Municipal Budget Review
Finance and Warrant Commission
February 11, 2020

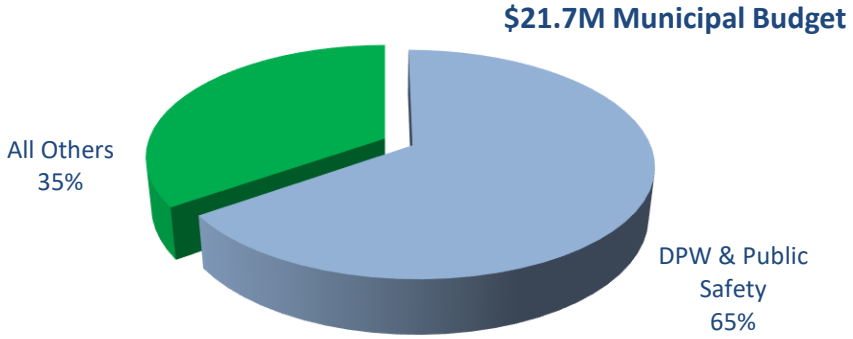
FY21 Proposed Municipal Budget Summary

What does the Municipal Budget Provide?

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

- Majority of the budget is Public Safety and Public Works – 65% of the budget
- Police and Fire - 45% of the budget
- DPW services include maintenance of roads, fields and all buildings - 20% of the budget
- Programs and services for all ages in Town, young and old:
  - Council on Aging
  - Library
  - Recreation
- State required
  - Zoning, Health, Licensing, Veterans

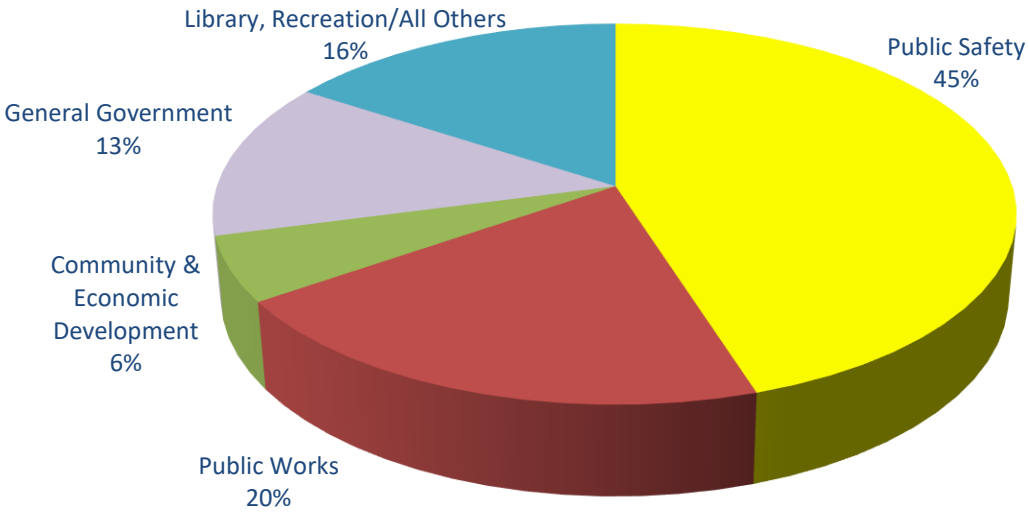
- Administrative Departments



Provides wide range of services

FY21 Proposed Municipal Budget

How is the municipal budget funding allocated among service areas?



