Thousand	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Projected FY25
Residential	\$14.66	\$14.57	\$15.09	\$14.65	\$14.51	\$14.78	\$14.83	\$14.30	\$12.81	
Commercial	\$28.27	\$28.20	\$29.30	\$28.24	\$28.22	\$28.59	\$28.99	\$27.63	\$24.68	
<b>% of Total Town Value</b>										
Residential Property	85.5%	85.1%	84.9%	84.1%	84.8%	85.26%	84.3%	85.4%	87.1%	
Commercial Property	14.4%	14.8%	15.1%	15.9%	15.3%	14.74%	15.7%	14.6%	12.9%	
Tax Shift Factor	1.70	1.70	1.70	1.68	1.70	1.70	1.70	1.70	1.72	
<b>% of Total Town Taxes</b>										
Residential Properties	75.4%	74.8%	74.3%	73.3%	74.1%	75.0%	73.4%	75.1%	77.8%	
Commercial Properties	24.5%	25.2%	25.7%	26.7%	25.9%	25.1%	26.6%	24.9%	22.3%	
<b>Sample Residential Tax Bill</b>										
Home Value	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	\$676,520	\$683,285	\$757,079	\$1,165,873	
Tax Bill	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,998	\$10,133	\$10,826	\$14,934	\$15,457
Tax Bill Increase	2.9%	1.3%	4.6%	2.0%	3.0%	4.4%	1.3%	6.80%	12.55%	3.50%
Single Tax Rate	\$16.63	\$16.59	\$17.24	\$16.81	\$16.60	\$16.81	\$17.05	\$16.20	\$14.35	
Savings to Tax Bill from Having Split Tax Rate	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	\$1,374	\$1,517	\$1,507	\$1,795	

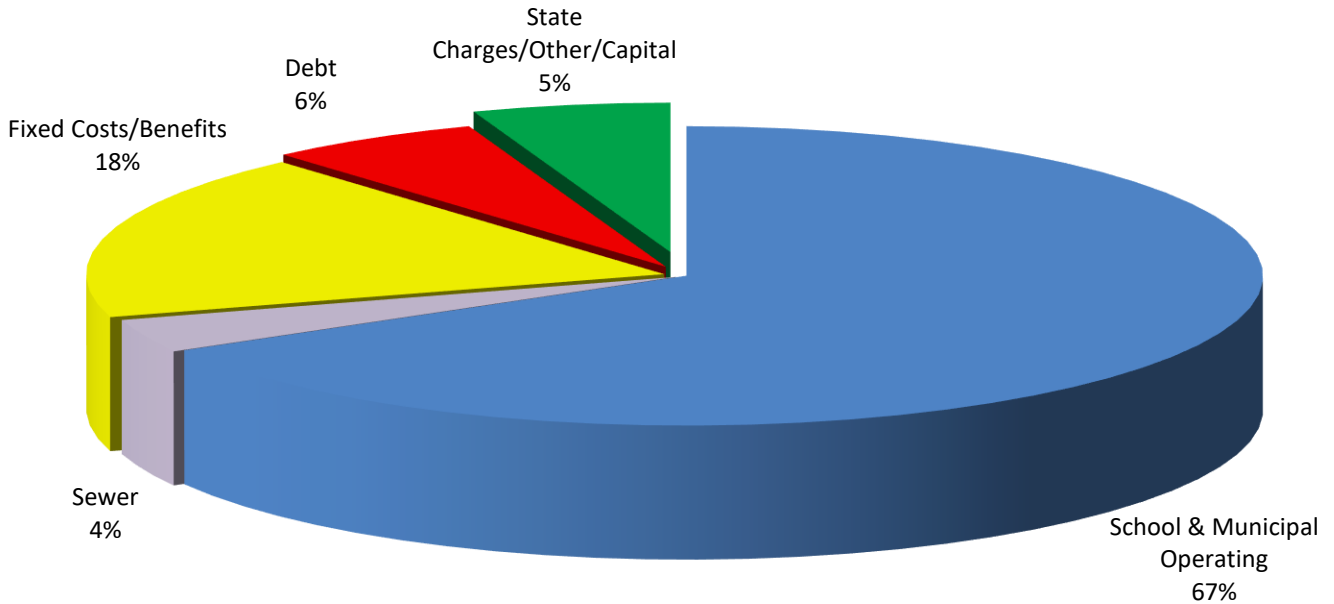
**Average Residential Tax Bill  
Sample Home Value \$1,165,873**



	Home Value			Tax Bill		
	FY23	FY24	% Change	FY23	FY24	% Change
DOR Calculated Average Value	\$927,858	\$1,165,873	25.6%	\$13,268	\$14,934	12.55%
Median Value	\$797,600	\$999,500	25.3%	\$11,405	\$12,803	12.25%
Sample Home	\$690,118	\$862,647	25%	\$9,869	\$11,050	12%

# FY2025 Proposed Expenditure Summary

## FY2025 Expenditure Summary

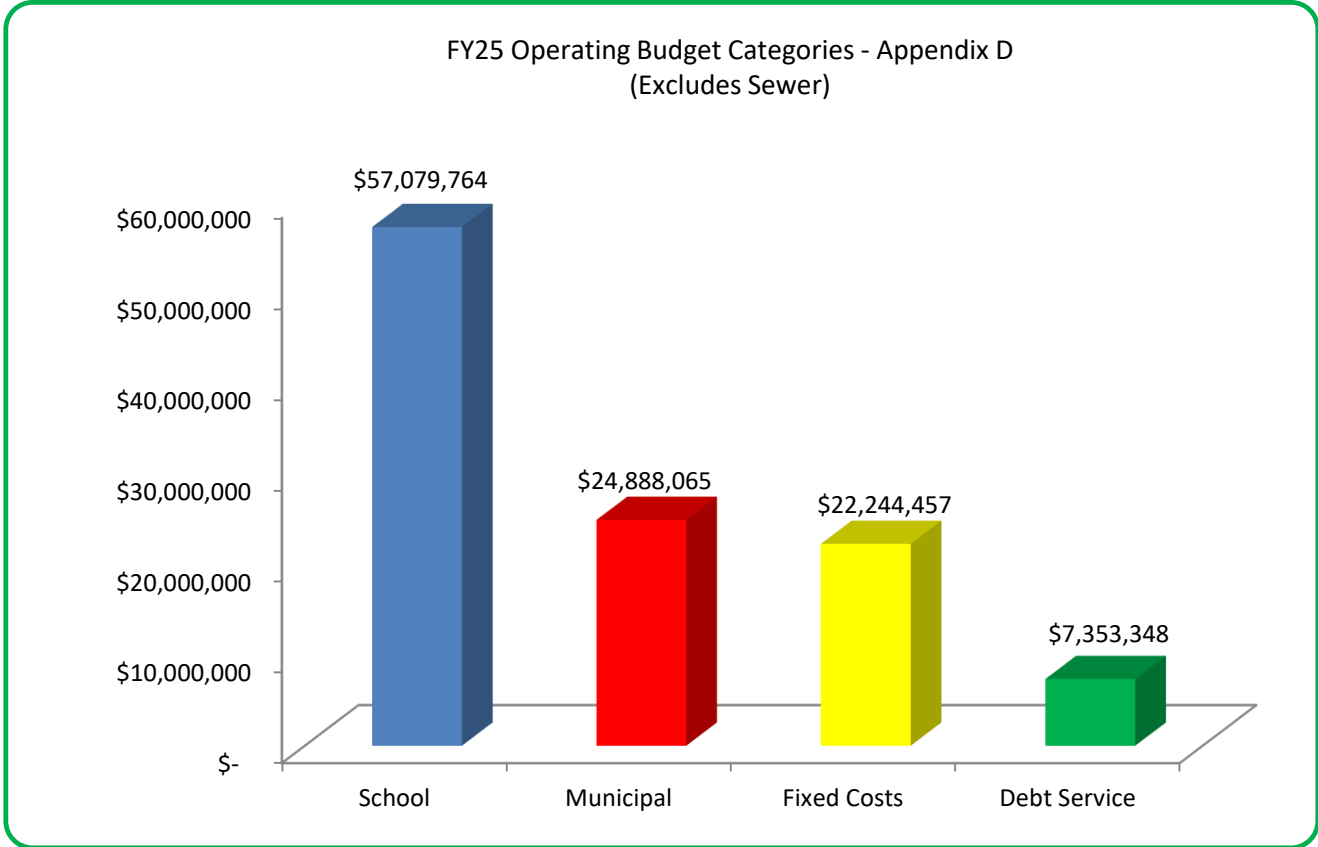


### FY2025 Proposed Expenditure Summary

	FY2024	FY2025 Projected	\$ Change	% Change
Operating Budget - School Categories	\$55,038,986	\$57,079,764	\$2,040,778	3.7%
Operating Budget - Municipal	\$23,683,737	\$24,888,065	\$1,204,328	5.1%
Benefits/Reserves/Insurance	\$21,290,095	\$22,244,457	\$954,362	4.5%
Sewer - Operating	\$4,486,129	\$4,474,095	(\$12,034)	-0.3%
Debt Service	\$7,709,245	\$7,353,348	(\$355,897)	-4.6%
<b>Total Operating</b>	<b>\$112,208,192</b>	<b>\$116,039,729</b>	<b>\$3,831,537</b>	<b>3.4%</b>
Capital Base Budget - School & Municipal	\$2,372,500	\$2,352,250	(\$20,250)	-0.9%
Capital - Sewer	\$1,260,000	\$750,000	(\$510,000)	-40.5%
<b>Other Appropriations:</b>				
To Stabilization	\$125,000	\$125,000	\$0	0.0%
Additional Capital	\$1,545,000	\$670,000	(\$875,000)	-56.6%
To OPEB Trust	\$1,540,000	\$1,565,000	\$25,000	1.6%
Prior Year/Other Articles	\$598,000	\$0	(\$598,000)	-100.0%
State Charges/Offsets/Overlay/Snow	\$1,359,992	\$1,345,482	(\$14,510)	-1.1%
<b>Total Expenditures</b>	<b>\$121,008,684</b>	<b>\$122,847,461</b>	<b>\$1,838,777</b>	<b>1.5%</b>

# Operating Budget Categories

FY24 Budget	Category	FY25 Proposed	\$ Change FY25 v FY24	% Change FY25 v FY24
\$ 54,743,565	School Operating	\$ 56,763,603	\$ 2,020,038	3.7%
\$ 23,683,737	Municipal Operating	\$ 24,888,065	\$ 1,204,328	5.1%
\$ 169,054	Blue Hills Regional School	\$ 185,959	\$ 16,905	10.0%
\$ 126,367	Traffic Supervisors	\$ 130,202	\$ 3,835	3.0%
\$ 21,290,095	Fixed Costs	\$ 22,244,457	\$ 954,362	4.5%
\$ 7,709,245	Debt Service	\$ 7,353,348	\$ (355,897)	-4.6%
\$ 4,486,129	Sewer	\$ 4,474,095	\$ (12,034)	-0.3%
<b>\$ 112,208,192</b>	<b>Total</b>	<b>\$ 116,039,729</b>	<b>\$ 3,831,537</b>	<b>3.4%</b>



## FY25 Capital Articles

### FY25 Capital Budget – Proposed Municipal Capital Article

Item	Amount	Funding Source
DPW - One Ton Dump Truck (Truck 11)	\$90,000	Free Cash
DPW - Asphalt Roller	\$80,000	Free Cash
Fire - Radio Upgrade and Replacement	\$28,000	Free Cash
Fire - Turnout Gear Purchase and Replacement	\$38,250	Free Cash
IT - End User Technology	\$75,000	Free Cash
Building - Building Division Motor Vehicle	\$50,000	Free Cash
Library - Library Technology	\$20,000	Free Cash
Library - Media Suite	\$100,000	Free Cash
Library - Meeting Room AV Upgrade	\$50,000	Free Cash
Police - Police Vehicles	\$285,000	Free Cash
Police - Safety Equipment	\$70,000	Free Cash
Police - Radio Telecom Infrastructure	\$89,000	Free Cash
Building - Facility Maintenance	\$150,000	Free Cash
Building - Energy Efficiency	\$50,000	Free Cash
Building - Facilities Vehicle	\$60,000	Free Cash
Building - ADA Improvements	\$100,000	Free Cash
Total	<u>\$1,335,250</u>	Free Cash

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

FY25 Capital Budget – Proposed Schools Capital Article

Item	Amount	Funding Source
Technology	\$150,000	Free Cash
HVAC and Controls	\$200,000	Free Cash
Building Improvements	\$350,000	Free Cash
Roofing	\$250,000	Free Cash
Furniture, Fixtures, and Equipment	\$67,000	Free Cash
	Total <u>\$1,017,000</u>	Free Cash

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

## FY25 Capital Articles

### FY25 Capital Budget – Proposed Sewer Capital Article

Item	Amount	Funding Source
Stormwater MS4	\$325,000	Sewer Retained Earnings
Inflow & Infiltration Assessment	\$125,000	Sewer Retained Earnings
Rapid View Camera Truck	\$300,000	Sewer Retained Earnings
Total	<u>\$750,000</u>	Sewer Retained Earnings

### FY25 Capital Budget – Proposed Additional Capital - Ambulance Receipts

Item	Amount	Funding Source
Fire - Rescue Upgrade and Replacement	\$74,000	Ambulance Receipts
Fire - Lifepak Cardiac Monitor for Ambulance	\$46,000	Ambulance Receipts
Total	<u>\$120,000</u>	Ambulance Receipts

### FY25 Capital Budget – Proposed Additional Capital

Item	Amount	Funding Source
Generator Upgrades and Replacements at Municipal Buildings	\$400,000	Meals/Hotels Tax Revenue
Recreation – Acoustic Tiles for Pool	\$150,000	Meals/Hotels Tax Revenue
Total	<u>\$550,000</u>	Meals/Hotels Tax Revenue



## FY25 Capital Budget – Projects that would require borrowing

Item	Amount	Funding Source
Fire - Squad Truck Replacement	\$725,000	Would require borrowing
Schools - High School Roof Restoration	\$2,500,000	Would require borrowing
DPW – Conant Road Culvert Construction	\$1,500,000	Would require borrowing
Total	<u>\$4,725,000</u>	

These projects would be funded as a borrowing article.

**Appendix D**  
**Proposed FY2025 Departmental Salary/Expense Budgets**

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
Select Board Department						
Salaries	689,147	707,761	455,068	(252,693)	-35.7%	Taxation
Expenses	31,076	45,500	39,900	(5,600)	-12.3%	Taxation
Total Select Board Department	720,223	753,261	494,968	(258,293)	-34.3%	
Finance and Warrant Commission						
Salary	22,229	19,963	20,971	1,008	5.0%	Taxation
Expenses	29,541	46,110	46,110	0	0.0%	Taxation
Total Finance and Warrant Commission	51,770	66,073	67,081	1,008	1.5%	
Finance Department						
Salary			372,963	372,963		Taxation
Expenses			6,100	6,100		Taxation
Total Finance Department	0	0	379,063	379,063		
Accounting Department						
Salaries	283,053	304,048	300,520	(3,528)	-1.2%	Taxation
Expenses	5,372	7,000	7,000	0	0.0%	Taxation
Total Accounting Department	288,425	311,048	307,520	(3,528)	-1.1%	
Assessors Department						
Salaries	210,661	237,718	241,428	3,710	1.6%	Taxation
Expenses	19,828	22,450	30,150	7,700	34.3%	Taxation
Total Assessors Department	230,489	260,168	271,578	11,410	4.4%	
Treasurer Department						
Salary	129,725	136,178	157,682	21,504	15.8%	Taxation
Expenses	9,324	10,450	10,650	200	1.9%	Taxation
Total Treasurer Department	139,049	146,628	168,332	21,704	14.8%	
Collector Department						
Salaries	122,806	131,162	130,666	(496)	-0.4%	Taxation
Expenses	84,560	84,650	90,900	6,250	7.4%	\$48,750 Ambulance receipts/Taxation
Total Collector Department	207,366	215,812	221,566	5,754	2.7%	For Ambulance Billing Service
Legal Department						
Salary	139,636	142,599	146,315	3,716	2.6%	Taxation
Expenses	97,465	98,000	98,000	0	0.0%	Taxation
Total Legal Department	237,101	240,599	244,315	3,716	1.5%	
Human Resources Department						
Salary	328,376	345,349	353,991	8,642	2.5%	Taxation
Expenses	3,701	7,500	7,500	0	0.0%	Taxation
Total Human Resources Department	332,078	352,849	361,491	8,642	2.4%	
Information Systems Department						
Salaries	309,620	341,046	343,664	2,618	0.8%	Taxation
Expenses	78,447	81,000	83,000	2,000	2.5%	Taxation
Total Information Systems Department	388,066	422,046	426,664	4,618	1.1%	
Town Clerk Department						
Salaries	239,617	250,607	268,163	17,556	7.0%	Taxation
Expenses	62,138	72,200	88,653	16,453	22.8%	Taxation
Total Town Clerk Department	301,755	322,807	356,816	34,009	10.5%	

Appendix D  
Proposed FY2025 Departmental Salary/Expense Budgets

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
Housing Authority						
Salary	26,651	26,354	46,045	19,691	74.7%	Taxation
Expenses	10,000	11,600	12,000	400	3.4%	Taxation
<b>Total Housing Authority</b>	<b>36,651</b>	<b>37,954</b>	<b>58,045</b>	<b>20,091</b>	<b>52.9%</b>	
Outside Professional Services						
Expenses	26,388	69,500	44,500	(25,000)	-36.0%	Taxation
Training/Professional Development						
Expenses	8,338	25,000	20,000	(5,000)	-20.0%	Taxation
<b>1. Total General Government</b>	<b>2,967,697</b>	<b>3,223,745</b>	<b>3,421,939</b>	<b>198,194</b>	<b>6.1%</b>	

Police Department						
Salaries	4,590,443	4,888,210	5,092,526	204,316	4.2%	Taxation
Expenses	282,029	352,650	357,650	5,000	1.4%	Taxation
	4,872,471	5,240,860	5,450,176	209,316	4.0%	
Auxiliary Police/Civil Defense						
Expenses	2,186	4,000	4,200	200	5.0%	Taxation
	2,186	4,000	4,200	200	5.0%	
Animal Control						
Salary	66,042	65,332	0	(65,332)	-100.0%	Taxation
Expenses	1,160	10,350	4,976	(5,374)	-51.9%	Taxation
	67,203	75,682	4,976	(70,706)	-93.4%	
<b>Total Police</b>	<b>4,941,860</b>	<b>5,320,542</b>	<b>5,459,352</b>	<b>138,810</b>	<b>2.6%</b>	
Fire Department						
Salaries	5,173,262	5,099,374	5,679,555	580,181	11.4%	\$324,000 Ambulance Receipts/Taxation
Expenses	306,324	311,500	315,000	3,500	1.1%	\$40,000 Ambulance Receipts/Taxation
<b>Total Fire</b>	<b>5,479,586</b>	<b>5,410,874</b>	<b>5,994,555</b>	<b>583,681</b>	<b>10.8%</b>	
<b>2. Total Public Safety</b>	<b>10,421,446</b>	<b>10,731,416</b>	<b>11,453,907</b>	<b>722,491</b>	<b>6.7%</b>	

**Appendix D  
Proposed FY2025 Departmental Salary/Expense Budgets**

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
Conservation Division						
Salary	82,777	84,555	86,684	2,129	2.5%	\$17,000 Conservation Receipts/Taxation
Expenses	5,231	6,400	6,400	0	0.0%	Taxation
	88,008	90,955	93,084	2,129	2.3%	
Planning Division						
Salaries	65,698	178,702	172,597	(6,105)	-3.4%	Taxation
Expenses	3,395	4,500	4,500	0	0.0%	Taxation
	69,093	183,202	177,097	(6,105)	-3.3%	
Zoning & Licensing Division						
Salaries	6,804	76,355	82,236	5,881	7.7%	Taxation
Expenses	720	3,250	3,250	0	0.0%	Taxation
	7,524	79,605	85,486	5,881	7.4%	
Community & Economic Development						
Salaries	260,987	196,164	203,882	7,718	3.9%	Taxation
Expenses	2,412	3,300	3,300	0	0.0%	Taxation
	263,399	199,464	207,182	7,718	3.9%	
Building Inspection Division						
Salaries	415,204	417,409	399,950	(17,459)	-4.2%	Taxation
Expenses	24,852	45,850	42,950	(2,900)	-6.3%	Taxation
	440,057	463,259	442,900	(20,359)	-4.4%	
Health Division						
Salaries	305,529	326,280	339,608	13,328	4.1%	Taxation
Expenses	9,835	12,200	13,350	1,150	9.4%	Taxation
	315,365	338,480	352,958	14,478	4.3%	
Outside Health Agencies *	9,916					Taxation
<b>3. Total Community and Economic Development</b>	<b>1,193,362</b>	<b>1,354,965</b>	<b>1,358,707</b>	<b>3,742</b>	<b>0.3%</b>	
* Outside Health Agency moved to Shared Costs in FY24 and now includes School costs						
Department of Public Works						
Salaries	1,799,798	1,942,362	2,063,405	121,043	6.2%	Taxation
Expenses	614,013	591,100	596,100	5,000	0.8%	Taxation
Total DPW Admin/Operations	2,413,811	2,533,462	2,659,505	126,043	5.0%	
Building Maintenance						
Salaries	434,800	434,634	570,435	135,801	31.2%	Taxation
Expenses	1,103,406	1,173,900	1,094,800	(79,100)	-6.7%	Taxation
Total Building Maintenance	1,538,206	1,608,534	1,665,235	56,701	3.5%	
Municipal & School Field Maintenance	194,977	190,000	195,000	5,000	2.6%	Taxation
Street / Traffic Lighting Maintenance	120,523	125,000	130,000	5,000	4.0%	Taxation
<b>4. Total Department of Public Works</b>	<b>4,267,517</b>	<b>4,456,996</b>	<b>4,649,740</b>	<b>192,744</b>	<b>4.3%</b>	
<b>5. Snow &amp; Ice</b>	<b>449,593</b>	<b>450,000</b>	<b>450,000</b>	<b>0</b>	<b>0.0%</b>	<b>Taxation</b>
<b>Total Public Works</b>	<b>4,717,110</b>	<b>4,906,996</b>	<b>5,099,740</b>	<b>192,744</b>	<b>3.9%</b>	