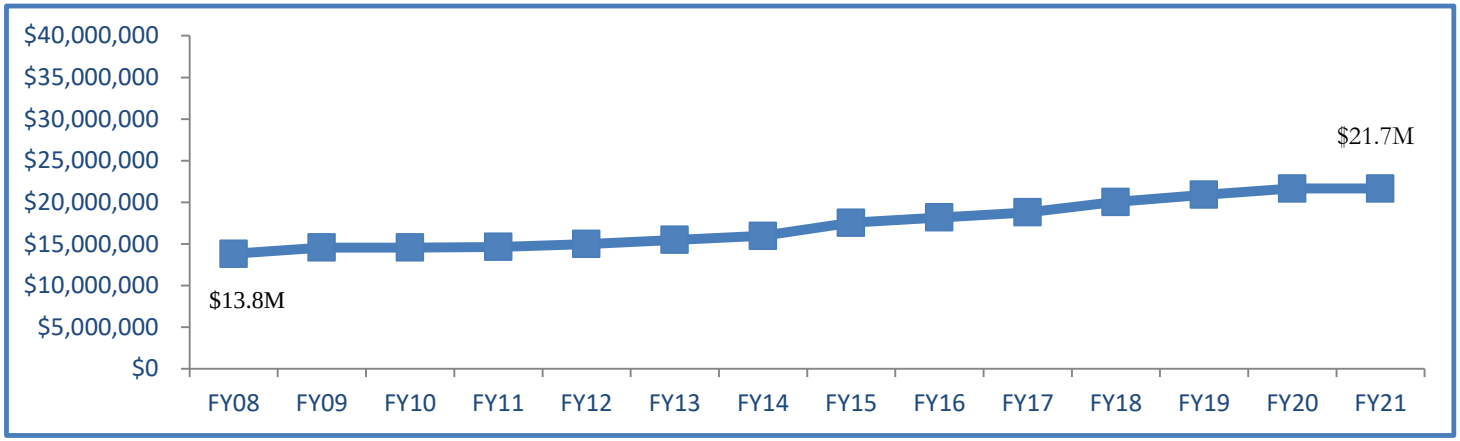
	FY20	FY21	$ Increase	% Increase
General Government	$2,769,734	$2,885,209	$115,475	4.2%
Public Safety	$9,478,780	$9,761,695	$282,915	3.0%
Community & Eco Dev	$1,153,935	$1,195,730	$41,795	3.6%
Public Works	$4,182,960	$4,389,680	$206,720	4.9%
Human Services	$815,346	$844,081	$28,735	3.5%
Culture & Recreation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

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

FY21 Proposed Municipal Budget Summary

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

- The municipal base budget has had relatively moderate growth.
- The Select Board strives for sustainable budget growth.
- Additional, separate University Station funding has been used to help increase the staffing in Public Safety.
- In FY21 the proposed municipal budget growth is 3.57%.

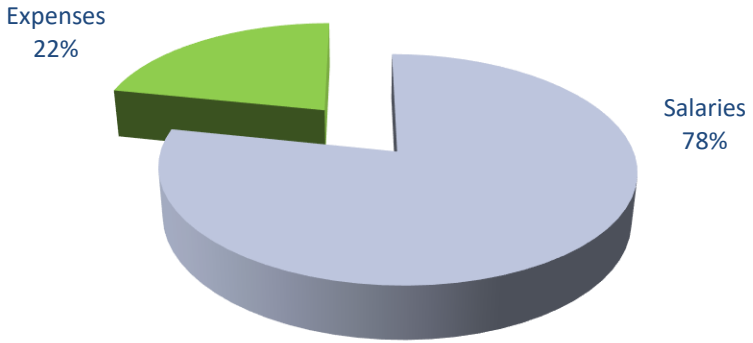


	% Change in Budget												
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Municipal Budgets	5.4%	0%	.6%	2.3%	3%	3.2%	3.4%	5.2%	3.7%	3.6%	3.1%	3.5%	3.57%

FY21 Proposed Municipal Budget Summary

The municipal budget is salary driven.

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



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

FY21 Proposed Municipal Budget Summary

What are the salary changes in the FY21 Budget?

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

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

There are no new positions included in the FY21 proposed budget.

FY21 Proposed Municipal Budget Summary

What are the expenses in the FY21 proposed budget?

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

Approximately $222K or 30% of the total budget increase is in the expense line.

Largest Expense Changes between FY20 and FY21 Budgets		
Department	**Request**	**Cost**
Software/Hardware Maintenance	Software Licensing Increases	$22,000
Town Clerk	Election Cycle	$9,500
Legal	Increase for labor counsel	$15,000
Police	Increase to Vehicle Maintenance due to warranty change	$10,000
DPW		
Admin	New OSHA requirements training	$7,000
Operations	Stormwater Items	$25,000
Fields Maintenance	Irrigation for Lodge and Buckmaster fields	$10,000
Building Maintenance	Repairs and Maintenance Increase for municipal buildings	$67,000
	Total	**$165,500**

Public Safety Staffing Has Significantly Improved

- Public safety is the most important area of municipal government, and comprises 45% of the municipal budget.

- In recent years, the Select Board has focused on appropriate staffing levels for the police and fire departments, particularly in light of the additional service impact created by the University Station Development.

- Since 2014, the town has added 23 public safety positions, including:
  - 14 firefighters,
  - 7 police officers,
  - 1 dispatcher, and
  - 1 Communication Center Director.