Appendix D  
Proposed FY2025 Departmental Salary/Expense Budgets

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
Human Services						
Salaries		140,348	149,187	8,839	6.3%	Taxation
Expenses		3,000	3,000	0	0.0%	Taxation
	0	143,348	152,187	8,839	6.2%	
Council On Aging Department						
Salaries	408,687	438,944	447,016	8,072	1.8%	Taxation
Expenses	30,632	43,650	43,650	0	0.0%	Taxation
	439,319	482,594	490,666	8,072	1.7%	
Youth and Family Services Department						
Salaries	384,415	284,354	294,170	9,816	3.5%	Taxation
Expenses	14,571	16,200	16,200	0	0.0%	Taxation
	398,986	300,554	310,370	9,816	3.3%	
Veterans Services Department						
Salaries	41,794	42,677	2,000	(40,677)	-95.3%	Taxation
Expenses	34,076	108,813	82,500	(26,313)	-24.2%	Taxation
	75,870	151,490	84,500	(66,990)	-44.2%	
Public Library						
Salaries	1,139,549	1,232,570	1,315,381	82,811	6.7%	Taxation
Expenses	386,813	384,200	395,300	11,100	2.9%	Taxation
Lost Books	136	1,600	1,600	0	0.0%	Taxation
	1,526,498	1,618,370	1,712,281	93,911	5.8%	
Recreation Department						
Salaries	499,527	564,125	594,034	29,909	5.3%	\$332,442 Recreation Funds/Taxation
Expenses	15,389	15,784	15,784	0	0.0%	Taxation
	514,916	579,909	609,818	29,909	5.2%	
Memorial/Veteran's Day/Westwood Day Expenses	23,181	25,450	27,450	2,000	7.9%	Taxation
<b>6. Total Human Services</b>	<b>2,978,770</b>	<b>3,301,715</b>	<b>3,387,272</b>	<b>85,557</b>	<b>2.6%</b>	
<b>Other</b>						
7. Communications Systems	165,915	166,000	166,000	0	0.0%	Taxation
8. Disability Commission	0	500	500	0	0.0%	Taxation
<b>Total Other</b>	<b>165,915</b>	<b>166,500</b>	<b>166,500</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Municipal Budget</b>	<b>22,444,299</b>	<b>23,685,337</b>	<b>24,888,065</b>	<b>1,202,728</b>	<b>5.08%</b>	

**Appendix D**  
**Proposed FY2025 Departmental Salary/Expense Budgets**

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
<b>Westwood Public Schools</b>						
Salaries	43,883,316	46,497,322	48,406,465	1,909,143	4.1%	Taxation
Expenses	7,879,081	8,246,243	8,357,138	110,895	1.3%	Taxation
9. Total Westwood Public Schools	51,762,397	54,743,565	56,763,603	2,020,038	3.7%	
10. Blue Hills Regional School Assessment	128,827	169,054	185,959	16,905	10.0%	Taxation
Crossing Guards						
Salaries	103,364	123,367	127,052	3,685	3.0%	Taxation
Expenses	970	3,000	3,150	150	5.0%	Taxation
11. Total Crossing Guards	104,335	126,367	130,202	3,835	3.0%	
<b>Total School Budgets</b>	<b>51,995,559</b>	<b>55,038,986</b>	<b>57,079,764</b>	<b>2,040,778</b>	<b>3.7%</b>	

**Fixed Costs Budgets - School and Municipal**

**School Employee Benefits/Costs**

Retirement Assessments	1,970,534	2,004,502	2,016,102	11,600	0.6%	Taxation
Workers Compensation	176,959	389,876	409,369	19,493	5.0%	Taxation
Unemployment Compensation	86,059	143,738	150,925	7,187	5.0%	Free Cash
Health Insurance	4,977,641	5,792,848	6,273,654	480,806	8.3%	Taxation
Life Insurance	6,911	8,800	9,680	880	10.0%	Taxation
Payroll service/Other	42,210	41,929	45,621	3,692	8.8%	Taxation
Medicare Part B	113,645	183,785	183,785	0	0.0%	Taxation
Social Security Tax	3,753	7,500	7,500	0	0.0%	Taxation
Medicare Payroll Tax	646,350	1,094,117	1,148,823	54,706	5.0%	Taxation
<b>School Employee Benefits/Costs</b>	<b>8,024,061</b>	<b>9,667,095</b>	<b>10,245,460</b>	<b>578,365</b>	<b>6.0%</b>	

**Appendix D**  
**Proposed FY2025 Departmental Salary/Expense Budgets**

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
<b>Municipal Employee Benefits/Costs</b>						
Retirement Assessment	4,602,407	4,677,171	4,704,238	27,067	0.6%	Taxation
Workers Compensation	83,274	183,608	192,789	9,181	5.0%	Taxation
Unemployment Compensation	15,744	20,293	21,075	782	3.9%	Free Cash
Health Insurance	1,939,003	1,918,154	2,077,361	159,207	8.3%	Taxation
Life Insurance	3,147	5,500	6,050	550	10.0%	Taxation
Pre-Hire/Payroll/Other	119,108	144,962	150,158	5,196	3.6%	Taxation
Public Safety Medical/111F ins	40,480	102,300	105,930	3,630	3.5%	Taxation
Medicare Part B	49,771	74,547	74,547	0	0.0%	Taxation
Social Security Tax	516	5,000	5,000	0	0.0%	Taxation
Medicare Payroll Tax	268,517	430,258	451,771	21,513	5.0%	Taxation
<b>Municipal Employee Benefits/Costs</b>	<b>7,121,967</b>	<b>7,561,793</b>	<b>7,788,919</b>	<b>227,127</b>	<b>3.0%</b>	
<b>Shared/Other Fixed Costs</b>						
Comprehensive & Liability Insurance	590,724	639,000	670,950	31,950	5.0%	Taxation
Waste Collection/Disposal Expenses	1,729,332	1,774,000	1,910,000	136,000	7.7%	Taxation
Energy/Sustainability Efforts	60,035	115,391	66,312	(49,079)	-42.5%	Taxation
Townwide Hardware/Software Maintenance	515,500	543,650	573,650	30,000	5.5%	\$4,575 Ambulance Receipts/Taxation
Town Wide Newsletter Communication	28,512	55,000	55,000	0	0.0%	Taxation
Outside Health Agencies*		32,916	32,916	0		Taxation
Audit Services -Town and School	81,210	81,250	81,250	0	0.0%	Taxation
<b>Total Shared/Other Fixed Costs</b>	<b>3,005,313</b>	<b>3,241,207</b>	<b>3,390,078</b>	<b>148,871</b>	<b>4.6%</b>	
<b>12. Total Benefits/Shared Fixed Costs</b>	<b>18,151,340</b>	<b>20,470,095</b>	<b>21,424,457</b>	<b>954,362</b>	<b>4.7%</b>	
<b>Reserve Funds</b>						
13. Select Board Reserve Fund**	0	355,000	355,000	0	0.0%	\$155k Free Cash, \$200k Taxation
14. Special Town Mtg/Election/Charter	10,920	60,000	60,000	0	0.0%	Taxation
15. Reserve Fund	0	405,000	405,000	0	0.0%	Free Cash
<b>Total Reserves</b>	<b>10,920</b>	<b>820,000</b>	<b>820,000</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Fixed Costs Budget</b>	<b>18,162,260</b>	<b>21,290,095</b>	<b>22,244,457</b>	<b>954,362</b>	<b>4.5%</b>	

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

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

\* Moved from Community and Economic Development for FY24.

**Debt Service Budget**

Municipal Related Debt Service	4,535,000	3,698,803	3,691,304	(7,499)	-0.2%	Taxation
School Related Debt Service	1,283,919	4,010,442	3,662,044	(348,398)	-8.7%	Taxation
<b>16. Total Debt Budget</b>	<b>5,818,919</b>	<b>7,709,245</b>	<b>7,353,348</b>	<b>(355,897)</b>	<b>-4.6%</b>	

Appendix D  
Proposed FY2025 Departmental Salary/Expense Budgets

Description	Expended FY2023	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24	Funding Source
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**Sewer Enterprise**

Salaries	377,806	492,942	525,895	32,953	6.7%	Sewer Enterprise Funds
Expenses	297,020	199,500	188,700	(10,800)	-5.4%	Sewer Enterprise Funds
Pumping Stations	178,654	172,000	172,000	0	0.0%	Sewer Enterprise Funds
MWRA Assessment	3,274,618	3,305,699	3,420,000	114,301	3.5%	Sewer Enterprise Funds
Mandated Inspections	97,064	120,000	120,000	0	0.0%	Sewer Enterprise Funds
Sewer Debt & Interest	174,088	170,988	22,500	(148,488)	-86.8%	Sewer Enterprise Funds
System Ext./Repairs	0	25,000	25,000	0	0.0%	Sewer Enterprise Funds

17. <b>Total Sewer Enterprise</b>	<b>4,399,249</b>	<b>4,486,129</b>	<b>4,474,095</b>	<b>(12,034)</b>	<b>-0.3%</b>	
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Note: Sewer revenue budget will be Operating Budget Plus:

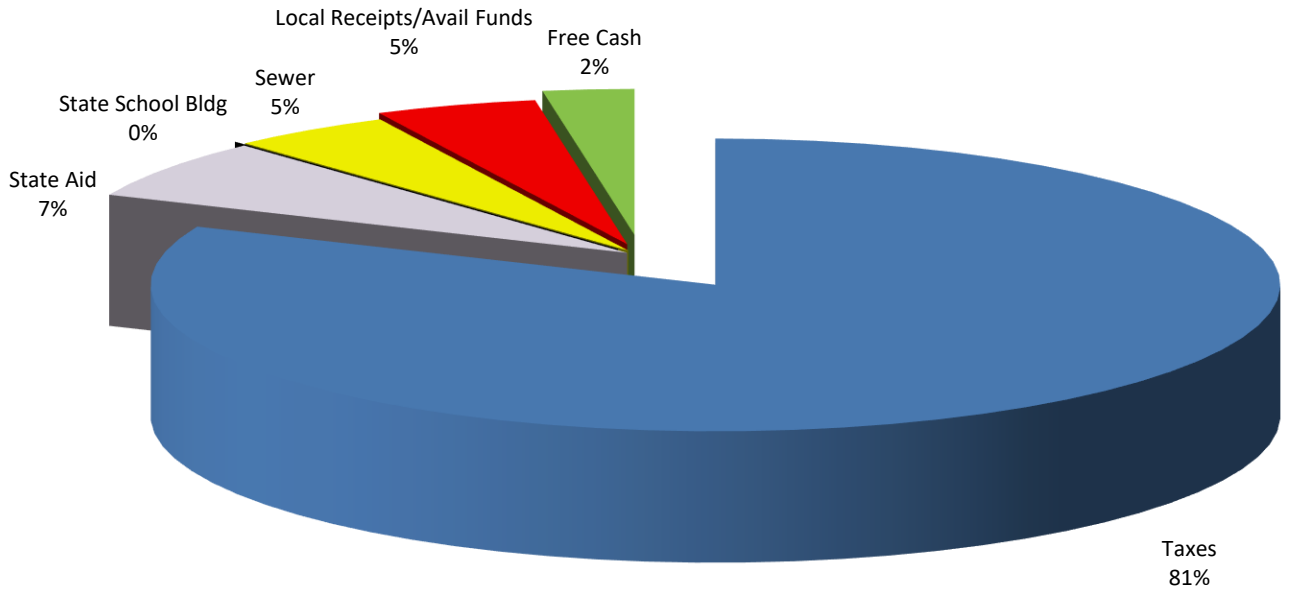
442,734	461,357	Indirect Costs
4,928,863	4,935,452	Total Sewer Revenue

<b>Total Operating Budget</b>	<b>102,820,286</b>	<b>112,209,792</b>	<b>116,039,729</b>	<b>3,829,938</b>	<b>3.4%</b>	
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# FY2025 Projected Budget Revenue

## FY2025 Projected Budget Revenue



### FY2025 Projected Budget Revenue

	FY2024	FY2025 Proj	\$ Change	% Change
Taxes	\$97,119,785	\$100,121,042	\$3,001,257	3.1%
State Aid	\$8,023,334	\$8,131,535	\$108,201	1.3%
State School Bldg Reimbursement	\$0	\$0	\$0	#DIV/0!
Sewer Enterprise	\$6,188,863	\$5,685,452	(\$503,411)	-8.1%
Local Receipts	\$4,195,857	\$4,595,857	\$400,000	9.5%
Available Funds	\$434,325	\$434,325	\$0	0.0%
Available Funds - prior yr/other articles	\$650,000	\$120,000	(\$530,000)	-81.5%
Meals/Hotels Tax	\$1,100,000	\$550,000	(\$550,000)	-50.0%
Free Cash	\$3,295,500	\$3,209,250	(\$86,250)	-2.6%
<b>Total</b>	<b>\$121,007,664</b>	<b>\$122,847,461</b>	<b>\$1,839,797</b>	<b>1.5%</b>

# The Tax Levy

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

## What is Proposition 2 ½?

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

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

There are Different types of Overrides

## What is a General Override?

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

## What is a Debt Exclusion?

## What is a Capital Outlay Expenditure Exclusion?

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

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

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

## Proposition 2 ½ Overrides

Project Date of Vote	Amount	Type of Override	Year Cost Impact to be Completed
School Override 1995 Annual Town Election	\$560,413	General Override	Permanent change to the allowable taxation levy limits
School Override 1999 Special Town Election	\$999,164	General Override	Permanent change to the allowable taxation levy limits.
School Override 2002 Annual Town Election	\$1,615,203	General Override	Permanent change to the allowable taxation levy limits.
School Override 2007 Annual Town Election	\$2,777,387	General Override	Permanent change to the allowable taxation levy limits.
<b><i>Debt/Capital Exemption Overrides Approved &amp; Still Ongoing</i></b>			
Library – New Construction 2010 Annual Town Election	\$9,300,000	Debt Exemption	Will be completed in 2031. Net cost to average home \$1,947 total, or \$97/yr. for 20 years.
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.			
<b><i>Debt/Capital Exemption Overrides Completed</i></b>			
Vote to Exempt Sewer Construction Bonds 1982 Annual Town Election	\$4,000,000	Debt Exemption	Completed – FY1993
Capital Equipment 1989 Annual Town Election	\$298,000	Capital Exemption	Completed – FY1990
Road Improvement Program 1990 Special Town Election	\$1,703,000	Debt Exemption	Completed - FY2001
Reconstruction of Middle School 1990 Special Town Election	\$2,282,000	Debt Exemption*	Completed - FY2002
Road Improvement Program 1994 Annual Town Election	\$2,200,000	Debt Exemption	Completed - FY2005
Middle School/Fields 1997 Annual Town Election	\$2,373,430	Debt Exemption*	Completed – FY2009
Middle School/Gymnasium 1997 Annual Town Election	\$550,000	Debt Exemption*	Completed – FY2009
Downey School Expansion 1999 Annual Town Election	\$6,500,000	Debt Exemption*	Completed - FY2012
Martha Jones School Expansion 2000 Special Town Election	\$7,200,000	Debt Exemption*	Completed – FY2012
High School - New Construction 2000 Special Town Election	\$35,962,000	Debt Exemption*	Completed – FY2023
High School – Additional Appropriation for New High School 2002 Annual Town Election	\$8,333,640	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 FY2025

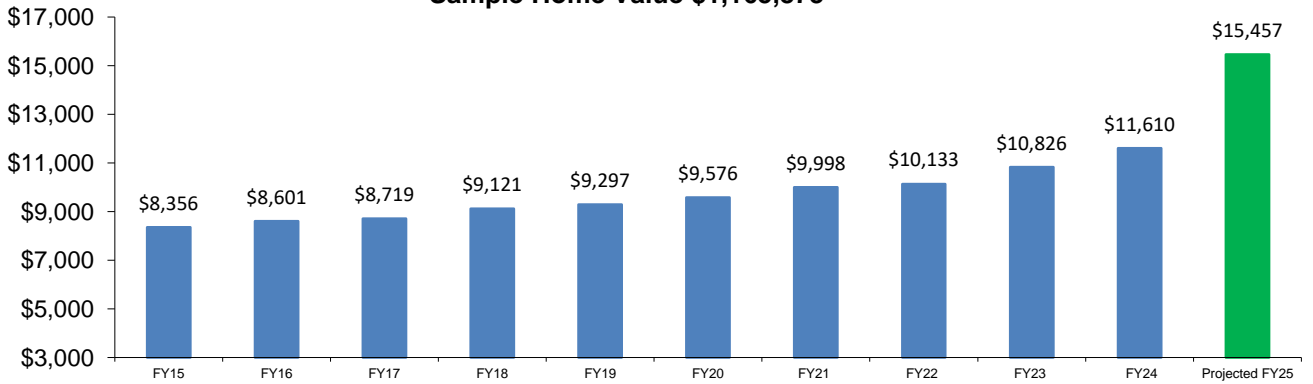
Tax Levy Calculation	FY2021	FY2022	FY2023	FY2024	Budget FY2025	
Prior Year Levy Limit	\$79,703,916	\$83,076,625	\$86,718,329	\$90,010,426	\$93,226,730	
Plus 2.5% Increase	\$1,992,598	\$2,076,916	\$2,167,958	\$2,250,261	\$2,330,668	Plus 2.5%
Plus New Growth	\$889,111	\$1,356,788	\$1,017,139	\$725,557	\$550,000	New growth
New Tax Levy University Station TIF*	\$491,000	\$208,000	\$107,000	\$52,746		Uni Station growth
General Overrides	\$0	\$0	\$0	\$0	\$0	General Override
<b>Tax Levy Limit</b>	<b>\$83,076,625</b>	<b>\$86,718,329</b>	<b>\$90,010,426</b>	<b>\$93,226,730</b>	<b>\$96,107,398</b>	
<b>Exempt Debt*</b>	<b>\$1,217,416</b>	<b>\$1,048,819</b>	<b>\$1,059,561</b>	<b>\$4,369,541</b>	<b>\$4,013,644</b>	Exempt Debt
<b>Levy Capacity</b>	<b>\$84,294,041</b>	<b>\$87,767,148</b>	<b>\$91,069,987</b>	<b>\$97,596,271</b>	<b>\$100,121,042</b>	What we could tax
Actual Levy Assessed	\$83,468,800	\$86,593,963	\$90,274,411	\$97,119,785	\$100,121,042	What we actually tax
Excess Levy(Taxes not raised )	\$825,241	\$1,173,185	\$795,576	\$476,486	\$0	Unused tax levy
Increase in Actual Levy (including new growth)	4.0%	3.7%	4.3%	7.6%	3.1%	
<b>Increase in Levy without new growth</b>	<b>2.32%</b>	<b>1.87%</b>	<b>2.95%</b>	<b>6.72%</b>	<b>2.52%</b>	

- **Exempt debt - This is the net principal and interest payment required each year for borrowing projects approved outside Proposition 2 1/2.**
- **New Growth - This represents taxes from new residential and commercial development.**
- **No general override since 2007**

# Tax Rate/Tax Bill History

Tax Rate per Thousand	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Projected FY25
Residential	\$14.66	\$14.57	\$15.09	\$14.65	\$14.51	\$14.78	\$14.83	\$14.30	\$12.81	
Commercial	\$28.27	\$28.20	\$29.30	\$28.24	\$28.22	\$28.59	\$28.99	\$27.63	\$24.68	
<b>% of Total Town Value</b>										
Residential Property	85.5%	85.1%	84.9%	84.1%	84.8%	85.26%	84.3%	85.4%	87.1%	
Commercial Property	14.4%	14.8%	15.1%	15.9%	15.3%	14.74%	15.7%	14.6%	12.9%	
Tax Shift Factor	1.70	1.70	1.70	1.68	1.70	1.70	1.70	1.70	1.72	
<b>% of Total Town Taxes</b>										
Residential Properties	75.4%	74.8%	74.3%	73.3%	74.1%	75.0%	73.4%	75.1%	77.8%	
Commercial Properties	24.5%	25.2%	25.7%	26.7%	25.9%	25.1%	26.6%	24.9%	22.3%	
<b>Sample Residential Tax Bill</b>										
Home Value	\$586,697	\$598,431	\$604,000	\$634,636	\$660,021	\$676,520	\$683,285	\$757,079	\$1,165,873	
Tax Bill	\$8,601	\$8,719	\$9,121	\$9,297	\$9,576	\$9,998	\$10,133	\$10,826	\$14,934	\$15,457
Tax Bill Increase	2.9%	1.3%	4.6%	2.0%	3.0%	4.4%	1.3%	6.80%	12.55%	3.50%
Single Tax Rate	\$16.63	\$16.59	\$17.24	\$16.81	\$16.60	\$16.81	\$17.05	\$16.20	\$14.35	
Savings to Tax Bill from Having Split Tax Rate	\$1,155	\$1,207	\$1,300	\$1,370	\$1,380	\$1,374	\$1,517	\$1,507	\$1,795	

**Average Residential Tax Bill  
Sample Home Value \$1,165,873**



	Home Value			Tax Bill		
	FY23	FY24	% Change	FY23	FY24	% Change
DOR Calculated Average Value	\$927,858	\$1,165,873	25.6%	\$13,268	\$14,934	12.55%
Median Value	\$797,600	\$999,500	25.3%	\$11,405	\$12,803	12.25%
Sample Home	\$690,118	\$862,647	25%	\$9,869	\$11,050	12%

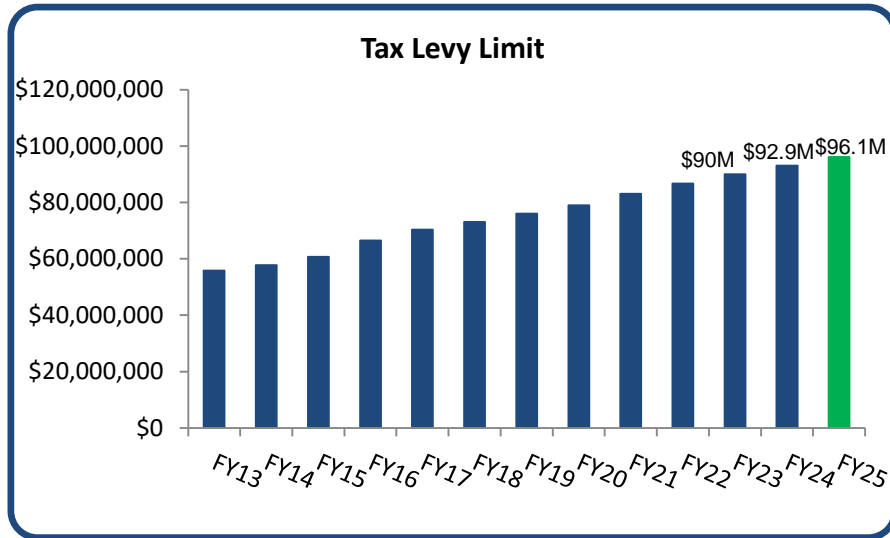
# The Components of the Tax Levy

Property tax levy:

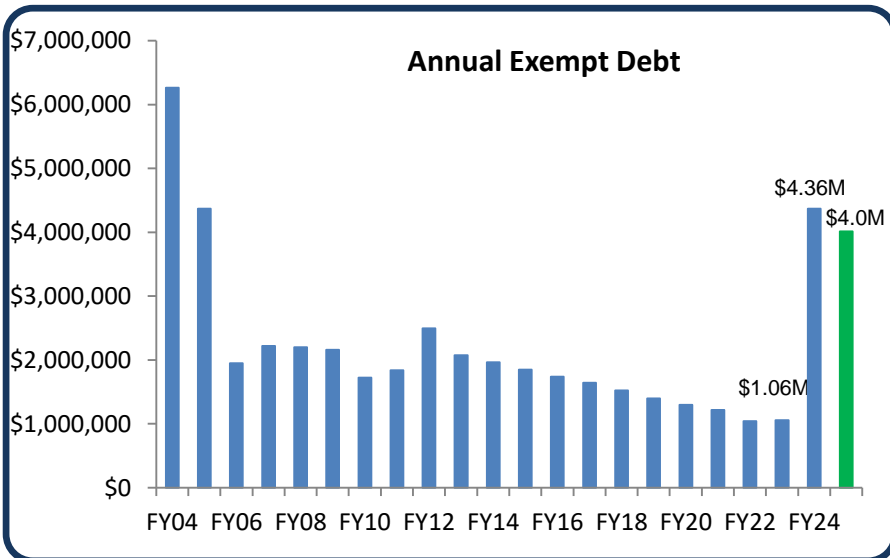
- Revenue a community can raise through property taxes.
- Proposition 2 ½ places constraints on the amount of the levy raised by a community and on how much the levy can be increased from year to year.

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.

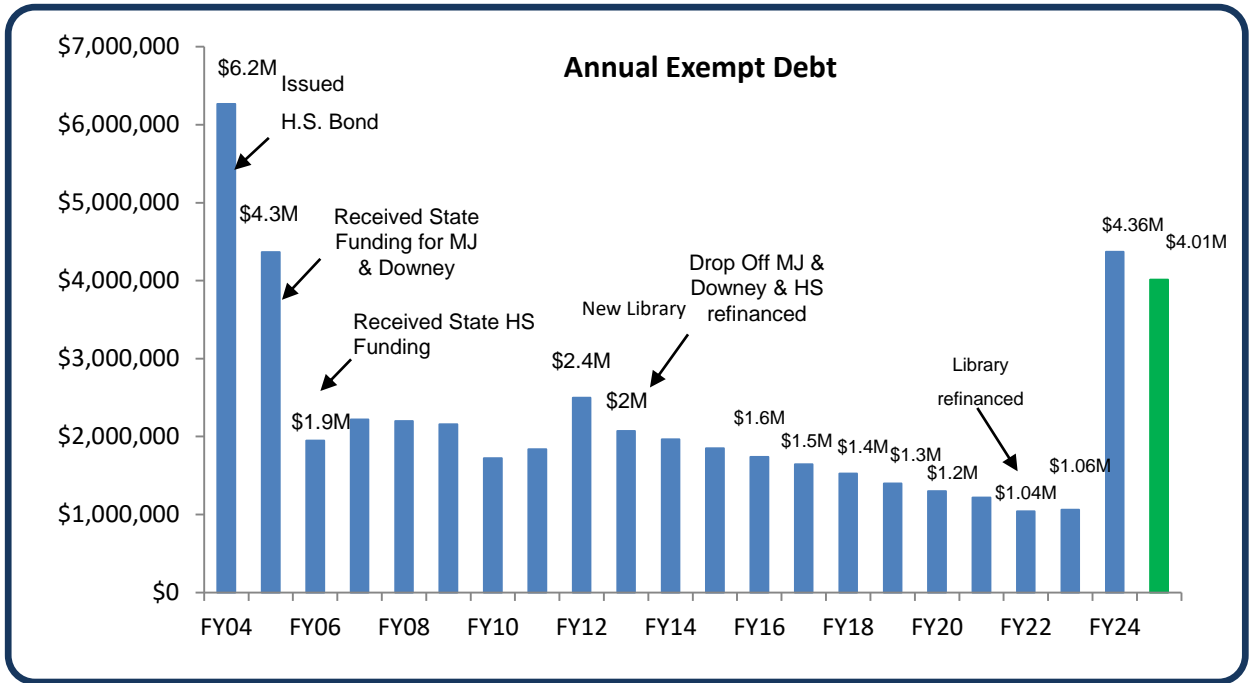


Proposition 2 ½ governs total taxes raised by the Town,  
not an individual home's bill.

# 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



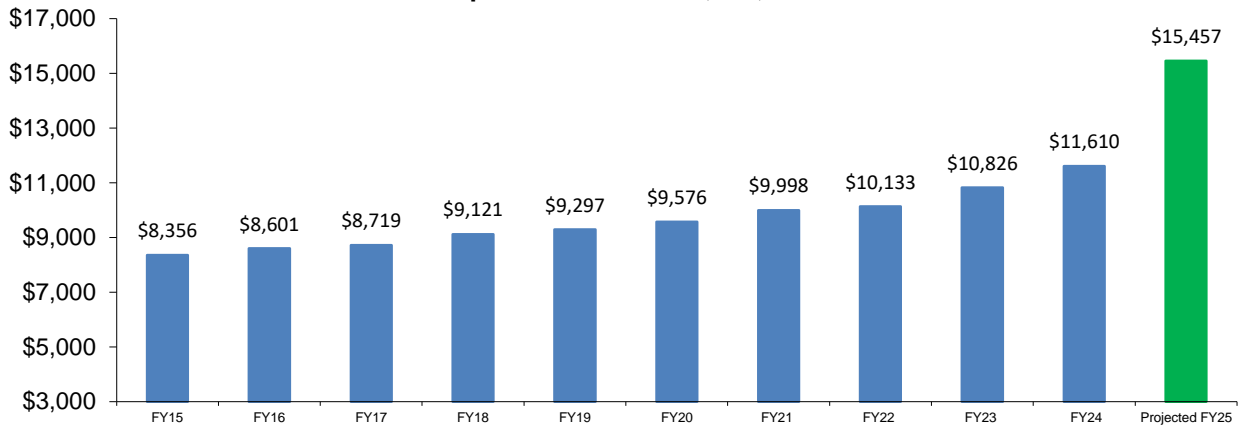
- FY12:
  - New library bond added to exempt debt.
- FY13:
  - MJ and Downey bonds completed in FY12.
  - High School bond refinanced.
- Library Bond ends 2031.
  - FY21 Library bond refinanced- resulting in \$759K budgetary savings.
- New Hanlon/Deerfield School project was approved at the October 2021 Special Town Meeting, as a debt exemption, the bond was issued in July 2022.
  - \$60M Bond was resized for \$56.5M, for a term of 30 years at 3.7%.
- FY25 Exempt Debt:

Library	\$519,350
Hanlon/Deerfield Feasibility and Design	\$87,619
Hanlon/Deerfield Construction	<u>\$3,406,675</u>
Total	\$4,013,644



# A Look At the Average Tax Bill

**Average Residential Tax Bill**  
**Sample Home Value \$1,165,873**



- This graph shows the taxes for a house valued at \$1.1M. 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.
- FY25 bill projected increase of \$523 or 3.5%.
  - Based on net tax levy change only, not any change in commercial/residential shift.

	FY20	FY21	FY22	FY23	FY24	Projected FY25
Average Tax Bill Increase	3.00%	4.40%	1.34%	6.80%	7.25%	3.50%
Savings to Average Tax Bill Resulting from Split Tax Rate	\$ 1,380	\$ 1,374	\$ 1,517	\$ 1,507	\$ 1,795	
Average Residential Tax Bill Home Value	\$ 660,021	\$ 676,520	\$ 583,000	\$ 757,079	\$1,165,873	
Average Tax Bill	\$ 9,576	\$ 9,998	\$ 10,133	\$ 10,826	\$ 14,934	\$ 15,457

## Westwood's Ranking in the State Average Tax Bill

FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
18	17	17	18	17	18	18	17	21	20

## ***Information about your Fiscal Year 2024 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 7.6%, 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 Annual 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 FY24?***

The FY24 tax rates per \$1,000 of valuation are as follows:

<b>Tax Rate</b>	<b>FY23</b>	<b>FY24</b>	<b>Rate Change FY23 to FY24</b>	<b>% Change in Rate FY23 to FY24</b>
Residential	\$14.30	\$12.81	-\$1.49	-11%
Commercial	\$27.63	\$24.68	-\$2.95	-11%

### ***How is my individual tax bill calculated?***

This certified tax rate is multiplied by the value of your house to arrive at your new FY24 annual tax bill.

### ***Did overall property value in Westwood change from FY23 to FY24?***

Yes. The value of all real estate in Town increased by 21.87%, with residential value increasing 24.29% and commercial value increasing 7.75%.

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

Yes. 100% of the residential homes in Town had a change in value for FY24. 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.

Homes with significant new construction experienced a higher value increase. The median home value increased to \$999,500, and the DOR calculated average home value is now \$1,165,873.

A report listing all home values for FY23 and FY24 can be found on the Town’s web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us). From the Home page, click the link for “Tax Rates and Property Assessments”. It is important to remember that state tax law dictates that your FY24 tax bill is based on the assessed value of your home as of **January 1, 2023** based on home sales that occurred during calendar year **2022**.

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.

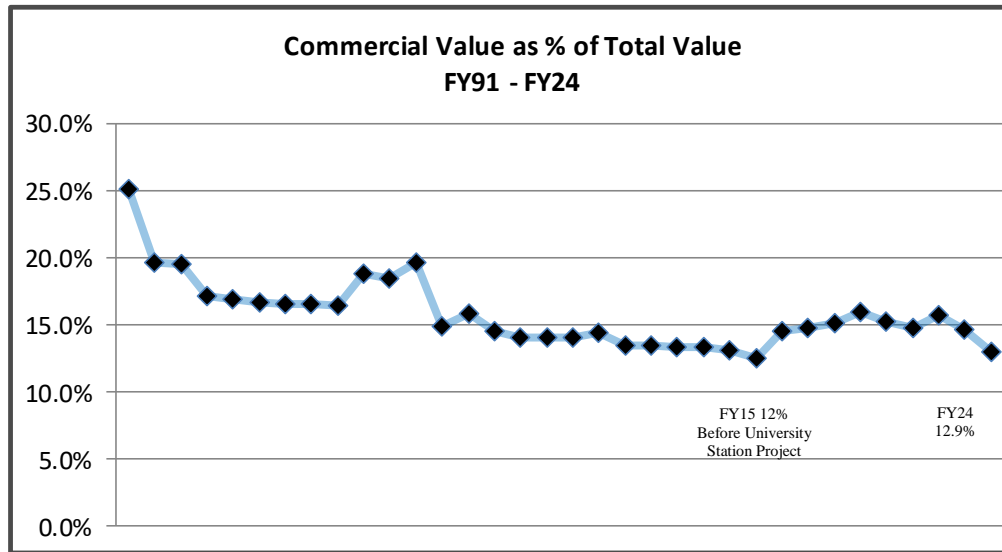
***Does every home experience the same change in their tax bill?***

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		
FY23	FY24	% Change	FY23	FY24	% Change
\$2,070,600	\$2,584,300	24.8%	\$29,610	\$33,105	11.8%
\$1,337,800	\$1,703,400	27.3%	\$19,131	\$21,821	14.1%
\$1,267,900	\$1,624,300	28.1%	\$18,131	\$20,807	14.8%
\$1,170,100	\$1,487,000	27.1%	\$16,732	\$19,048	13.8%
\$1,007,100	\$1,247,200	23.8%	\$14,402	\$15,977	10.9%
\$847,500	\$1,083,100	27.8%	\$12,119	\$13,875	14.5%
\$764,100	\$949,500	24.3%	\$10,927	\$12,163	11.3%
\$746,400	\$964,700	29.2%	\$10,674	\$12,358	15.8%
\$660,300	\$792,700	20.1%	\$9,442	\$10,154	7.5%

***Did total commercial property value change for FY24?***

Yes. The total commercial property saw an overall increase in value of approximately \$62.9 million or 7%.



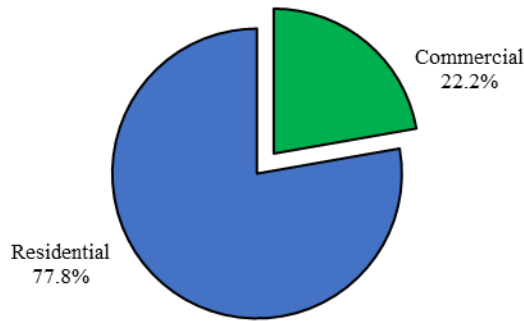
In FY24, commercial properties are 12.9% of the Town’s total value, a decrease from 14.62% in FY23.

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

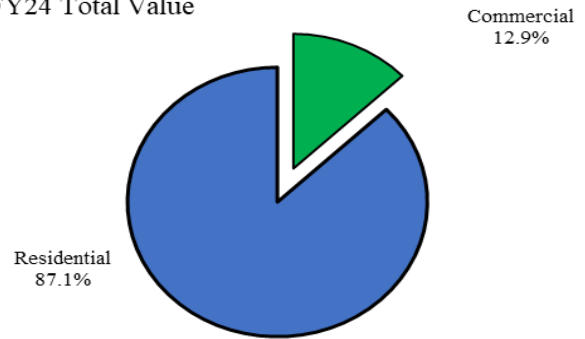
Yes. The Town has a split tax rate, charging commercial property a higher rate than residential. The Select Board, in consultation with the Board of Assessors, voted to set the FY24 shift factor, which sets the different rates, at 1.72.

In FY24, commercial property, while only representing 12.93% of the Town's value, will pay 22.23% of the total taxes, a decrease from the 24.9% in FY23.

FY24 Percentage of Taxes Paid



FY24 Total Value



In FY24, commercial properties are 12.93% of the Town's total value, but will pay 22.23% 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 \$1,165,873 would increase an additional 8% or \$1,795. 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 FY24 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	FY24 Debt Payments	Net Amount of Debt in FY24 Levy
Library Construction - \$9.3 million	2031	13 <sup>th</sup> of 20	\$533,600
Hanlon/Deerfield Feasibility & Design	2052	2 <sup>nd</sup> of 30	\$89,119
Hanlon/Deerfield School Construction	2052	1 <sup>st</sup> of 30	\$3,746,823

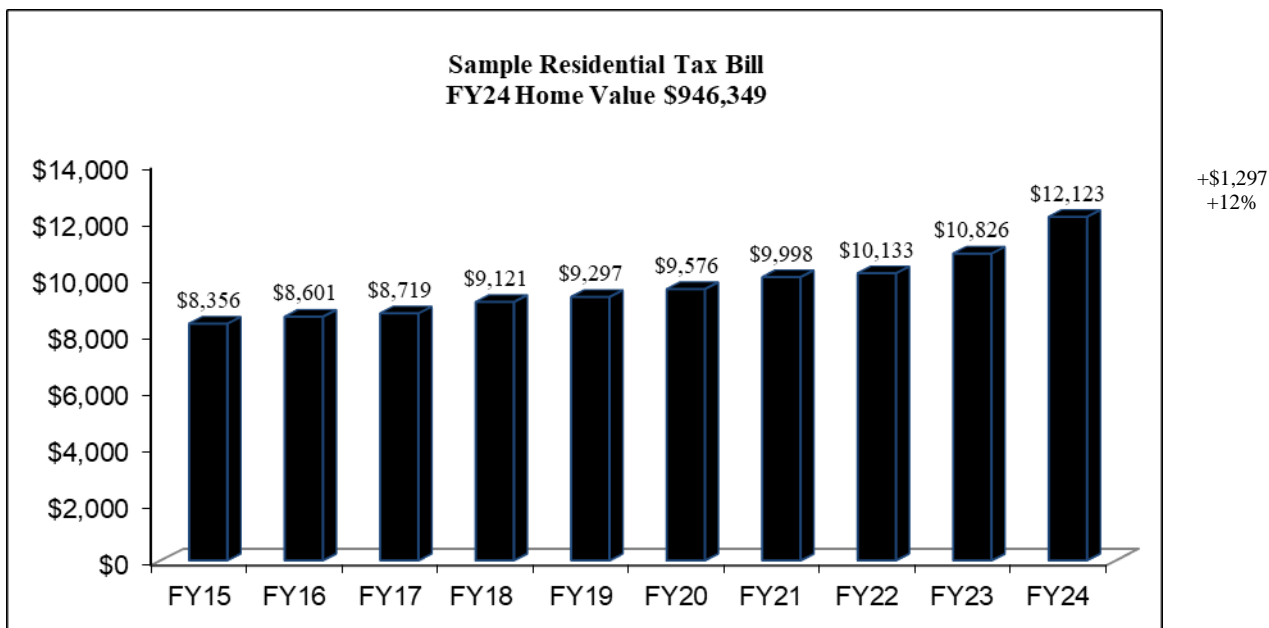
All other debt projects approved outside of Proposition 2 ½ have been completed, meaning the bond has been fully repaid and the cost removed from the tax levy. The 20 year library bond was refinanced in the Spring of 2021, reducing the net interest rate on the bond to 1.15%. This refinancing provides budget savings over the remaining bond of \$759K, reducing the exempt debt by approximately \$75K per year. The FY23 tax levy included debt service for the feasibility and design portion of the previously approved Hanlon/Deerfield School project. The FY24 tax levy includes the first debt service payment for the construction portion of the 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 2023 Annual 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 7.6%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



*This sample home has a tax increase of \$1,297, or +12% from FY23 to FY24.*

***Are there resources available for assistance with my tax bill?***

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

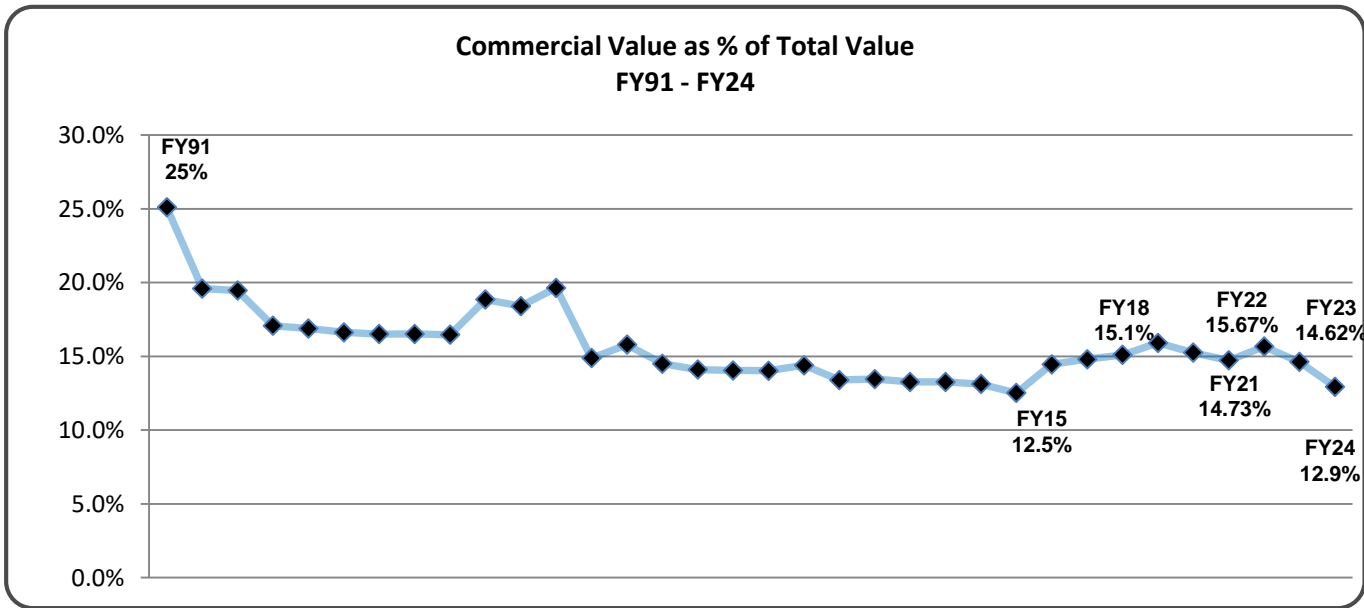
Town programs, including Senior Exemptions, Senior Tax Work Off, Tax Deferral, and the Aid to the Elderly program, have information available on the Town website, or by calling the Assessor’s Office (781) 326-1904, the Collector’s Office (781) 320-1015 or the Council on Aging (781) 329-8799.

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/](http://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
2023	4,742,644,594	\$14.30	570,992,824	125,978,900	115,717,170	812,688,894	\$27.63	14.6%	\$16.25	5,555,333,488
2024	5,894,529,875	\$12.81	611,188,907	138,166,300	126,287,330	875,642,537	\$24.68	12.9%	\$14.35	6,770,172,412

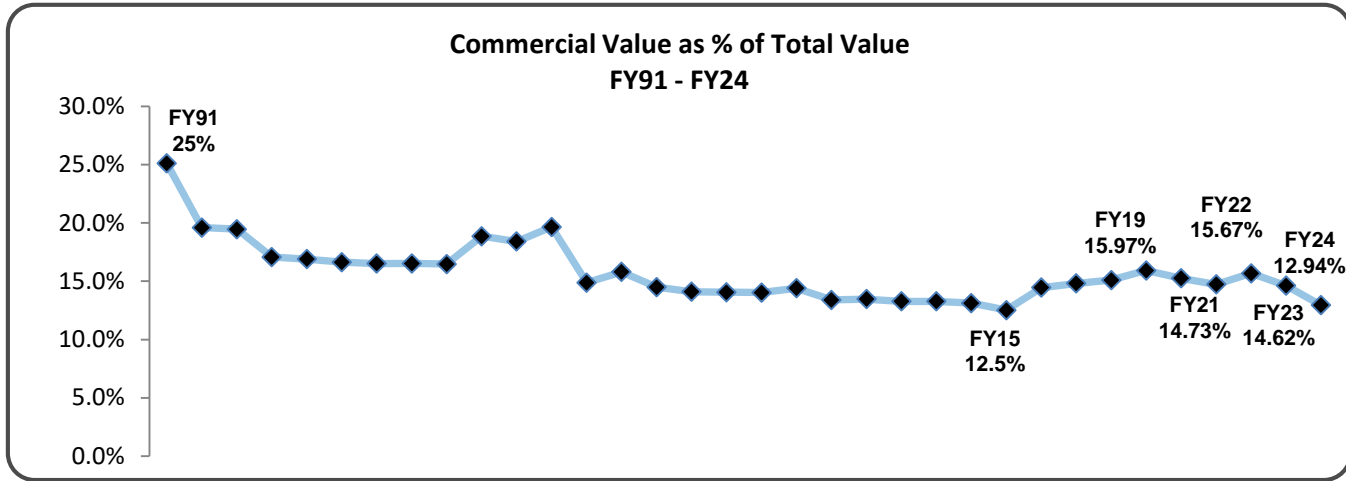


University Station has significantly strengthened the Town’s commercial value since opening in 2015.

A report listing all individual property values for FY23 and FY24 can be found on the Town’s web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us).

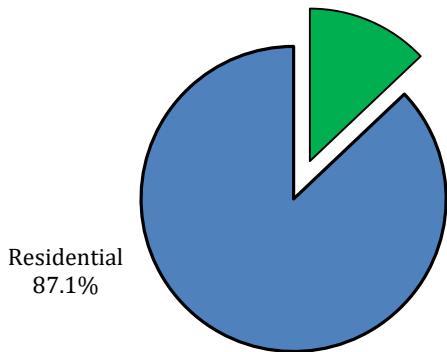
# Commercial Value is Important to Town Finances, and Serves to Moderate Residential Tax Bills

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

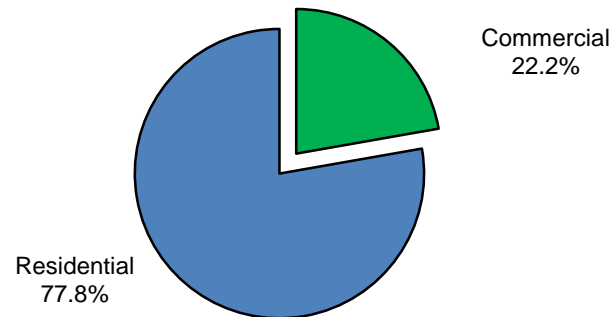


Type of Property	Tax Rate
Commercial	\$24.68
Residential	\$12.81

**FY24 Total Value**



**FY24 Percentage of Taxes Paid**



Commercial is 12.93% of value, but pays 22.23% of taxes

In FY24, the split tax rate saves the average homeowner \$1,795 or 12% 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.