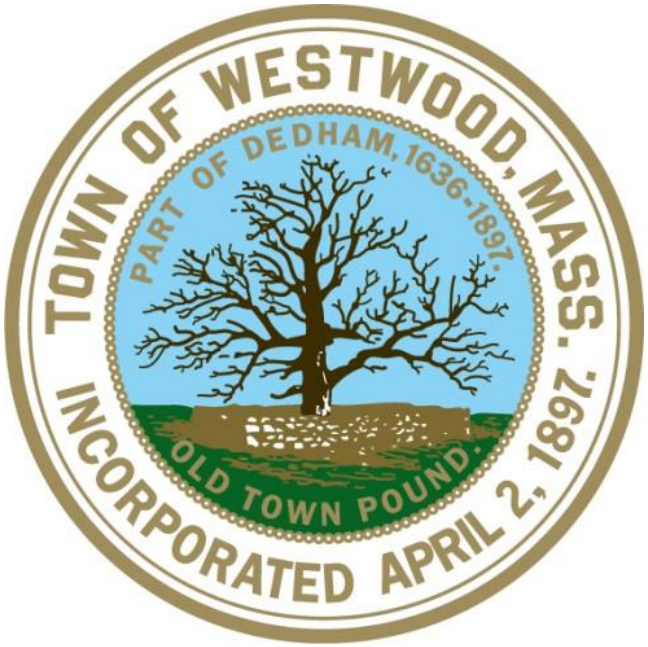
Police	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Uniformed Staff	28	28	31	31	31	33	33	35	35
Dispatchers	7	7	8	8	8	8	8	8	8
Communications Center Director								1	1

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

Improved Staffing has enhanced service delivery to all residents.

Municipal Budget: Areas of Future Focus

- Maintain High Level of Services to the Community
- Continue to Monitor Public Safety Staffing Levels
- Facilities:
  - Ensure new buildings are properly maintained
  - Continue planning for other facilities upgrades.
- Trash/Recycling Services
  - Industry is changing.


TOWN OF WESTWOOD, MASS.
PART OF DEDHAM, 1636-1897.
OLD TOWN POUND.
INCORPORATED APRIL 2, 1897.

FY21 Overall Budget
February 11, 2020

Overall FY21 Summary Book

- Section 1 FY21 Proposed Budget:
  - Specific Budget Proposal
    - Operating Budget
    - Capital Articles
  - Specific FY21 projected revenue.

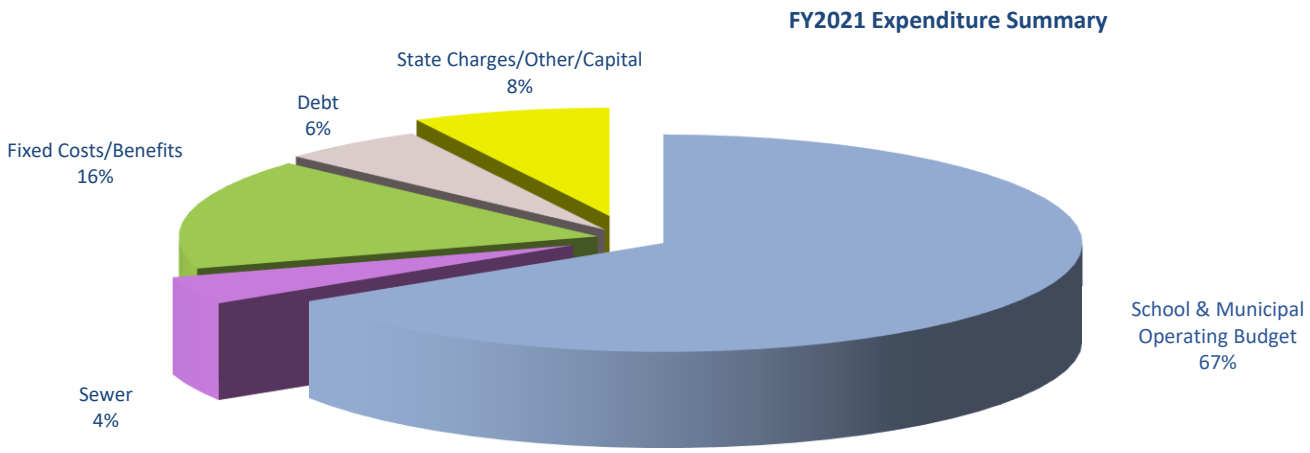
- Section 2 Information to Know: lots of detail on:
  - Tax Levy/Tax Bill
  - State Aid
  - Meals/Hotels Tax
  - Debt
  - University Station
  - Free Cash
  - Stabilization funds
  - OPEB/Pension

- Section 3: Budget Requests
  - Summaries from Detailed Budget Books:
    - Municipal
    - Fixed Costs
    - Schools
    - Capital