## Recent Steps Taken to Address Residential Tax Relief

### **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 FY23.

- 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

### **FY24:**

The Select Board continued with tax relief measures in FY24.

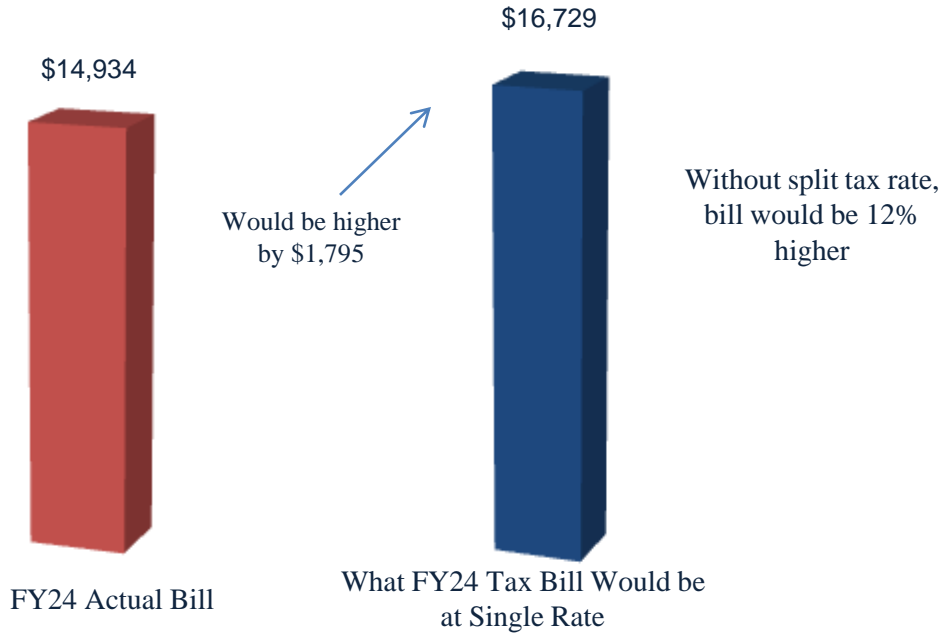
- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.

### **FY25:**

The Select Board continued with tax relief measures in FY25.

- Keeping all debt and operating budget requests within Proposition 2 ½.
- Maintain the beneficial commercial/residential tax split.

## Benefits of Commercial Tax Rate



The commercial split tax rate provides significant relief for homeowners.

In FY24 that relief is \$1,795.

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 FY24 shift factor, which sets the different rates, at 1.72.

In FY24, commercial property, while only representing 12.93% of the Town's value, will pay 22.23% of the total taxes.

Type of Property	Tax Rate
Commercial	\$24.68
Residential	\$12.81

# 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"

## **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](http://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.

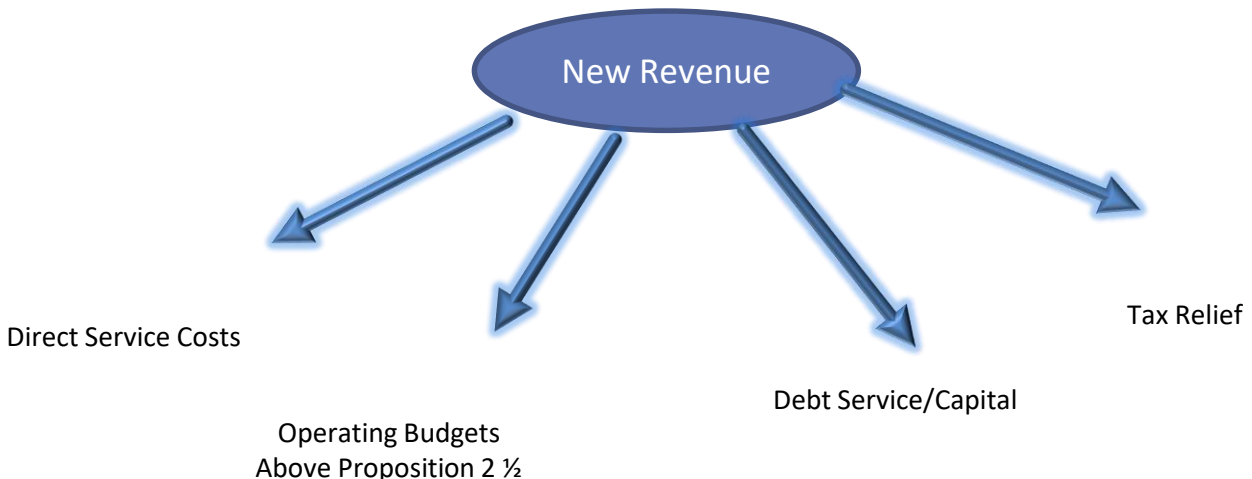
The Town, as planned before the start of the project, has utilized this new revenue for several important financial areas including:

- 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 – FY19	FY20	FY21	FY22	FY23	FY24	Total
\$5,434,037	\$503,000	\$491,000	\$208,000	\$107,000	\$53,000	\$6,796,037

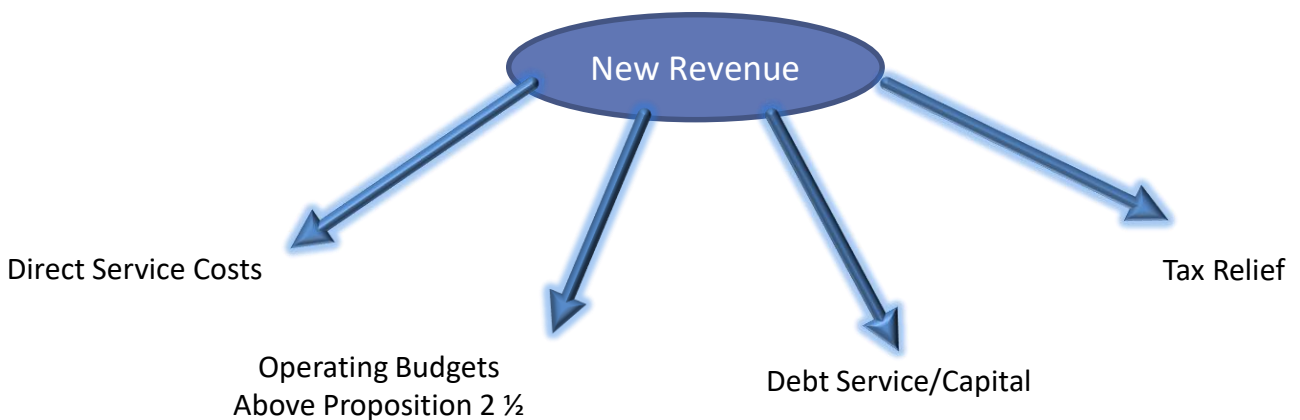
This chart shows the additional tax revenue each year from the project. The additional annual revenue is now \$6.7M. As taxes on the property before development were approximately \$2million, the total current University Station development pays over \$8.7M in annual taxes.

FY25 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.

- **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.
- In the FY23 budget, new tax revenue was \$107,000. This revenue, combined with \$1,173,185 of prior year unused tax levy, left \$1,280,185 of tax levy not utilized in the budget.
- In the FY24 budget, new tax revenue was \$53,000. This revenue, combined with \$1,173,185 of prior year unused tax levy, left \$795,576 of tax levy not utilized in the budget.



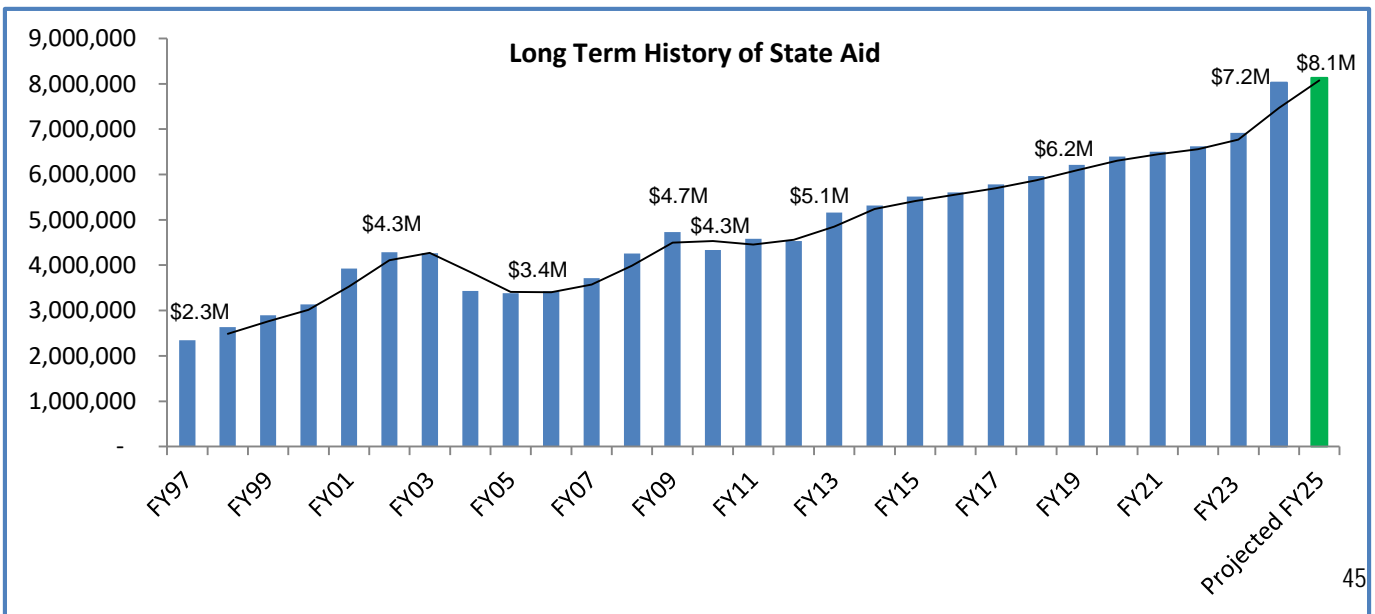


# State Aid

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.

	FY2021	FY2022	FY2023	FY2024	Governor's Projected FY2025
Chapter 70-Education	\$5,635,405	\$5,723,453	\$6,007,132	\$7,092,497	\$7,156,166
Municipal Aid	\$774,708	\$801,823	\$845,121	\$872,165	\$898,330
Other	\$91,105	\$69,590	\$59,426	\$20,948	\$39,316
Offsets (Restricted to Library)	\$27,535	\$27,806	\$32,523	\$37,724	\$37,723
<b>Total Receipts</b>	<b>\$6,528,753</b>	<b>\$6,622,672</b>	<b>\$6,944,202</b>	<b>\$8,023,334</b>	<b>\$8,131,535</b>
Charges					
County Tax	205,145	206,700	211,868	207,895	213,093
MBTA Assessment	361,219	371,431	375,618	393,222	404,499
Other	\$125,227	\$136,938	\$217,706	\$210,760	\$190,747
<b>Total Charges</b>	<b>\$691,591</b>	<b>\$715,069</b>	<b>\$805,192</b>	<b>\$811,877</b>	<b>\$808,339</b>
<b>Net State Aid</b>	<b>\$5,837,162</b>	<b>\$5,907,603</b>	<b>\$6,139,010</b>	<b>\$7,211,457</b>	<b>\$7,323,196</b>

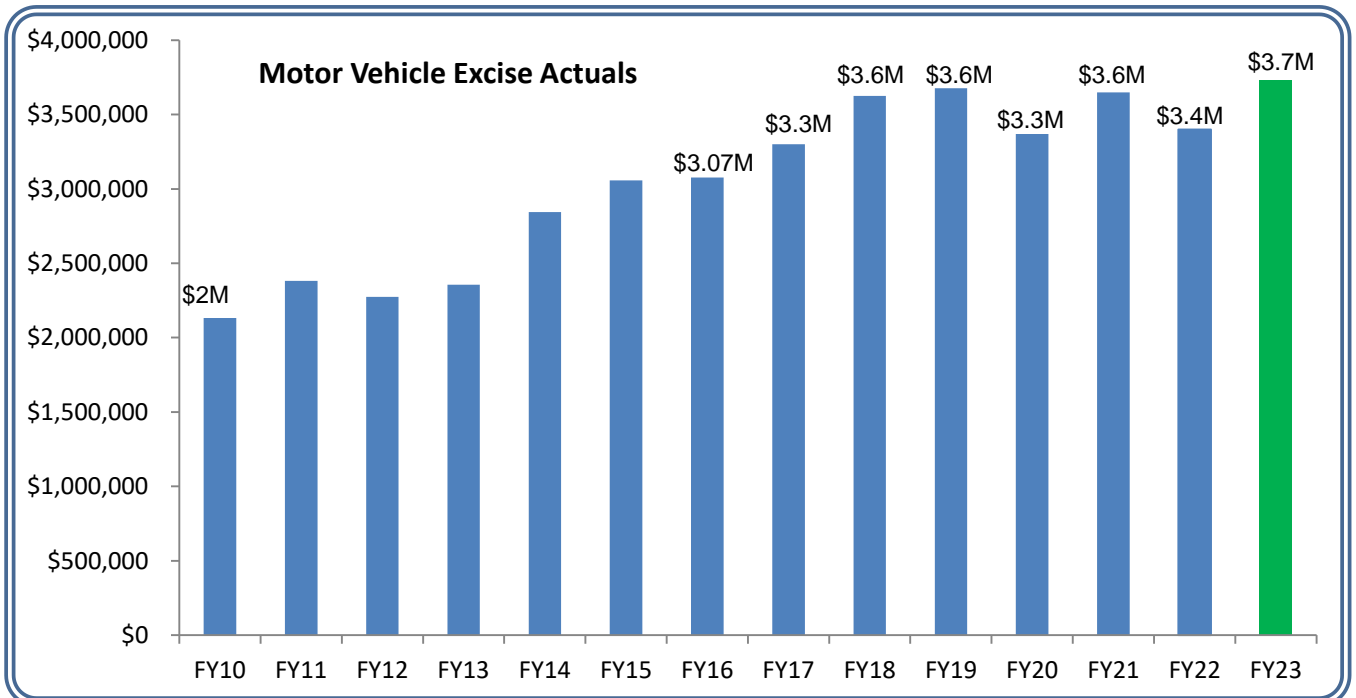


## FY2025 Local Receipts

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.

	FY20	FY21	FY21	FY22	FY23	FY24	FY25
	Actual	Budget	Actual	Actual	Actual	Budget	Budget
Motor Vehicle Excise Tax	\$3,368,741	\$2,680,000	\$3,648,226	\$3,398,760	\$3,727,446	\$2,718,500	\$3,018,500
Penalties and Interest	\$93,136	\$90,000	\$136,758	\$331,085	\$177,444	\$90,000	\$90,000
License/Permits	\$1,283,355	\$657,915	\$959,731	\$1,199,540	\$2,044,898	\$658,615	\$708,615
Departmental Receipts	\$311,462	\$310,500	\$413,885	\$444,240	\$457,958	\$292,300	\$292,300
Investment Income	\$169,795	\$90,000	\$69,046	\$92,523	\$1,977,980	\$69,000	\$119,000
Recreation	\$180,000	\$332,442	\$332,442	\$332,442	\$332,442	\$332,442	\$332,442
Other	\$208,807	\$35,000	\$39,947	\$42,588	\$175,507	\$35,000	\$35,000
	<b>\$5,615,295</b>	<b>\$4,195,857</b>	<b>\$5,600,035</b>	<b>\$5,841,178</b>	<b>\$8,893,675</b>	<b>\$4,195,857</b>	<b>\$4,595,857</b>

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



## FY2025 Available Funds

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

<b>Available Funds Allocated</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Conservation Receipts	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
Cemetery Lot Sales	\$96,750	\$92,250	\$0	\$0	\$0	\$0
Ambulance Receipts for Ongoing Budget	\$391,075	\$411,075	\$411,075	\$411,075	\$411,075	\$417,325
High School Bond Premium (will end FY23)	\$8,690	\$6,468	\$4,197	\$2,098	\$0	\$0
Library Bond Premium (end with bond refinance 3/21)	\$13,661	\$12,453	\$11,246	\$0	\$0	\$0
BAN Premium for Hanlon/Deerfield				\$16,280	\$0	\$0
	<b>\$527,176</b>	<b>\$539,246</b>	<b>\$443,518</b>	<b>\$446,453</b>	<b>\$428,075</b>	<b>\$434,325</b>

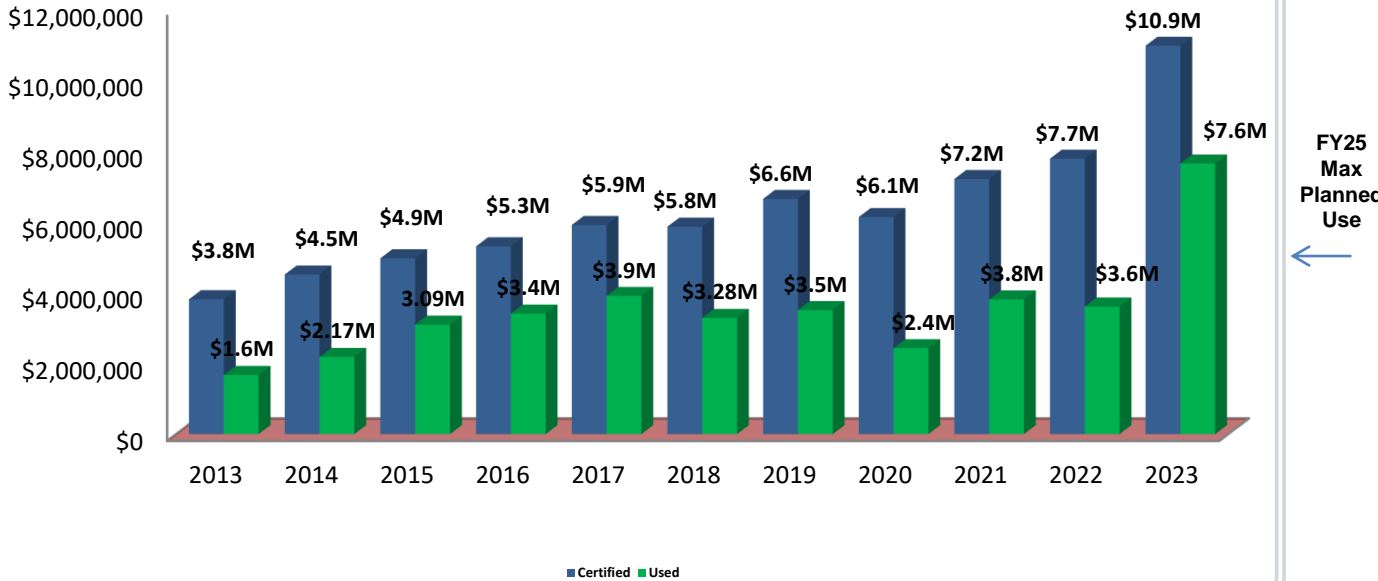
<b>Available Funds for Prior Year/Misc Warrant Articles</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Additional Ambulance (equipment/salaries/purchase ambulance)	\$141,000	\$127,220	\$502,500	\$224,000	\$565,000	\$120,000
Sale of Assets Account						
Overlay Surplus	\$26,000	\$31,500			\$85,000	
Cemetery Lot Sales for special article						
Additional State Aid						
Bond Premium						
Miscellaneous Funding						
	<b>\$167,000</b>	<b>\$158,720</b>	<b>\$502,500</b>	<b>\$224,000</b>	<b>\$650,000</b>	<b>\$120,000</b>

- Available funds are transferred from these accounts to the general fund to support the corresponding appropriation.
  - Major available fund is ambulance receipts – used to offset costs of providing service.
    - Current balance in ambulance account (1/24) before appropriation - \$1.6M.

## A Look at Free Cash

- Certified Free Cash as of June 30, 2023 is \$10,959,301.
- Good FY23 budget to actual results.
- Disciplined use of free cash prior year balance.
  - Not applied to operating budgets. Not using full allowance.
  - In line with Financial Policy, available amounts used for capital needs not operating budget.
- FY25 budget uses \$2.3M for capital , \$125,000 for Stabilization and \$732K for the Fincom and Select Board Reserves.

### Certified/Used Free Cash



Certified Date	July 2023	July 2022	July 2021	July 2020	July 2019	July 2018	July 2017
Amount	\$10,959,301	\$7,772,702	\$7,264,563	\$6,124,816	\$6,637,200	\$5,854,683	\$5,900,219
Special Town Meeting/Other	\$2,100,000						\$801,000
Planned Use:							
Reserves & Fixed Costs	\$732,000	\$405,000					
Stabilization	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$100,000
Capital	\$2,352,200	\$2,372,500	\$2,373,250	\$2,321,650	\$3,383,900	\$3,163,500	\$2,198,118
Articles	\$1,000,000	\$393,000	\$1,335,000	\$181,000	\$350,000	\$0	\$861,000
<b>Total Used</b>	<b>\$6,309,200</b>	<b>\$3,295,500</b>	<b>\$3,833,250</b>	<b>\$2,627,650</b>	<b>\$3,858,900</b>	<b>\$3,288,500</b>	<b>\$3,960,118</b>
<b>Unallocated</b>	<b>\$4,650,101</b>	<b>\$4,477,202</b>	<b>\$3,431,313</b>	<b>\$3,497,166</b>	<b>\$2,778,300</b>	<b>\$2,566,183</b>	<b>\$1,940,101</b>

- Financial Policy target is approximately \$4.2M 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

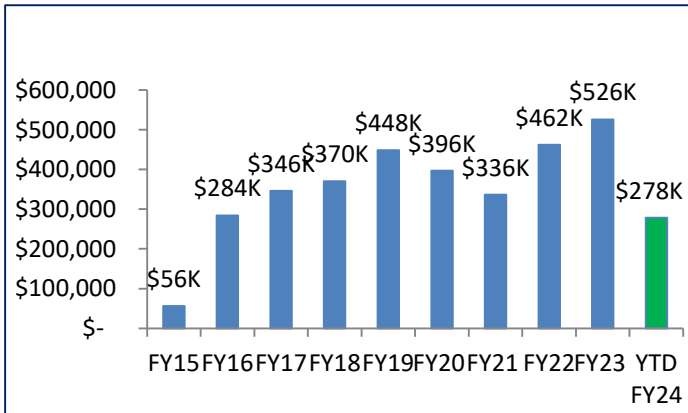
- Municipalities are allowed to charge a local hotel tax up to 6%.
- Westwood adopted the 6% charge at the 2016 Annual Town Meeting.

### Restricted Funding

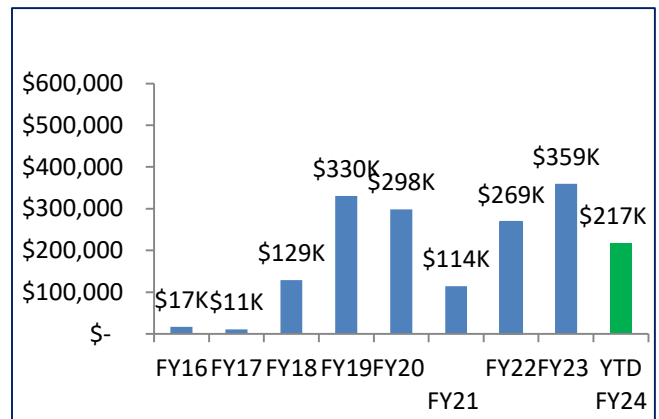
- At the November 2017 Town Meeting, the residents approved establishing a special purpose fund to hold all Hotel and Meals Tax revenue until appropriated by future Town Meetings. All use of funding requires a 2/3 vote by Town Meeting.

## Revenue

**Annual Meals Tax Revenue**



**Annual Hotels Tax Revenue**



## **Most Recent Quarterly Receipts**

	Meals	Hotels
9/30/22	\$137,818	\$110,950
12/31/22	\$128,956	\$93,006
3/31/23	\$125,987	\$63,387
6/30/23	\$133,483	\$92,055
9/30/23	\$157,695	\$114,153
12/31/23	\$120,898	\$103,486

# Meals/Hotel Tax

## Use of Funds

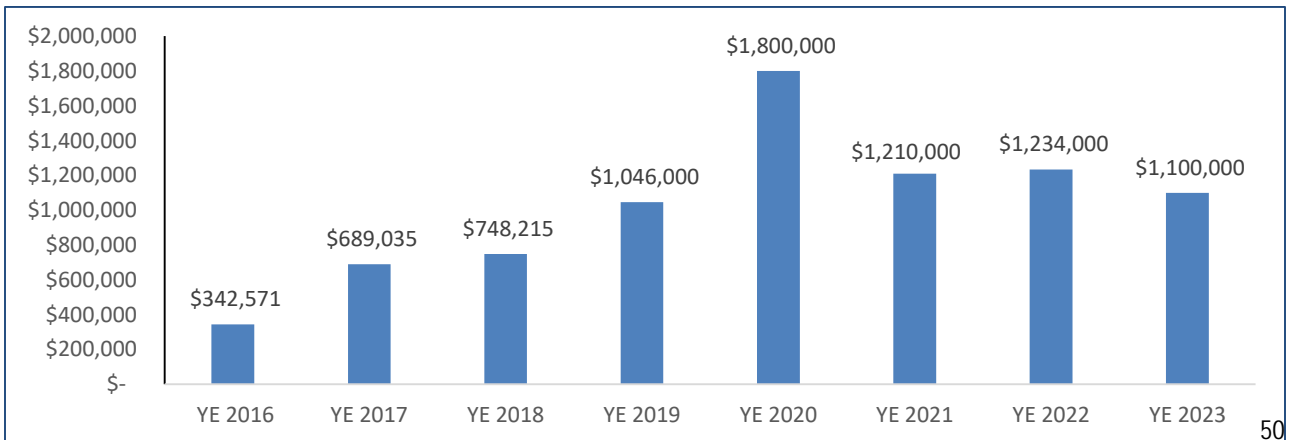
Any use of funds must be appropriated by Town Meeting. All use requires a 2/3 vote by Town Meeting. Funds have been used for capital projects.

- May 2018 Town Meeting appropriated \$432K of funds:
  - Lighting of the High School tennis courts
  - HVAC project at the High School pool
  - These facilities receive extensive use by residents of all ages.
- May 2019 Town Meeting appropriated \$515K of funds:
  - Design of Recreation Field Lighting
  - Thurston Middle School HVAC project
  - Council on Aging HVAC project
- 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.
- May 2022 Town Meeting appropriated \$650,000 of funds
  - 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
- May 2023 Town Meeting appropriated \$1.1M of funds
  - Truck for DPW, delayed from previous year’s request \$175K
  - Buildings – Library projects - \$125K
  - Schools Network Project and HS Auditorium project \$800K
- Proposal for May 2024 meeting includes usage of \$550K of funds
  - Generator upgrade and replacement at municipal buildings \$400K
  - Replacement of acoustic tiles at the town pool \$150K

## Balance in the Account

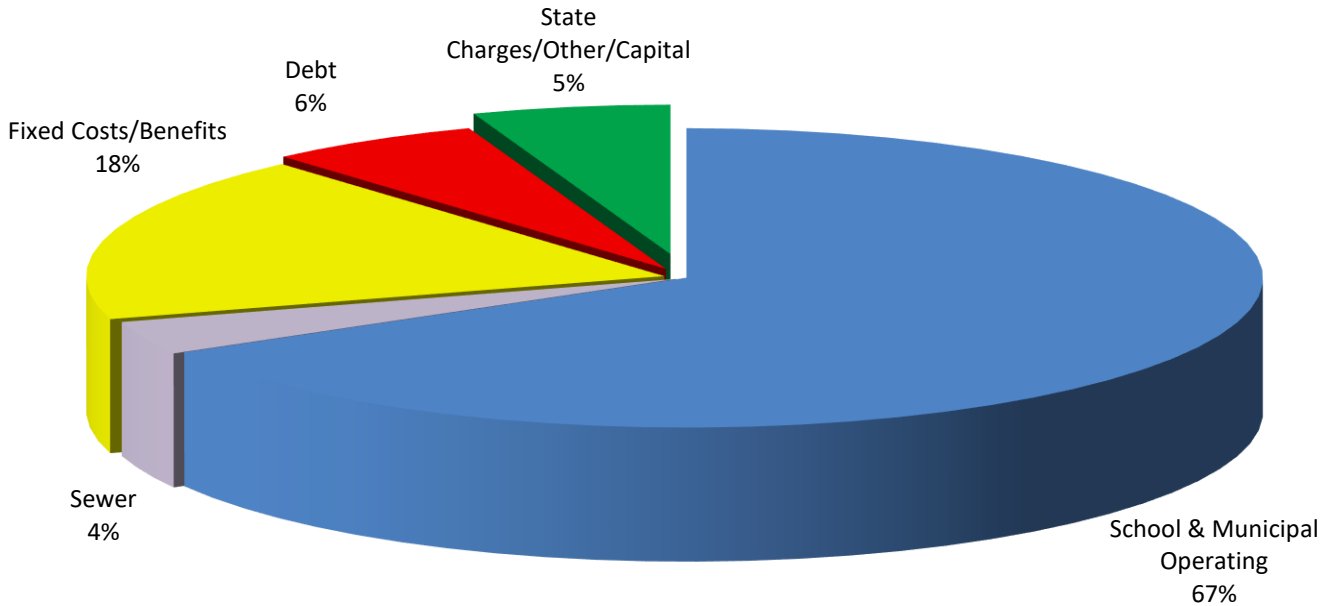
- The balance in the account as of December 31, 2023 is \$1.1M

**History of Meals/Hotels Tax Account Balance**  
**Fiscal Year End Balance**



# FY2025 Proposed Expenditure Summary

## FY2025 Expenditure Summary

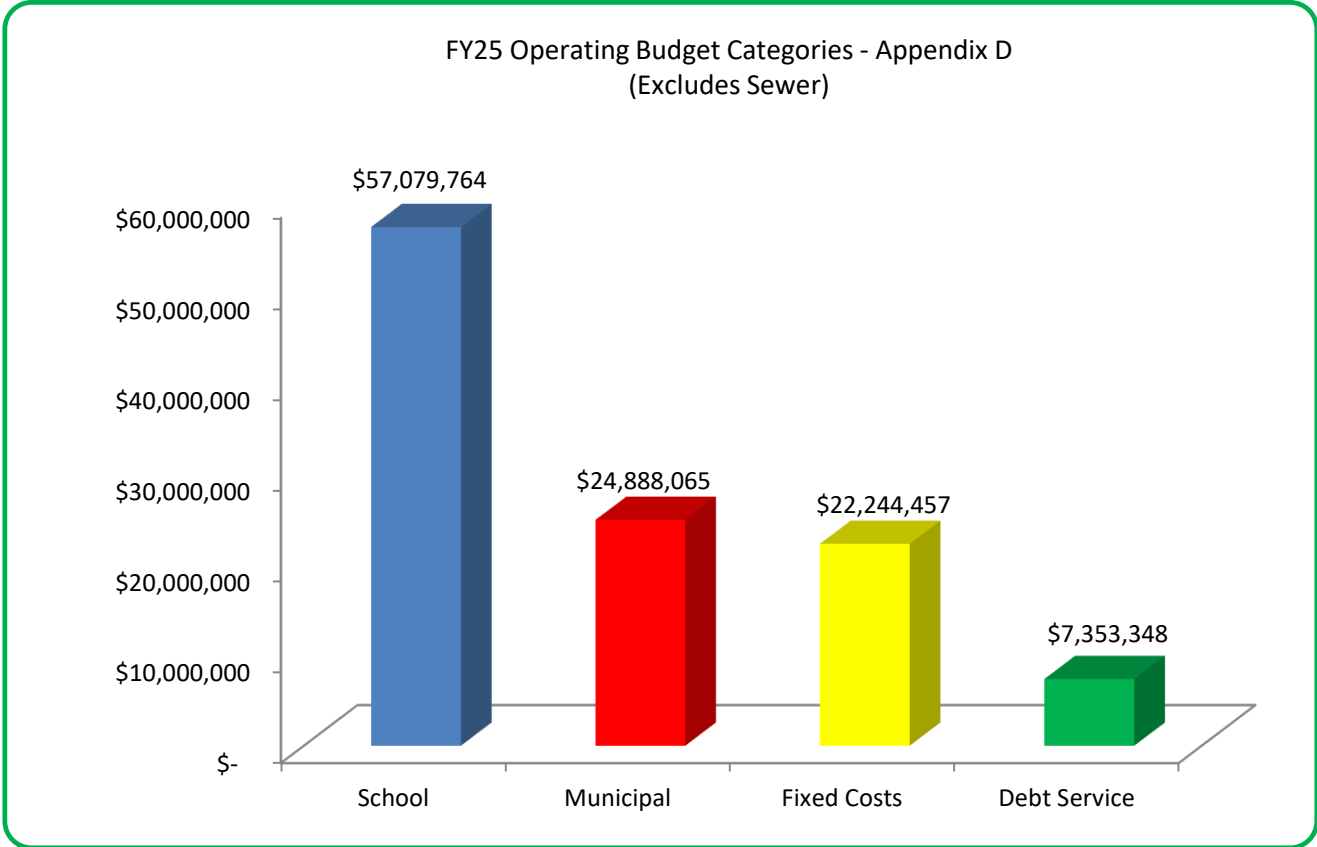


### FY2025 Proposed Expenditure Summary

	FY2024	FY2025 Projected	\$ Change	% Change
Operating Budget - School Categories	\$55,038,986	\$57,079,764	\$2,040,778	3.7%
Operating Budget - Municipal	\$23,683,737	\$24,888,065	\$1,204,328	5.1%
Benefits/Reserves/Insurance	\$21,290,095	\$22,244,457	\$954,362	4.5%
Sewer - Operating	\$4,486,129	\$4,474,095	(\$12,034)	-0.3%
Debt Service	\$7,709,245	\$7,353,348	(\$355,897)	-4.6%
<b>Total Operating</b>	<b>\$112,208,192</b>	<b>\$116,039,729</b>	<b>\$3,831,537</b>	<b>3.4%</b>
Capital Base Budget - School & Municipal	\$2,372,500	\$2,352,250	(\$20,250)	-0.9%
Capital - Sewer	\$1,260,000	\$750,000	(\$510,000)	-40.5%
<b>Other Appropriations:</b>				
To Stabilization	\$125,000	\$125,000	\$0	0.0%
Additional Capital	\$1,545,000	\$670,000	(\$875,000)	-56.6%
To OPEB Trust	\$1,540,000	\$1,565,000	\$25,000	1.6%
Prior Year/Other Articles	\$598,000	\$0	(\$598,000)	-100.0%
State Charges/Offsets/Overlay/Snow	\$1,359,992	\$1,345,482	(\$14,510)	-1.1%
<b>Total Expenditures</b>	<b>\$121,008,684</b>	<b>\$122,847,461</b>	<b>\$1,838,777</b>	<b>1.5%</b>

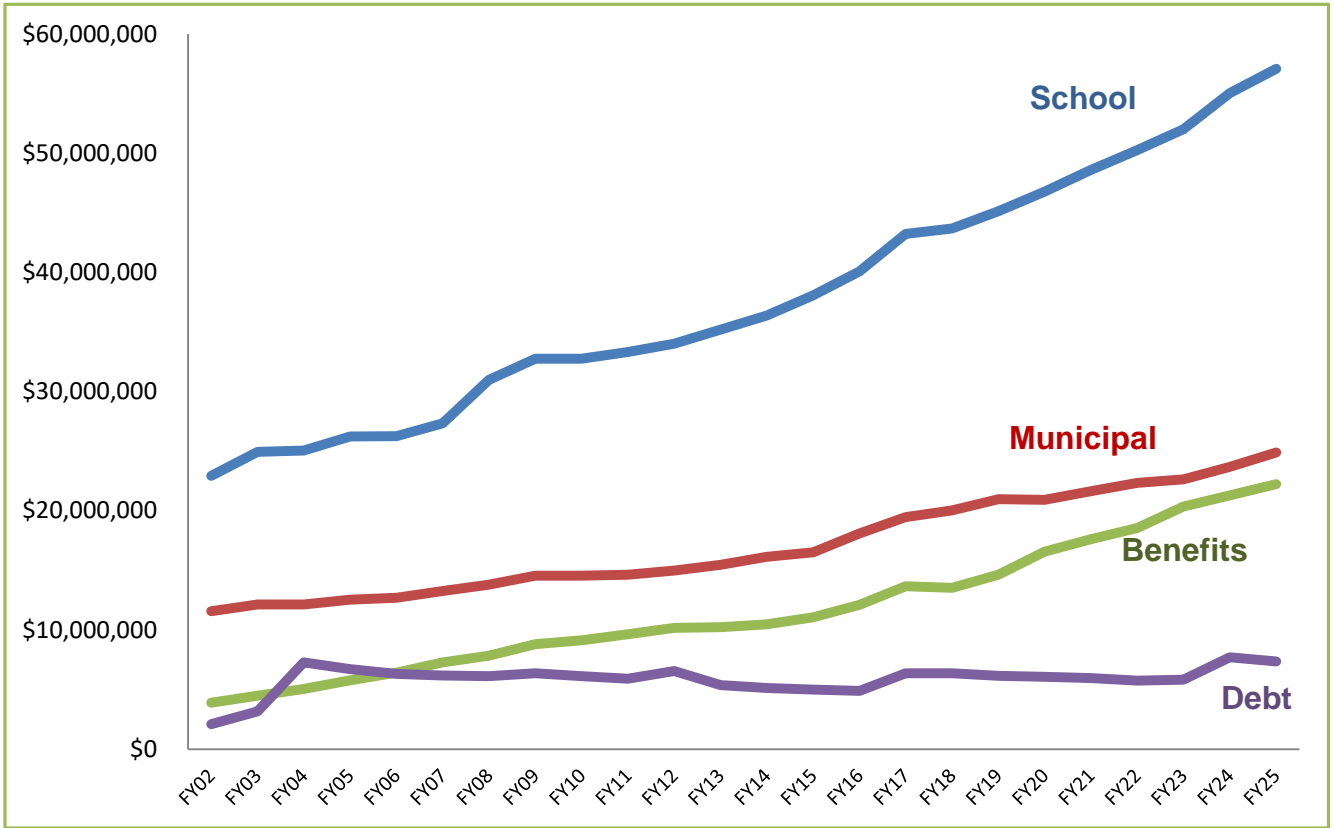
# Operating Budget Categories

FY24 Budget	Category	FY25 Proposed	\$ Change FY25 v FY24	% Change FY25 v FY24
\$ 54,743,565	School Operating	\$ 56,763,603	\$ 2,020,038	3.7%
\$ 23,683,737	Municipal Operating	\$ 24,888,065	\$ 1,204,328	5.1%
\$ 169,054	Blue Hills Regional School	\$ 185,959	\$ 16,905	10.0%
\$ 126,367	Traffic Supervisors	\$ 130,202	\$ 3,835	3.0%
\$ 21,290,095	Fixed Costs	\$ 22,244,457	\$ 954,362	4.5%
\$ 7,709,245	Debt Service	\$ 7,353,348	\$ (355,897)	-4.6%
\$ 4,486,129	Sewer	\$ 4,474,095	\$ (12,034)	-0.3%
<b>\$ 112,208,192</b>	<b>Total</b>	<b>\$ 116,039,729</b>	<b>\$ 3,831,537</b>	<b>3.4%</b>





# A Look at the Budget History

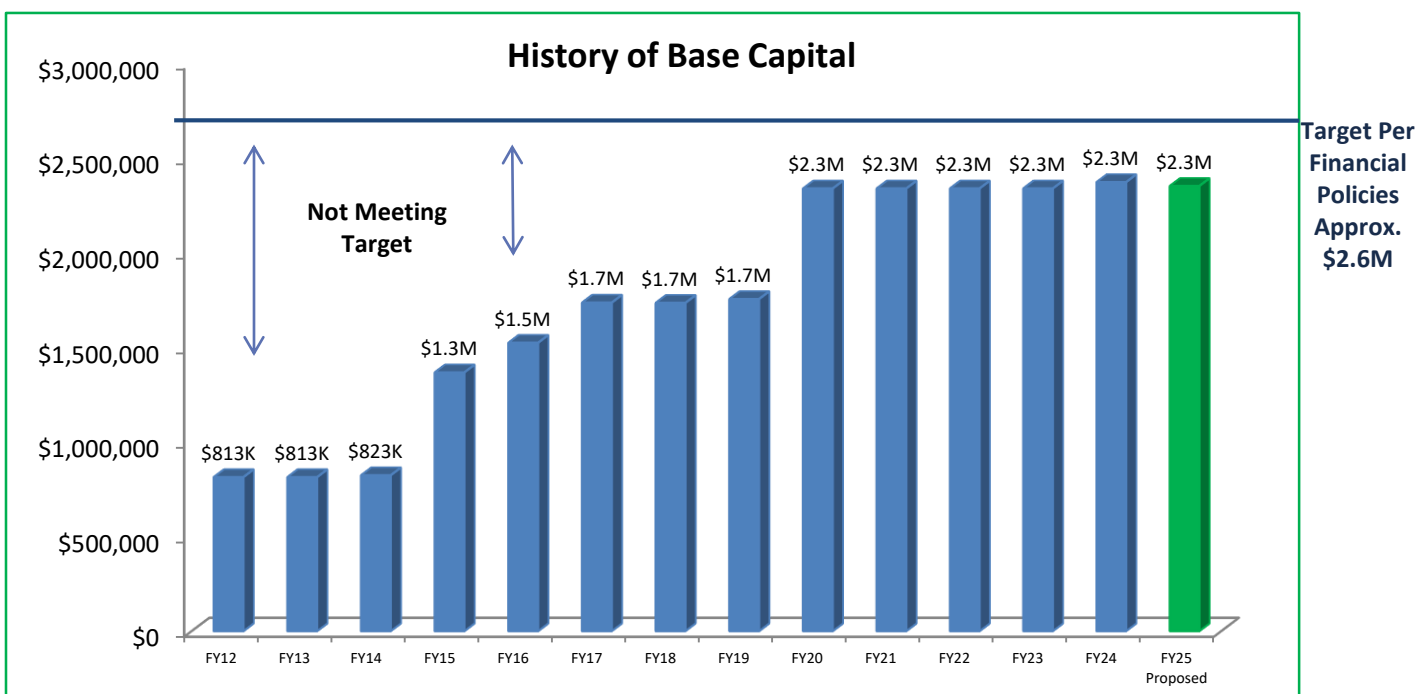


Budget	% Change in Budget									
	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
School Budgets	4.9%	3.3%	3.4%	3.47%	3.6%	3.44%	3.50%	5.80%	3.70%	
Municipal Budgets	3.7%	3.6%	3.8%	3.5%	3.57%	3.17%	3.74%	4.60%	5.08%	
Benefits/ Insurance/ Reserves	8.8%	10.6%	8.1%	4.1%	6.4%	5.3%	6.7%	4.6%	4.5%	
Debt Service	30%	-1.4%	-3.6%	-1.3%	-1.8%	-3.4%	1.2%	32.5%	-4.6%	

# 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.
- FY25 continues improvement in ongoing capital funding.



### Base Capital

- Article: Municipal Capital Improvements
  - \$1,335,250 funded with Free Cash
- Article: School Capital Improvements
  - \$1,017,000, funded with Free Cash

### Other Capital Articles:

- Article: Sewer Capital Improvements
  - \$750,000 funded with Sewer Retained Earnings
- Article: Ambulance Capital
  - \$120,000 funded with Ambulance Receipts

# Capital Funding

## Capital Budget – Other Capital Article

- Since FY17, the Town Meeting has approved an “additional” capital budget article
- FY25 Proposed Budget includes an Additional Capital Article of \$550k
- 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

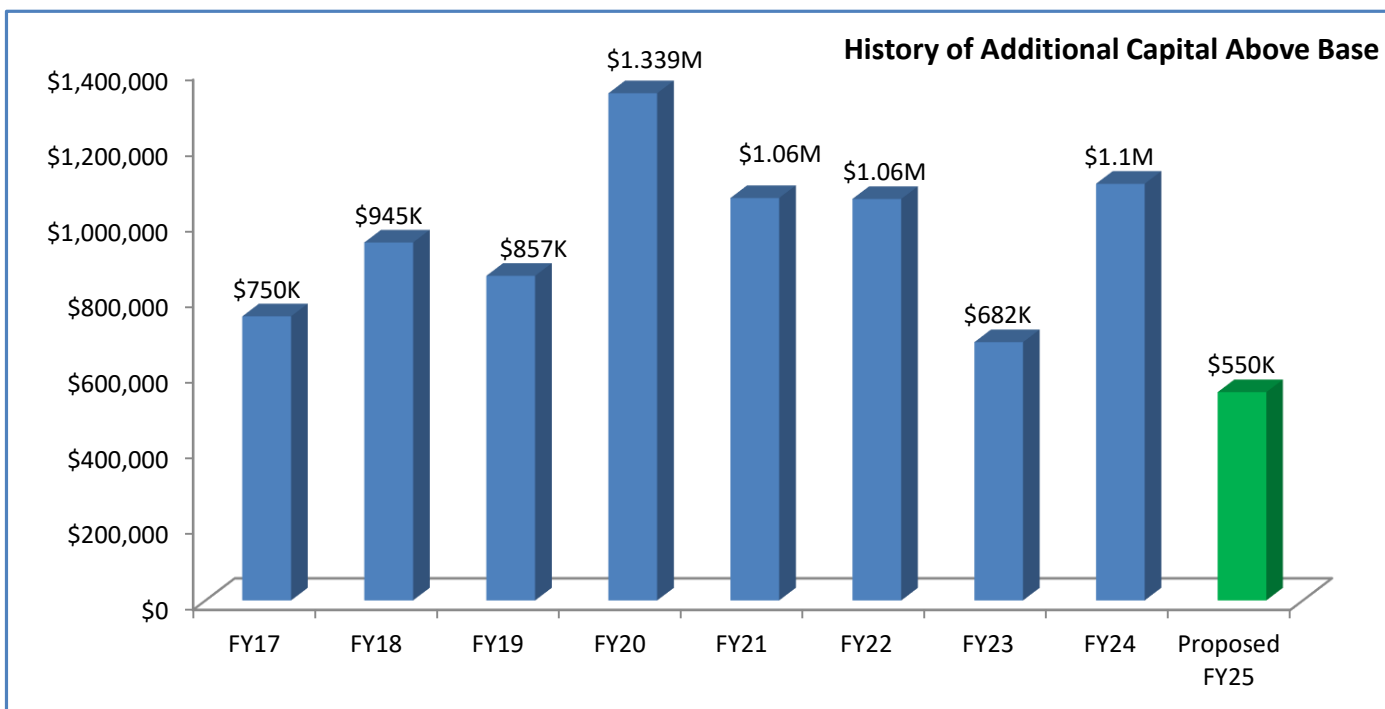
- School IT network
- High School Tennis Court Lighting
- Thurston/Senior Center HVAC
- HS Multipurpose Turf Field
- Pool Repairs

### FY23

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

### FY24

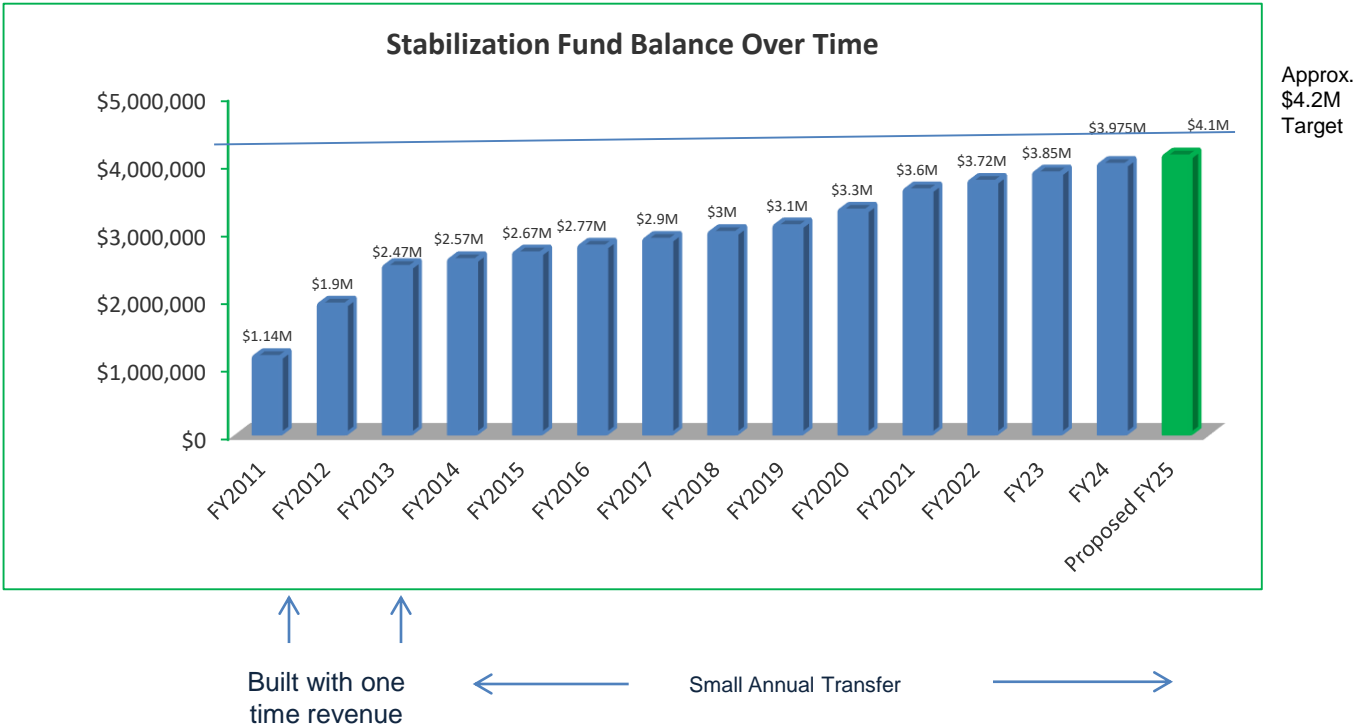
- DPW Equipment
- Library Projects
- Schools Network upgrade
- High School Auditorium Project



- FY25 Proposed Other Capital
  - \$550K Funded with Meals/Hotels Tax
    - Generator upgrades and replacement at municipal buildings \$400K
    - Acoustic tiles for Town pool \$150K

# 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.

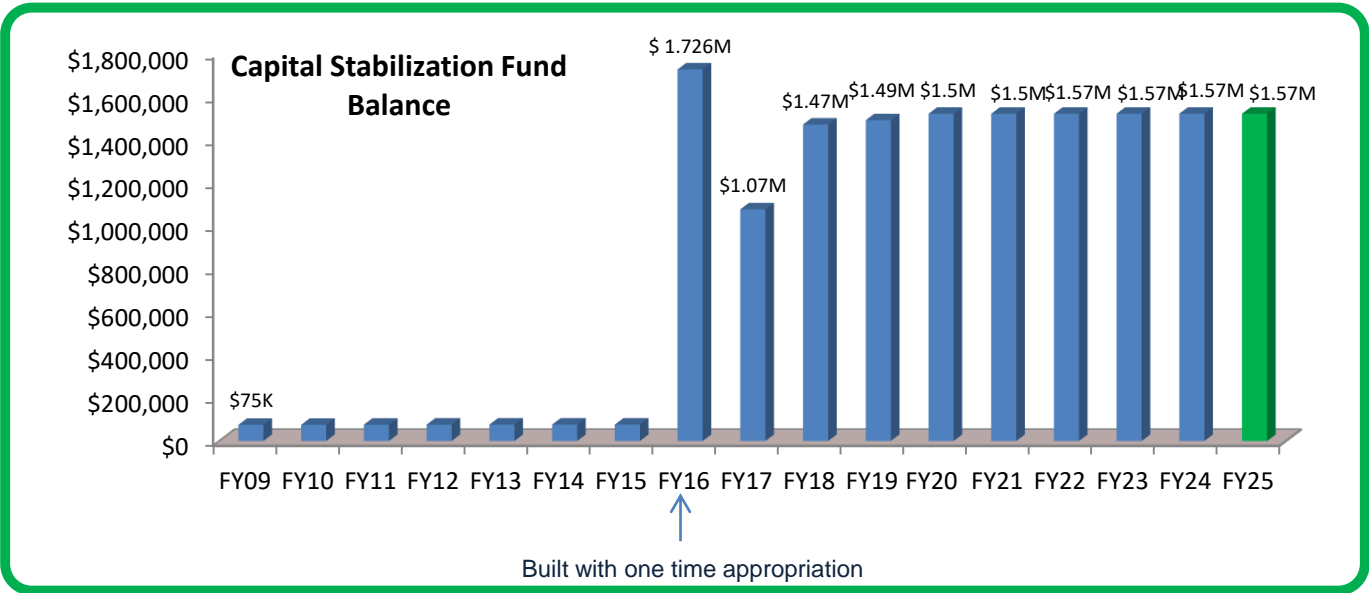


Stabilization Fund						
	FY2020	FY2021	FY22	FY23	FY24	Proposed FY25
<b>Annual Appropriation</b>	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
<b>One Time Additional Appropriation</b>	\$0	\$0	\$0	\$0	\$0	\$0

- The FY25 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										
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Annual Appropriation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
One Time Appropriation	\$1,650,000	\$0	\$397,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town Meeting Voted Use		\$650,000								

### General Debt Overview

- Authorization:
  - Town Meeting authorizes the borrowing of money for a specific project with a 2/3 vote.
  - State law governs:
    - What you can borrow for (i.e., prohibits borrowing for operating expenses, prior deficits, etc.) and,
    - Length of term of borrowing.
  - If debt exemption project, also requires majority approval at ballot.
- Issuing Bonds:
  - Town credit rating from rating agency.
    - Standard & Poor's, Moody's.
    - A high rating helps the Town issue debt at the lowest possible interest rate and save money for residents.
  - Town Treasurer conducts a public bond sale, Select Board approves the bond.
    - Sale may be for multiple projects.
    - May do short term first, before issuing long term.
  - At completion of sale, Town receives money and enters into a repayment schedule.
- Debt Service Payments:
  - Principal and interest payments included each year in budget.
  - Current repayment schedule – updated annually
- Debt Management:
  - Prudent use of debt financing as part of Town's overall fiscal planning
  - Responsible positions on what purpose to borrow, when to schedule debt- financed projects, and timing of repayment schedule.

# 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 Select Board 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. For larger facilities, a longer term is more appropriate as it capitalizes on low interest rates and apportions the tax impact over today and future Town residents.

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

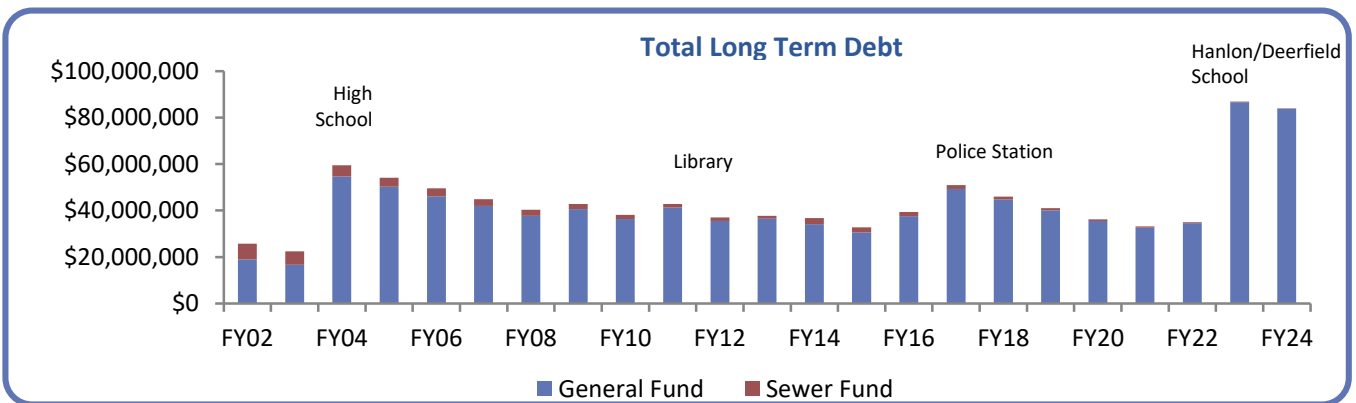
## Credit Rating

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

The Town underwent an updated credit review in August 2022, in conjunction with the sale of a \$56.5M bond. Current Credit Ratings:

AAA Standard & Poor’s  
Aa1 Moody’s

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	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>General Fund</b>	44,710,000	40,120,000	35,545,000	32,655,000	34,510,000	86,550,000	83,890,000
<b>Sewer Fund</b>	1,274,700	868,600	666,800	465,000	435,000	267,500	100,000
<b>Total</b>	45,984,700	40,988,600	36,211,800	33,120,000	34,945,000	86,817,500	83,990,000 <sup>59</sup>

# 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

### Recent Bond Sales

- Ban sold April 2023
  - \$1.225M, 1 year term, 3.083%
- 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%

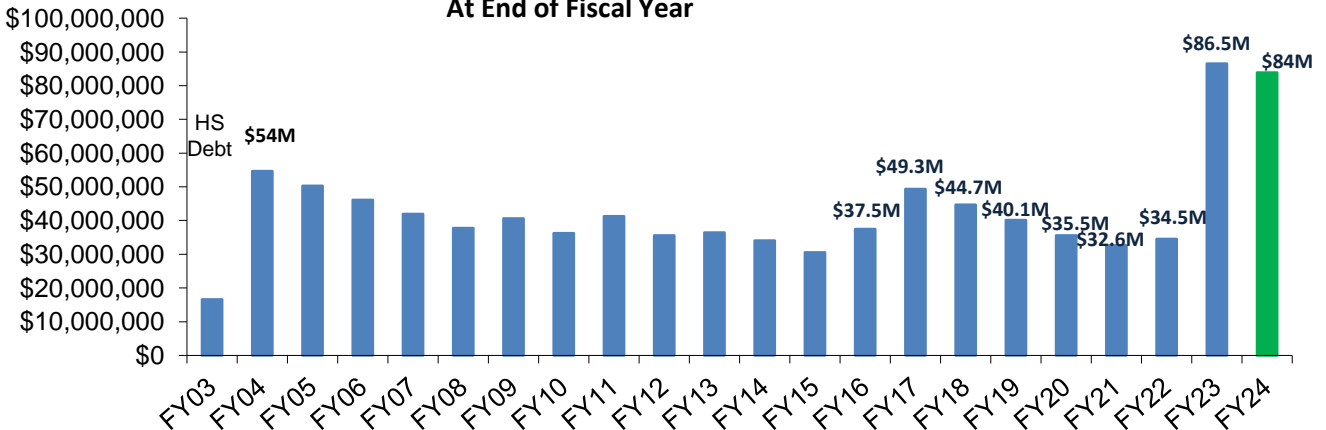
### Recent Bond Sales

- Long Term Bond sold March 2022
  - \$7.1M, terms 10-30 years
  - Net interest rate 2.27%
- \$4M BAN sale, term of 4 months, .88%
- Long Term Bond sold July 2022
  - \$56.5M, 30 year term
  - Net interest rate 3.7%

### Debt Authorized, Not Yet Issued Long Term

Hanon/Deerfield New School Remaining Authorization balances:		
School MSBA Initial Phase	ATM 2018	\$ 202,889
Hanon School “Bridge” Funding	ATM 2021	\$ 30,316
Construction	STM 2021	\$24,610,386
Total New Hanlon School – Borrowing expected to be reduced by future MSBA reimbursement (\$16.4M)		\$24,843,591
Cemetery Expansion Construction	ATM 2023	\$1,500,000
Fire Ladder Truck	ATM 2023	\$1,850,000
Total		\$28,193,591

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





# Long Term Debt Outstanding

## Long Term Debt Outstanding – General Fund

Description	Net Rate of Interest	Date Issued	Maturity Date	Amount Issued	Total Outstanding 30-Jun-24
Outside of Prop 2 1/2 - Exempt					
High School (2003) Refinanced 3.12	1.63	3/2012	6/2023	\$39,262,300	\$0
New Library (2011) Refinanced 4.21	1.15	4/2021	2/2031	\$9,300,000	\$2,745,000
Hanlon/Deerfield School Feasibility/Design	2.27	4/2022	4/2052	\$1,773,500	\$1,708,500
Hanlon/Deerfield School Construction	3.77	8/2022	8/2052	\$56,575,000	\$56,565,000
Within Prop 2 1/2					
High School Completion	3.48	8/2008	2/2023	\$1,950,000	\$0
Thurston Modulares (2009) Refinanced 4.21	1.15	4/2021	2/2029	\$3,500,000	\$655,000
School Roof	1.43	12/2012	6/2022	\$935,000	\$0
DPW Roads/Equipment	1.43	12/2012	6/2022	\$3,700,000	\$0
DPW Roads/Equipment	1.62	5/2014	5/2024	\$1,400,000	\$0
Design Fire Station	2.66	9/2015	9/2035	\$850,000	\$510,000
Construct Fire Station	2.66	9/2015	9/2035	\$8,650,000	\$5,190,000
LED Lights Upgrade	2.66	9/2015	9/2025	\$500,000	\$100,000
Cemetery Expansion	2.66	9/2015	9/2020	\$450,000	\$0
Deerfield Rd/Parking Improvements	2.42	9/2016	3/2026	\$2,000,000	\$400,000
Land Purchase	2.42	9/2016	3/2026	\$890,000	\$170,000
Police Station Design	2.42	9/2016	3/2045	\$1,000,000	\$720,000
Police Station Construction	2.42	9/2016	3/2046	\$12,755,000	\$9,350,000
Islington/Wentworth Library	1.15	4/2021	2/2041	\$1,831,696	\$1,545,000
Road improvement	1.15	4/2021	2/2031	\$895,000	\$625,000
Road improvement	2.27	4/2022	4/2032	\$4,606,500	\$3,606,500
<b>Total General Fund</b>					<b>\$83,890,000</b>

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

Hanlon/Deerfield New School Remaining Authorization

Balances:

Feasibility Phase	ATM 2018	\$202,889
Design " Bridge Funding"	ATM 2021	\$30,316
Construction	STM 2021	\$24,610,386

Total New Hanlon Sch - Borrowing expected to be reduced by MSBA Reimbursement (\$20M) \$24,843,591

Cemetery Expansion Construction	ATM 2023	\$1,500,000
Fire Ladder Truck	ATM2023	\$1,850,000

**Total** **\$28,193,591**

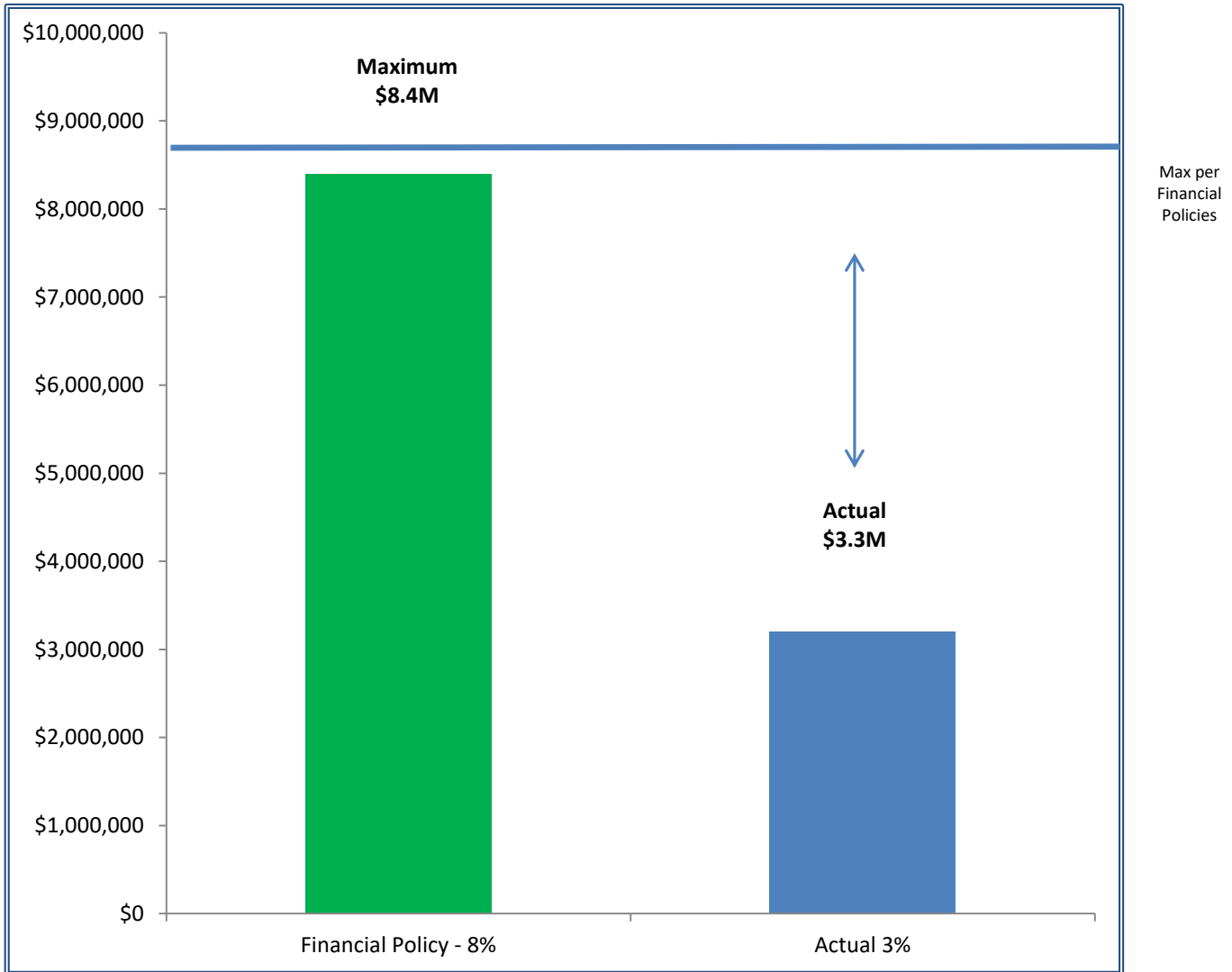
Short term debt outstanding: \$1,225,000 one year BAN issued 5/2/2023 for three design projects

Description	Rate of Interest	Date Issued	Maturity Date	Amount Issued	Total Outstanding 30-Jun-23
MWRA - no interest loan	0.00	9/2021	8/2031	\$125,000	\$100,000
Sewer Bond	1.62	5/2014	5/2024	\$1,570,000	\$0
<b>Total Sewer Fund</b>					<b>\$100,000</b>

**Total General Fund and Sewer Debt Outstanding** **\$83,990,000**

## Debt Level – Well Within Guidelines

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

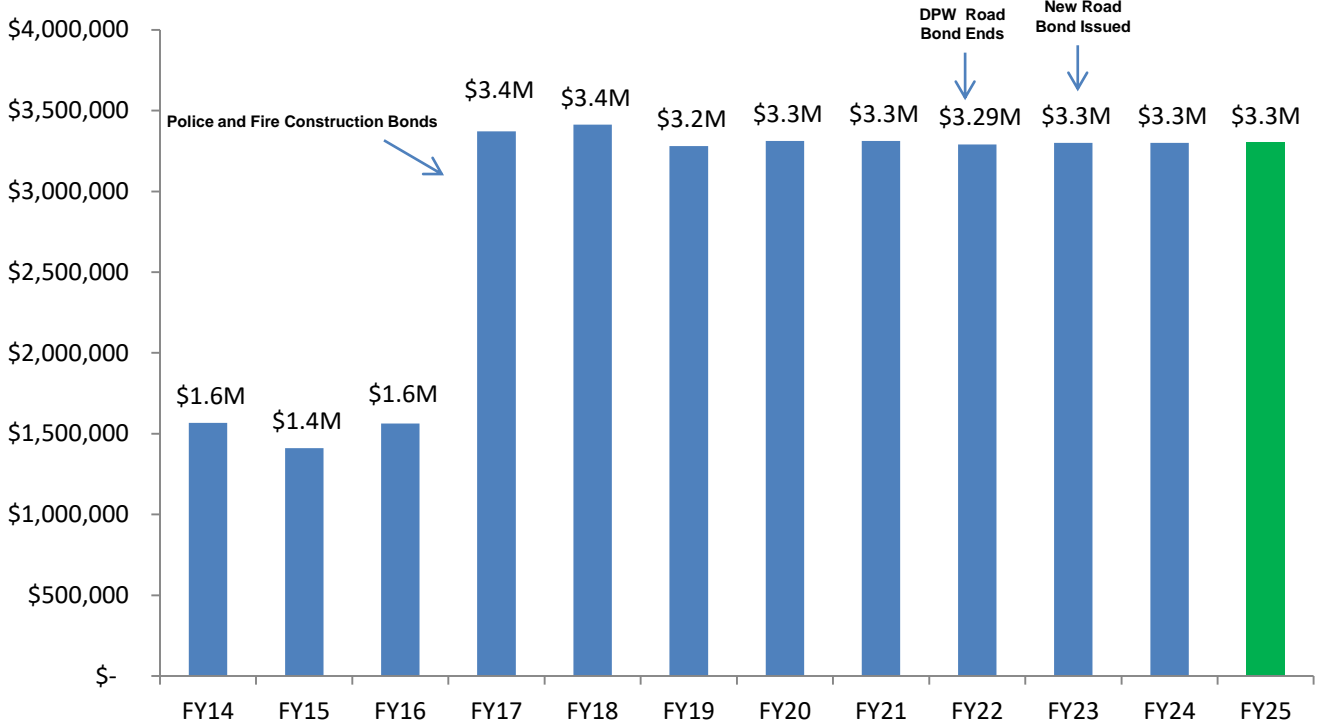


Debt is well within guidelines

# Non-Exempt Debt

## Total Non Exempt Debt – Within Proposition 2 ½

Total Debt Payments Within Proposition 2 1/2

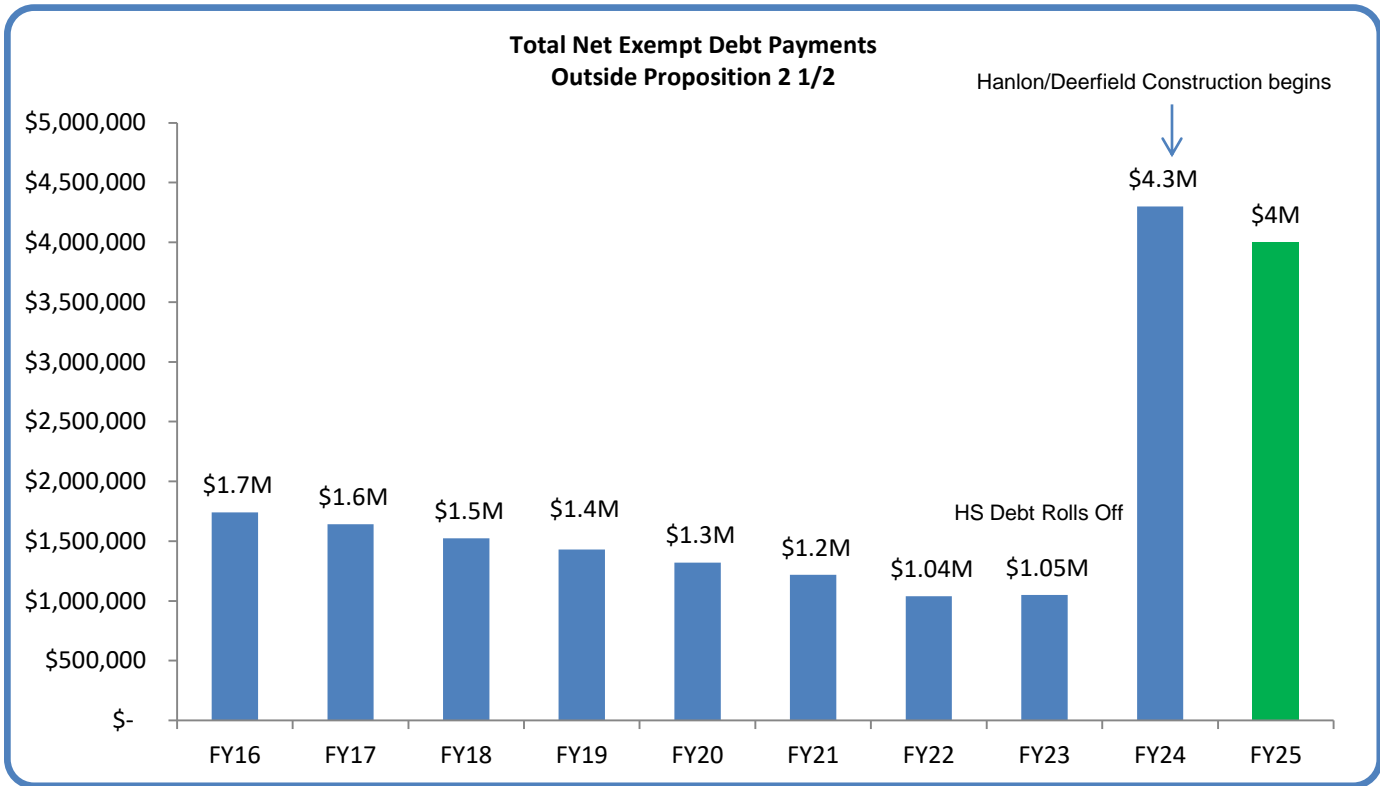


### Debt within Proposition 2 ½

- Most Recent Road Bond:
  - \$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 .
  - The \$4.65M Road Bond was issued in March 2022. The new debt payments started in FY23.
- As can be seen in the graph, the new road bond debt assumes the space of the prior debt roll off, keeping the debt budget at the approximate same level.

## Exempt Debt Outside Proposition 2 1/2

### Total Net Exempt Debt – Outside Proposition 2 1/2



#### Debt outside of Proposition 2 1/2

- 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.
- FY24: Library \$533K, Hanlon/Deerfield \$3.8M.
- Library bond ends FY31, Hanlon/Deerfield Feasibility/Design, FY52. Hanlon/Deerfield Construction, FY53
  
- High School bond ended 2023
  - Debt rollover will help with Hanlon/Deerfield Elementary School Project
  - Construction portion of new school debt will begin in FY24
  
- Library refinanced in April 2021
  - Total savings \$759K
  - Approximately \$75K per year savings for remaining life of bond
  - Bond ends in FY31

# Total Principal and Interest Payments

Outstanding as of 6.30.24	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31-52	Total FY23-FY53	
<b>Debt Outside of Proposition 2 1/2</b>											
HS Construct (Exempt)-Refi 3/12	0	1,807,650	0							\$0	
Library Construct (Exempt) 4.21	3,130,000	547,600	533,600	519,350	499,850	480,350	460,850	446,350	426,600	406,850	\$3,773,800
New Hanlon Sch Feas/Design (Exempt) 3.22	1,738,500	94,854	89,119	87,619	91,119	99,369	97,119	94,869	91,119	2,017,563	\$2,667,894
New Hanlon Construct (Exempt) 8.22	56,575,000	0	3,746,823	3,406,675	3,409,175	3,409,175	3,406,675	3,411,425	3,408,300	78,167,825	\$102,366,073
											\$0
<b>Debt Within Proposition 2 1/2</b>											
High School Completion 8/08	0	135,330	0								\$0
Middle Sch Modulars 2009. Refi 4.21	790,000	181,250	174,500	167,750	156,000	149,500	143,000	136,500	0		\$927,250
DPW Roadway 12/12	0	0									\$0
School Roof 12/12	0	0									\$0
DPW Equipment 12/12	0	0									\$0
DPW Drainage 12/12	0	0									\$0
DPW Equipment 12/12	0	0									\$0
DPW Roads 5/14	30,000	31,275	30,675	0							\$30,675
DPW Drainage 5/14	60,000	62,550	61,350	0							\$61,350
DPW Equipment 5/14	50,000	52,125	51,125	0							\$51,125
Fire Station Design 8/15	552,500	62,369	60,244	58,119	55,994	54,400	53,338	52,169	50,894	278,482	\$663,640
Fire Station Construction 8/15	5,622,500	634,694	613,069	591,443	569,818	553,600	542,788	530,894	517,919	2,833,957	\$6,753,488
Street Lights LED upgrade 8/15	150,000	58,750	56,250	53,750	51,250	0					\$161,250
Cemetery Expansion 8.15	0										\$0
Deerfield Rd/Parking 8/16	600,000	232,000	224,000	216,000	208,000	0					\$648,000
Land Purchase 8/16	260,000	104,000	100,400	91,800	88,400	0					\$280,600
Police Design 8/16	755,000	57,694	56,294	54,894	53,494	52,094	50,694	49,994	49,294	623,751	\$990,508
Police Construction 8/16	9,775,000	718,781	701,781	684,781	667,781	650,781	633,781	625,281	616,781	8,461,750	\$13,042,718
Islington/Wentworth Hall 4.21	1,640,000	153,850	149,100	144,350	139,600	134,850	125,100	120,600	116,100	1,111,500	\$2,041,200
Road Improvement Bond 4.21	715,000	128,550	124,050	119,550	115,050	110,550	106,050	101,550	97,050	87,550	\$861,400
Road Improvement Bond 3.22	4,106,500	726,486	705,325	680,325	655,325	630,325	605,325	580,325	551,825	646,250	\$5,055,025
New Debt - Budget Adjustment		0	182,541	178,942	178,942	178,942	178,942	178,942	178,942	0	\$1,256,193
Debt approved at 5/22 and 5/23 ATM	4,575,000			298,000	298,000	298,000	298,000	298,000	298,000	298,000	298,000
<b>Total General Fund Long Term Debt</b>	<b>86,550,000</b>	<b>5,789,808</b>	<b>7,660,245</b>	<b>7,353,348</b>	<b>7,237,798</b>	<b>6,801,936</b>	<b>6,701,662</b>	<b>6,626,899</b>	<b>6,402,824</b>	<b>94,933,478</b>	<b>141,632,189</b>
<b>Total Non - Exempt Long Term Debt</b>	<b>25,106,500</b>	<b>3,339,704</b>	<b>3,290,704</b>	<b>3,339,704</b>	<b>3,237,654</b>	<b>2,813,042</b>	<b>2,737,018</b>	<b>2,674,255</b>	<b>2,476,805</b>	<b>14,341,240</b>	<b>\$34,910,422</b>
<b>Non - Exempt BAN Payments</b>			<b>49,000</b>								<b>\$49,000</b>
<b>Total Non - Exempt Debt</b>		<b>3,339,704</b>	<b>3,339,704</b>	<b>3,339,704</b>	<b>3,237,654</b>	<b>2,813,042</b>	<b>2,737,018</b>	<b>2,674,255</b>	<b>2,476,805</b>	<b>14,341,240</b>	<b>\$34,959,422</b>
<b>Change in non- Exempt Debt</b>		<b>44,666</b>	<b>0</b>	<b>0</b>	<b>(102,050)</b>	<b>(424,612)</b>	<b>(76,024)</b>	<b>(62,763)</b>	<b>(197,450)</b>		
<b>Total Exempt Debt Payments</b>	<b>61,443,500</b>	<b>2,450,104</b>	<b>4,369,541</b>	<b>4,013,644</b>	<b>4,000,144</b>	<b>3,988,894</b>	<b>3,964,644</b>	<b>3,952,644</b>	<b>3,926,019</b>	<b>80,592,238</b>	<b>\$108,807,767</b>
<b>Exempt BAN Payments</b>		<b>29,111</b>	<b>0</b>								<b>\$0</b>
<b>Total Exempt Debt</b>		<b>2,479,215</b>	<b>4,369,541</b>	<b>4,013,644</b>	<b>4,000,144</b>	<b>3,988,894</b>	<b>3,964,644</b>	<b>3,952,644</b>	<b>3,926,019</b>	<b>80,592,238</b>	<b>\$108,807,767</b>
<b>Change in Gross Exempt Debt</b>		<b>24,922</b>	<b>1,890,326</b>	<b>(355,898)</b>	<b>(13,500)</b>	<b>(11,250)</b>	<b>(24,250)</b>	<b>(12,000)</b>	<b>(26,625)</b>		
<b>Total all short and long term debt payments</b>		<b>5,818,919</b>	<b>7,709,245</b>	<b>7,353,348</b>	<b>7,237,798</b>	<b>6,801,936</b>	<b>6,701,662</b>	<b>6,626,899</b>	<b>6,402,824</b>	<b>94,933,478</b>	<b>\$144,006,983.62</b>
<b>State Reimbursement Being Received - for High School Project - will end in FY23</b>											
High School Project - FY06 - FY23		1,401,276	0								\$0
High School Bond Premium		2,098	0								\$0
Library Bond Premium/Hanlon BAN Premium		16,280									\$0
Total State/Bond Premium Annual payments		<b>1,419,654</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net annual Exempt Debt</b>		<b>1,059,561</b>	<b>4,369,541</b>	<b>4,013,644</b>	<b>4,000,144</b>	<b>3,988,894</b>	<b>3,964,644</b>	<b>3,952,644</b>	<b>3,926,019</b>	<b>80,592,238</b>	<b>108,807,766.54</b>
<b>Change in total Exempt Debt</b>		<b>10,741</b>	<b>3,309,980</b>	<b>(355,898)</b>	<b>(13,500)</b>	<b>(11,250)</b>	<b>(24,250)</b>	<b>(12,000)</b>	<b>(26,625)</b>		

# Sewer Total Principal and Interest Payments

	Outstanding as of 30-Jun-24	FY23	FY24	FY25	FY26	FY27	Total
<b>Principal and Interest payments for current Sewer Debt Outstanding</b>							
	<b>Balance</b>						<b>Total FY24-32</b>
							\$0
MWRA no interest loans - 2022 ( FY32)	100,000	12,500	12,500	12,500	12,500	12,500	\$100,000
Sewer - \$1.5m bond 5/14 (ends FY24)	0	161,588	158,488	0	0	0	\$0
		0	0	0	0	0	\$0
<b>Total Sewer Debt</b>	<b>100,000</b>	<b>174,088</b>	<b>170,988</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>100,000</b>
<i>All debt funded by sewer user fees</i>							

## 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 – 6/30/21

Westwood is required to update the valuation of the liability every other year. The most recent valuation was completed in early 2022 for the period ending 6/30/21. The full report is available on the Town's website.

	6/30/13	6/30/15	6/30/17	6/30/19	6/30/21
Discount Rate		7.75%	7.25%	7%	6.5%
Unfunded Actuarial Liability	\$55.9M	\$35.6M	\$39.1M	\$36.1M	\$19.8M
Funded Ratio		4.6%	11.4%	19.7%	43.8%

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 \$19.8M liability is comprised as follows:

Schools	\$12.6M
Public Safety	\$4.8M
DPW/Gen Government/Other	\$2.4M
<b>Total</b>	<b>\$19.8M</b>

## Other Post Employment Benefit Costs (OPEB)

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

### Funding

- The effort to fund started in FY11, with a \$20K budget item. The \$20K was funded by the exact amount another fixed cost line item, social security, was decreasing. In the FY12 budget, we continued, within the fixed costs budget, to fund the OPEB obligation with \$26K allocation.
- In FY13, we continued the funding within the fixed cost allocation at \$38K. In addition, in FY13 significant savings from changes to the health care benefits provided for a \$435K annual contribution to the OPEB liability.
- In FY14, funding continued with a \$68K appropriation from savings in the fixed costs budget and the annual health care savings costs of \$435K.
- In FY15, a \$550K annual appropriation built into the budget continued the funding program.
- The FY16 appropriation of \$650K was supplemented at the Fall 2015 Town Meeting with the savings from the GIC conversion, calculated at \$700K, bringing the new annual appropriation to \$1.35M.
- The \$1.35M appropriation will be increased incrementally by approximately \$25K per year. The Town has continued appropriations each year per this plan.
- The FY22 appropriation was \$1.490M, FY23's appropriation was \$1.515M, FY24's appropriation was \$1.54M and the planned appropriation for FY25 is \$1.565M.

### 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.

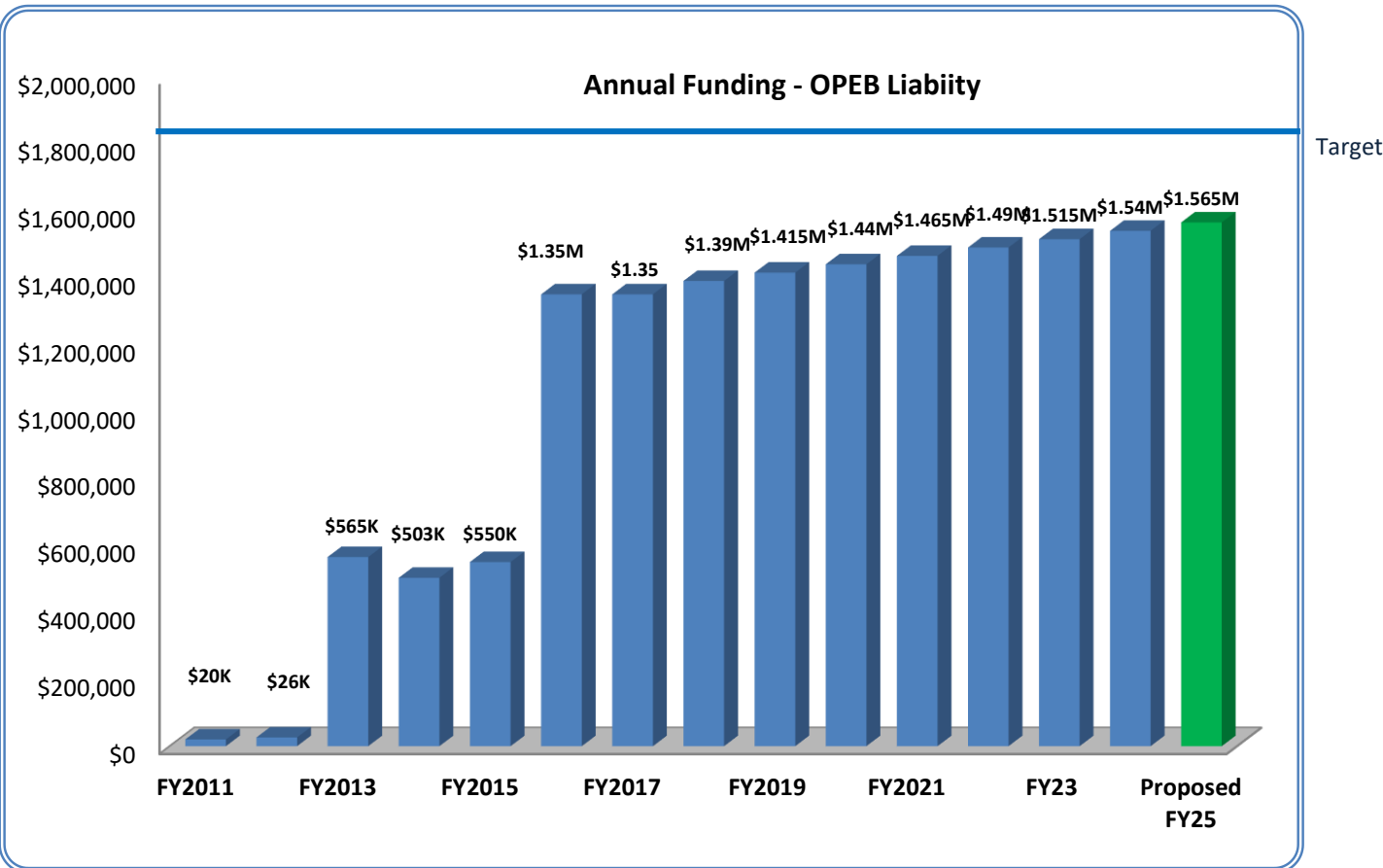
### Investment of Funds

- 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 \$21.1M as of 12/31/23.



# OPEB Liability – FY25 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 FY25 funding will be \$1,565,000.



- On target with funding plan of \$25K additional each year.
- The current balance in the OPEB trust fund account as of 12/23 is \$21.1M

# Pension System

## Teachers:

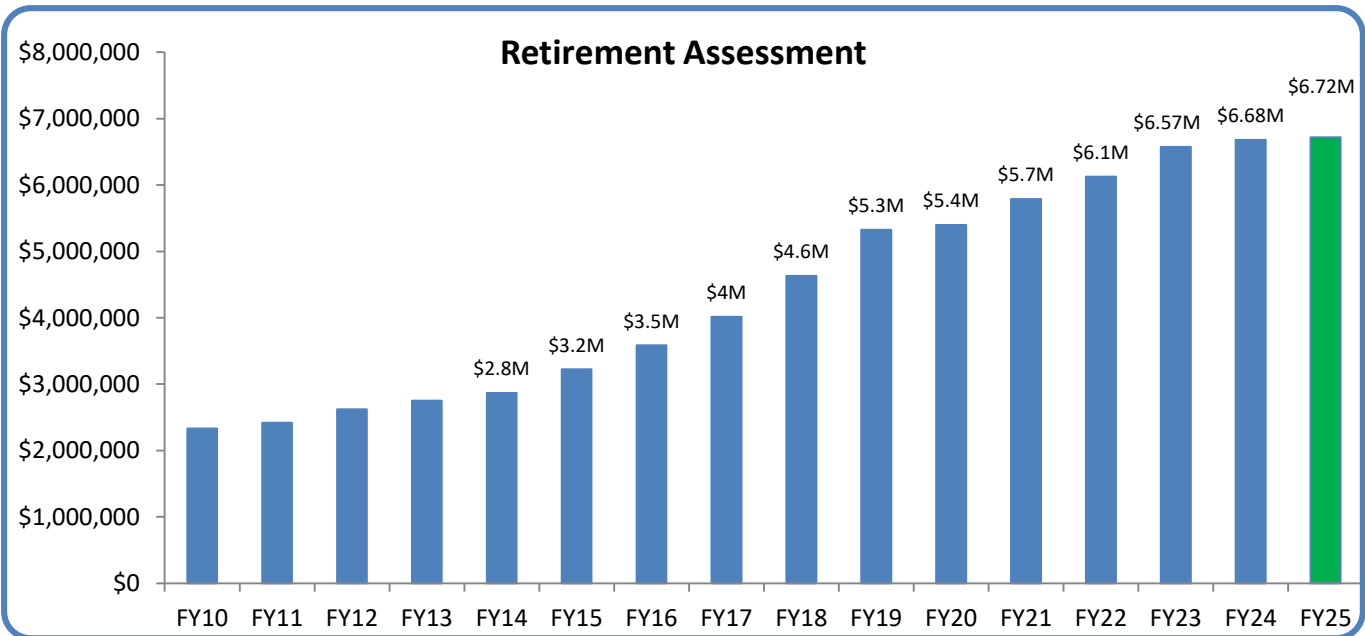
- All MA teachers are part of State Teachers' Retirement System (MTRB).
- Employees required to contribute 5 - 11% of weekly earnings, depending on hire date.
- State, not Westwood, pays an annual assessment (employers' share) for Westwood teachers to MTRB.

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Westwood Assessment	\$4.4M	\$6.78M	\$9.3M	\$9.95M	\$9.93M	\$12.7M	\$14.6M	\$7.26M

## 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 FY25 estimated assessment is \$6,720,340



- 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.

# FY25 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:

	Current FY2024 Budget	Proposed FY2025 Budget	\$ Change FY25 vs FY24	% Change FY25 vs FY24
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## School Employee Benefits/Costs

Retirement Assessments	1,970,534	2,004,502	2,016,102	11,600	0.6%
Workers Compensation	176,959	389,876	409,369	19,493	5.0%
Unemployment Compensation	86,059	143,738	150,925	7,187	5.0%
Health Insurance	4,977,641	5,792,848	6,273,654	480,806	8.3%
Life Insurance	6,911	8,800	9,680	880	10.0%
Payroll service/Other	42,210	41,929	45,621	3,692	8.8%
Medicare Part B	113,645	183,785	183,785	0	0.0%
Social Security Tax	3,753	7,500	7,500	0	0.0%
Medicare Payroll Tax	646,350	1,094,117	1,148,823	54,706	5.0%
<b>School Employee Benefits/Costs</b>	<b>8,024,061</b>	<b>9,667,095</b>	<b>10,245,460</b>	<b>578,365</b>	<b>6.0%</b>

## Municipal Employee Benefits/Costs

Retirement Assessment	4,602,407	4,677,171	4,704,238	27,067	0.6%
Workers Compensation	83,274	183,608	192,789	9,181	5.0%
Unemployment Compensation	15,744	20,293	21,075	782	3.9%
Health Insurance	1,939,003	1,918,154	2,077,361	159,207	8.3%
Life Insurance	3,147	5,500	6,050	550	10.0%
Pre-Hire/Payroll/Other	119,108	144,962	150,158	5,196	3.6%
Public Safety Medical/111F ins	40,480	102,300	105,930	3,630	3.5%
Medicare Part B	49,771	74,547	74,547	0	0.0%
Social Security Tax	516	5,000	5,000	0	0.0%
Medicare Payroll Tax	268,517	430,258	451,771	21,513	5.0%
<b>Municipal Employee Benefits/Costs</b>	<b>7,121,967</b>	<b>7,561,793</b>	<b>7,788,919</b>	<b>227,127</b>	<b>3.0%</b>

## Shared/Other Fixed Costs

Comprehensive & Liability Insurance	590,724	639,000	670,950	31,950	5.0%
Waste Collection/Disposal Expenses	1,729,332	1,774,000	1,910,000	136,000	7.7%
Energy/Sustainability Efforts	60,035	115,391	66,312	(49,079)	-42.5%
Townwide Hardware/Software Maintenance	515,500	543,650	573,650	30,000	5.5%
Town Wide Newsletter Communication	28,512	55,000	55,000	0	0.0%
Outside Health Agencies*	81,210	32,916	32,916	0	0.0%
Audit Services -Town and School	81,210	81,250	81,250	0	0.0%
<b>Total Shared/Other Fixed Costs</b>	<b>3,005,313</b>	<b>3,241,207</b>	<b>3,390,078</b>	<b>148,871</b>	<b>4.6%</b>
<b>Total Benefits/Shared Fixed Costs</b>	<b>18,151,340</b>	<b>20,470,095</b>	<b>21,424,457</b>	<b>954,362</b>	<b>4.7%</b>

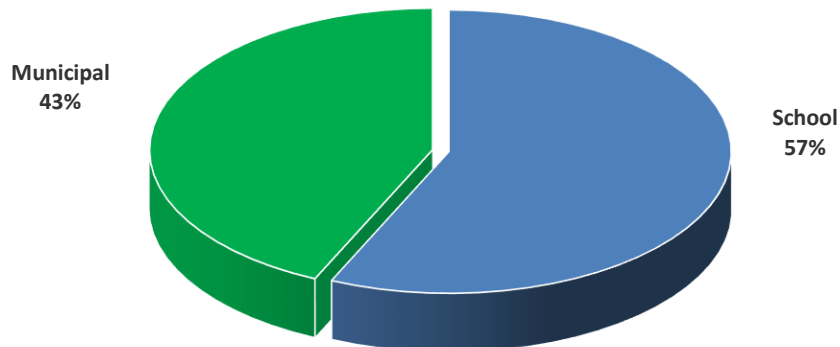
## FY25 Budget Municipal and School Employee Benefits/Costs

FY2022 Actual	FY2023 Actual	FY2024 Budget	Item	FY2025 Budget
\$6,127,415	\$6,572,941	\$6,681,673	Retirement Assessment  This budget covers all non-teaching employees of the Town. Teachers are included in the State Mass Teachers Retirement System	\$6,720,340
<b>\$6,127,415</b>	<b>\$6,572,941</b>	<b>\$6,681,673</b>		<b>\$6,720,340</b>

FY2022 Actual	FY2023 Actual	FY2024 Budget	Item	FY2025 Budget
\$279,158	\$260,233	\$573,484	Workers Compensation	\$602,158
\$34,149	\$101,803	\$164,031	Unemployment compensation	\$172,000
\$6,536,963	\$6,916,644	\$7,711,022	Group Health Insurance	\$8,351,015
\$865,412	\$914,867	\$1,524,376	Mandatory Medicare Payroll Tax	\$1,600,594
\$4,468	\$4,269	\$12,500	Social Security	\$12,500
\$10,262	\$10,058	\$14,300	Group Life Insurance	\$15,730
\$84,446	\$40,480	\$102,300	Public Safety Medical/111F	\$105,930
\$172,094	\$161,318	\$186,890	Prehire/Payroll/Other	\$195,779
\$162,841	\$163,416	\$258,332	Medicare Part B Refund	\$258,332
<b>\$8,149,794</b>	<b>\$8,573,088</b>	<b>\$10,547,234</b>		<b>\$11,314,038</b>

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

### Employee Benefit Cost



	School	Municipal	Total
Fixed Employee Related Costs	\$10,245,460	\$7,789,151	\$18,034,611

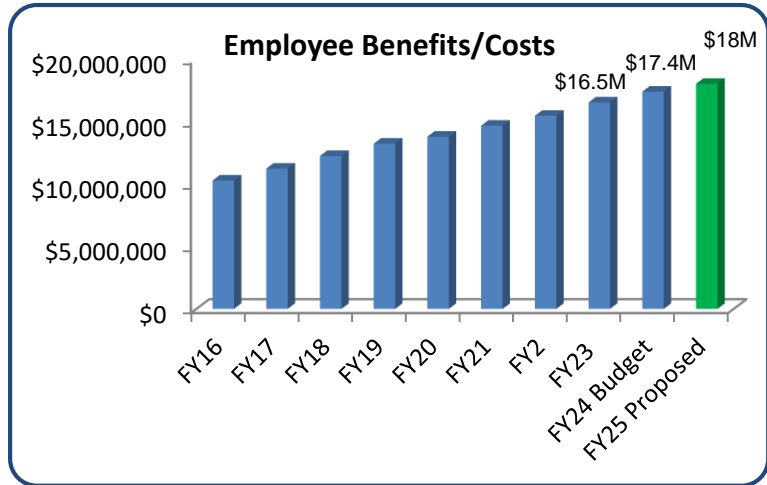
# Shared Fixed Costs

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.

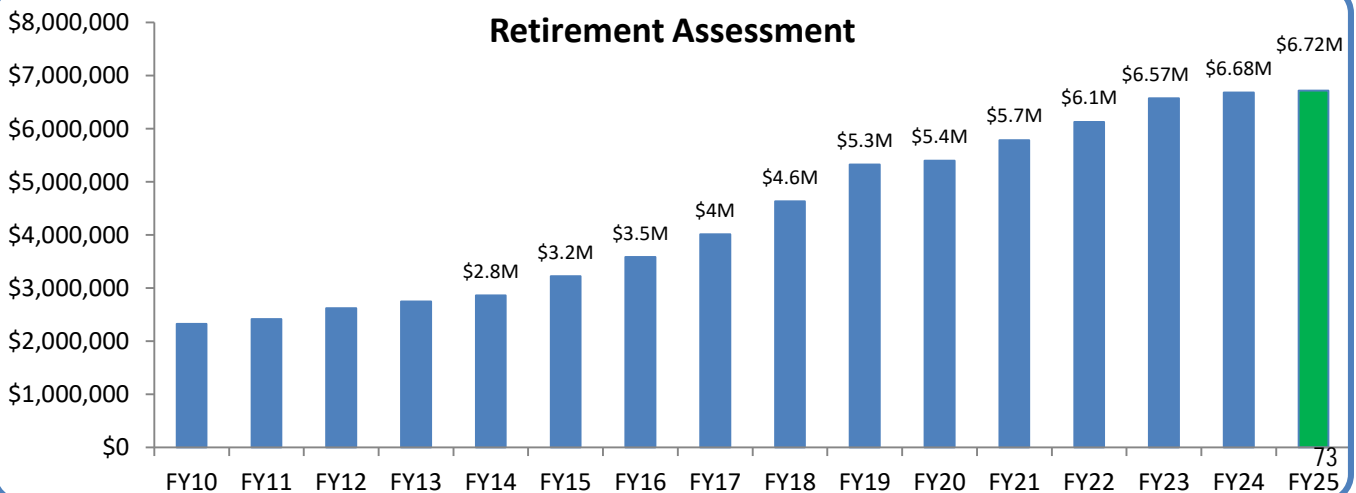
- Pension
- Workers' Compensation
- Unemployment Compensation
- Health Insurance
- Life insurance
- Medicare Part B
- Medicare Payroll Tax



## 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.

## Retirement Assessment

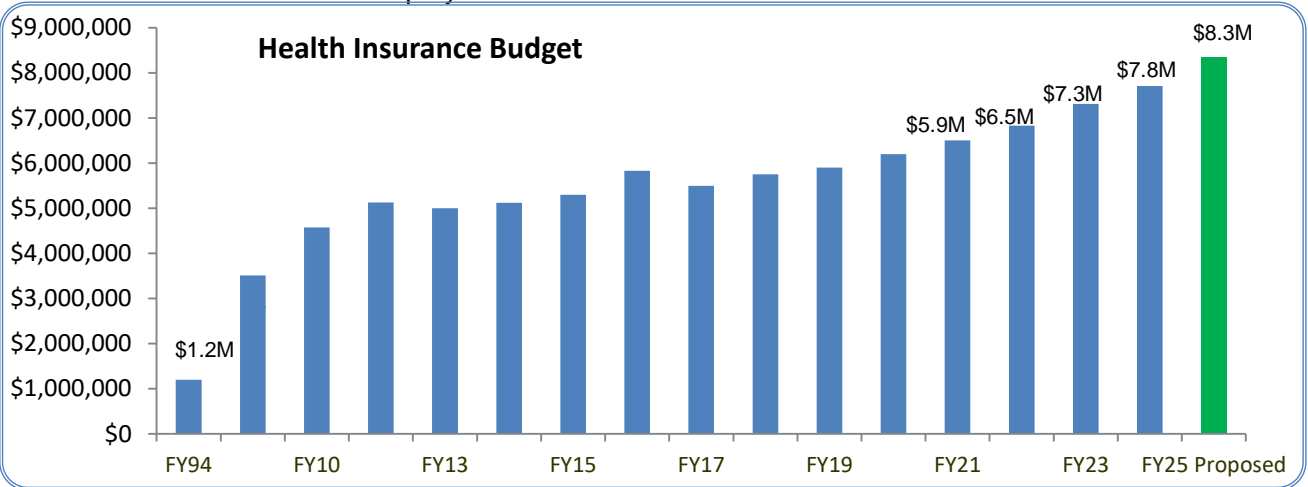


# Shared Fixed Costs

## Group Health Insurance

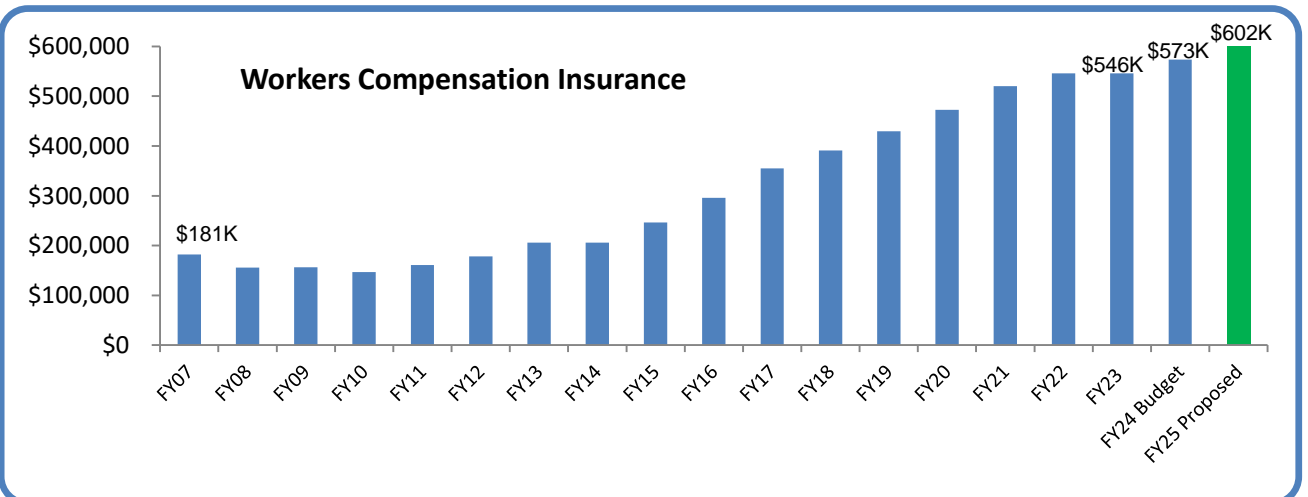
Westwood provides its employees with group health insurance coverage through the MA Group Insurance Commission (GIC). The Town became a participating municipality with the GIC in July, 2015. The Town has greatly benefited from this arrangement in the way of controlled health insurance rates.

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.

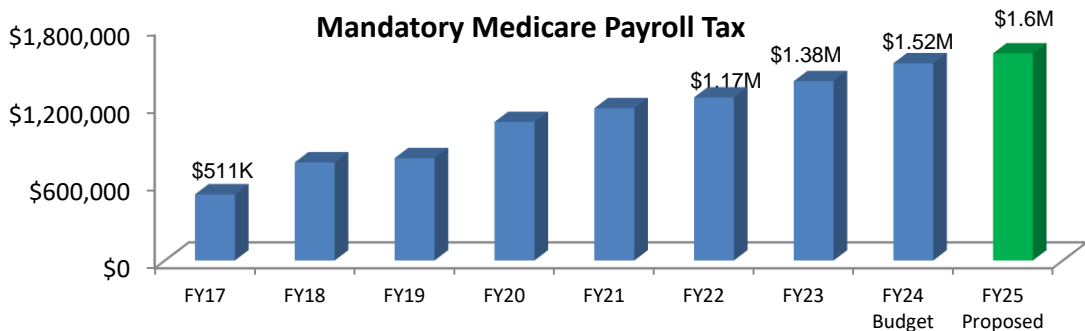
As part of efforts to control the OPEB liability, the Board of Selectmen decided to eliminate the Medicare B reimbursement for all employees who retired after July 1, 2014.

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.



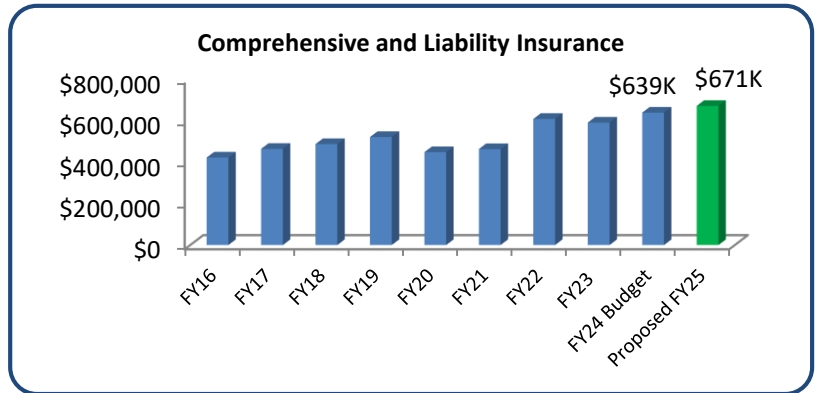
# Shared Fixed Costs

## 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

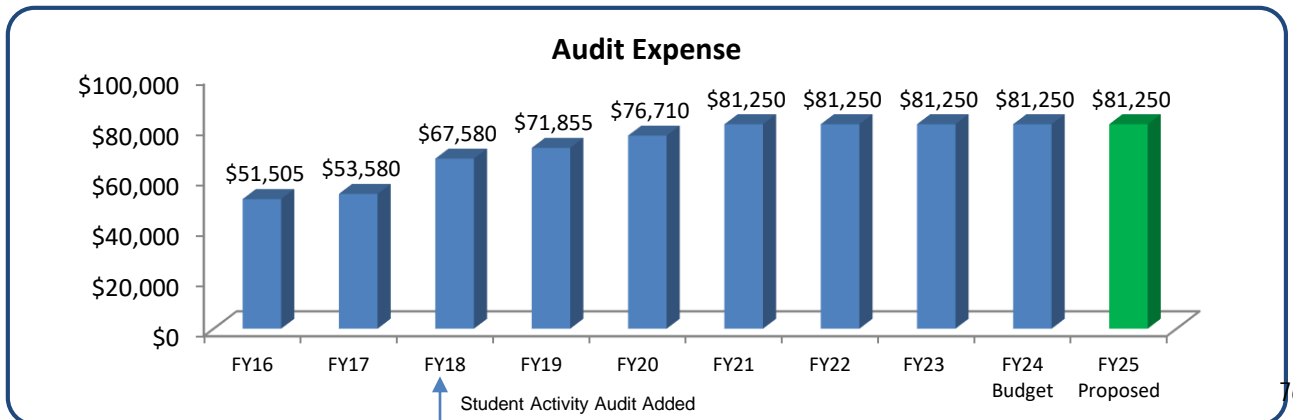
The Town is required to undergo an annual financial audit of all revenue and expenditures. The Town is required to have several audit programs conducted:

- 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 Select Board a written report of how it has discharged its duties and met its responsibilities.





# Shared Fixed Costs

## Outside Health Agencies

The outside Health Agencies' budget provides funding for two (2) providers, who in turn provides several services available to all Westwood residents. Currently the two providers are:

1. William James College INTERFACE Referral Service
2. Lifeworks/ ARC South Norfolk

### ***William James College INTERFACE Referral Service***

- A mental health resource and referral services available to every Westwood resident that allows residents to be matched with appropriate mental health services in a professional and timely manner. This service is funded through a 50/50 split between the Town of Westwood (including funding from the Youth & Family Services, Board of Health and Council on Aging departments) and the Westwood Public Schools.

### ***Lifeworks/ ARC South Norfolk***

- Family Support and Respite Care Programs: Intensive family intervention, in-home Respite Care supports, case management services, emergency support, clinical services and family training services, as well as the Adult Family Care model-supporting adults with intellectual and developmental disabilities and their caregivers within their own communities; our Adult Family Care program-which enables adults with disabilities to live with paid, trained caregivers in their home supports several Westwood families.
- Family Autism Center Specialized recreational programs, information and referral services, educational services, parent and sibling support groups and a resource library with Internet access; Our Autism Law Enforcement Education Coalition (ALEC) Coordinator, former Westwood Firefighter/Captain (ret.) Bill Cannata has provided training on autism to Westwood First Responders and in 2019 provided a training for families organized by the Westwood Special Education Parent Advisory Committee.
- Autism and Law Enforcement Coalition (ALEC): Working to foster a deeper understanding of autism and other developmental disabilities among public safety and law enforcement personnel, providing training for police officers, firefighter's, EMT's, and emergency room personnel;
- Day Habilitation Programs: Providing educational and rehabilitative day programming for adults who are severely disabled and require specialized and multi-disciplinary care;
- Harbor Counseling Center: Providing specialized individual and group mental health care for adults with intellectual and developmental disabilities, including autism;
- Adult Social-Recreation Programs: Providing after-school and adult social and recreational programs including several social clubs and special events, evening educational classes, discussion groups, and a variety of sports and Special Olympics opportunities;
- Employment Training and Residential Programs which are provided through The ARC's affiliate organization, Lifeworks, vocational and residential supports are provided to adults with intellectual and developmental disabilities, including autism.

## Westwood Financial Policies

- Westwood's *Financial Policies* were originally adopted in 2004 and were revised in 2022.
  - The Town of Westwood has an important responsibility to carefully account for public funds, to manage municipal finances wisely, and to plan and provide for the adequate funding of services desired by the public and as required by laws, rules, or regulations, including the provision and maintenance of public facilities and improvements. The Board of Selectmen has set forth the financial objectives and policies in the *Financial Policies* document intended to establish guidelines for the continued financial strength and stability of the Town of Westwood.
- The *Policies* can be viewed in the finance section of the Town's web site at: [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us).
- The current status of the *Policies* can be seen on the following pages.

# Financial Policies Scorecard - October 2023

	Target	Actual	Comments	Target Status	Comparison to Previous Year
<b>B. 2. Operating Reserve Fund</b> – shall be .5% of total general fund operating budget, net of debt service. Per new policy.	\$500,064 .5%	FY24 Budget \$405,000	At approximate target. \$405,000 is a comfortable budget, but could increase to \$425K in FY24. Reserve fund only used for Snow & Ice in FY22. Unused in FY23.	✓	Continue to Meet Target
<b>B. 4. Free Cash</b> – shall maintain at 4% of general fund operating budget, net of debt service.	\$4,000,512 4%	\$10,959,301 10%	Actual is at goal. Full amount <u>before</u> use of any free cash. This allows us to utilize standard free cash amount for FY25 budget and still meet target. FY23 unused was \$4.4M which is on target.	✓	Stable. On track with target
<b>D. Reserve accounts</b> – shall maintain at 8% of general fund operating revenues, net of debt service. Total reserve goals should be maintained at 4% in general fund and 4% in stabilization account.	Stabilization Target 4% \$4,199,068  Total 8% or \$8,398,136	Stabilization 3.7% \$3,907,108  Total 14.8% or \$14,866,409	Stabilization approximately \$292K short of target. Should increase annual contribution in  Total is over target. This would be <u>before</u> use of free cash. Allows for standard use of free cash, and then remain at target.	✓	Stable On Track With Target
<b>E. Annual OPEB appropriation</b> – the Town will appropriate no less than \$1,500,000 per year to the OPEB Liability Trust Fund.	Minimum \$1,500,000	FY24 Budget \$1,540,000	FY24 budget includes \$1,540,000 appropriation. Above minimum target and on track with required funding.	✓	Continued Improvement Minimum Target Could be Increased
<b>F. 4. General fund nonexempt debt service</b> should not exceed 8% of net general fund revenues.	Not exceed 8% Or \$8,398,136	3.2% \$3,339,704	Target is met. Non exempt debt service is below maximum target.	✓	Continue to Meet Target
<b>F. 4. Total General fund exempt and nonexempt debt</b> should not exceed 10-12% of net general fund revenues.	Not exceed 12% Or \$12,597,204	7.3% \$7,709,245	Target is met. Total debt is well below target. New School debt issued in FY23, repayment starts in FY24.	✓	Continue to Meet Target
<b>G. 4. Investment in capital stock</b> – will maintain 3% of general fund operating budget, net of debt, on ongoing capital maintenance and replacement.	\$3,000,384 3%	\$2,372,500 2.4%	Actual is approximately \$464K short 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
<b>I. 5. Maintain sewer retained earnings</b> – will maintain 10% of sewer fund revenues.	\$618,886 10%	\$2,959,080 48%	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 Scorecard - October 2023

Other Policies	Comments	Target Status	Comparison to Previous Year
<b>B. 1. General Fund</b> – Annual budget should be prepared covering operating expenditures with current operating revenue, not non-recurring revenue sources.	No Free Cash used for operating budget.	✓	Target has been met consistently
<b>D. 1. Reserves</b> – Town will strive to make annual appropriation to the Stabilization Fund	\$125,000 appropriation to stabilization reserve at 2023 Annual Town Meeting, funded by free cash. Will continue in FY25 budget plan, should increase to \$150K.  Current balance in stabilization account is \$3.9M	✓	Target has been met consistently
<b>E. 1. OPEB</b> – Town will strive to move towards fully funding ARC (Annual Required Contribution).	\$1,540,000 appropriated to OPEB reserve at 2023 Annual Town Meeting, within budget funds. This is currently on target with required annual payment (ARC).  OPEB trust account now has a balance of \$20.3M.	✓	Greatly Improved On Target with ARC from Current Valuation
<b>G. Capital Planning</b> – Town will develop a multi-year plan for capital improvements.	Produced 5-year Capital Improvement Plan document; will continue to improve document and produce on an annual basis.	✓	Target Met
<b>Introduction</b> – Policies shall be reviewed to see if updates are needed at least every three years.	Policies shall be reviewed at minimum of every 3 years.	✓	Next review 2025

## What Do Those Financial Terms Really Mean?

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

## What Do Those Financial Terms Really Mean?

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