FY21 Total Expenditures - $106.4M, 3.8% Increase

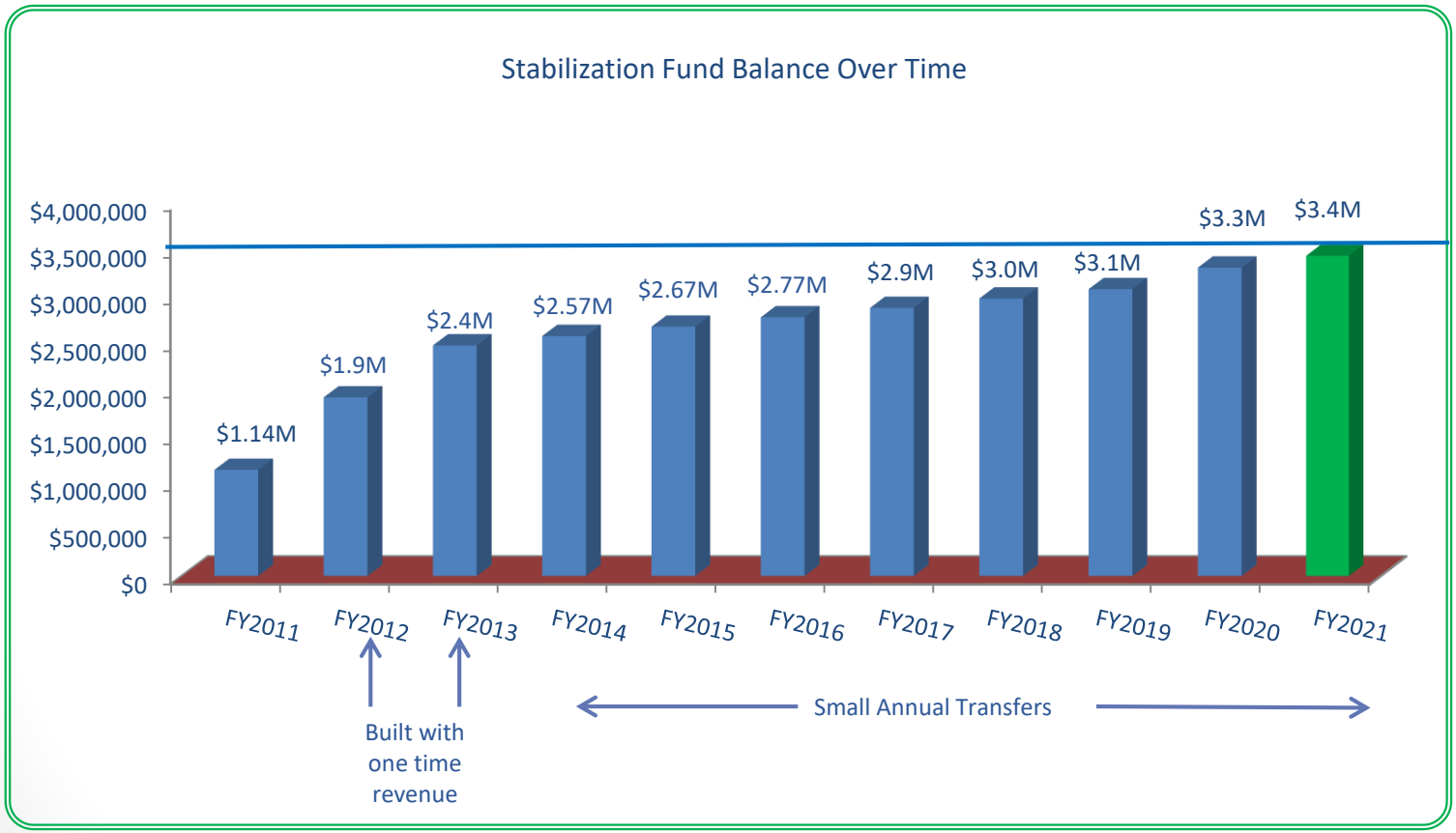
FY2021 Proposed Expenditure Summary

	FY2020 Budget	FY2021 Projected	$ Change	% Change
Total Operating	$94,627,947	$98,311,059	$3,683,112	3.9%
Capital Articles	$4,796,000	$5,288,620	$492,620	10.3%
OPEB & Stabilization	$1,565,000	$1,590,000	$25,000	1.6%
Prior Year/Other Articles	$99,500	$0	($99,500)	-100.0%
Other Amounts to be Raised	$1,415,687	$1,247,691	($167,996)	-11.9%
Total Expenditures	**$102,504,134**	**$106,437,370**	**$3,933,236**	**3.8%**



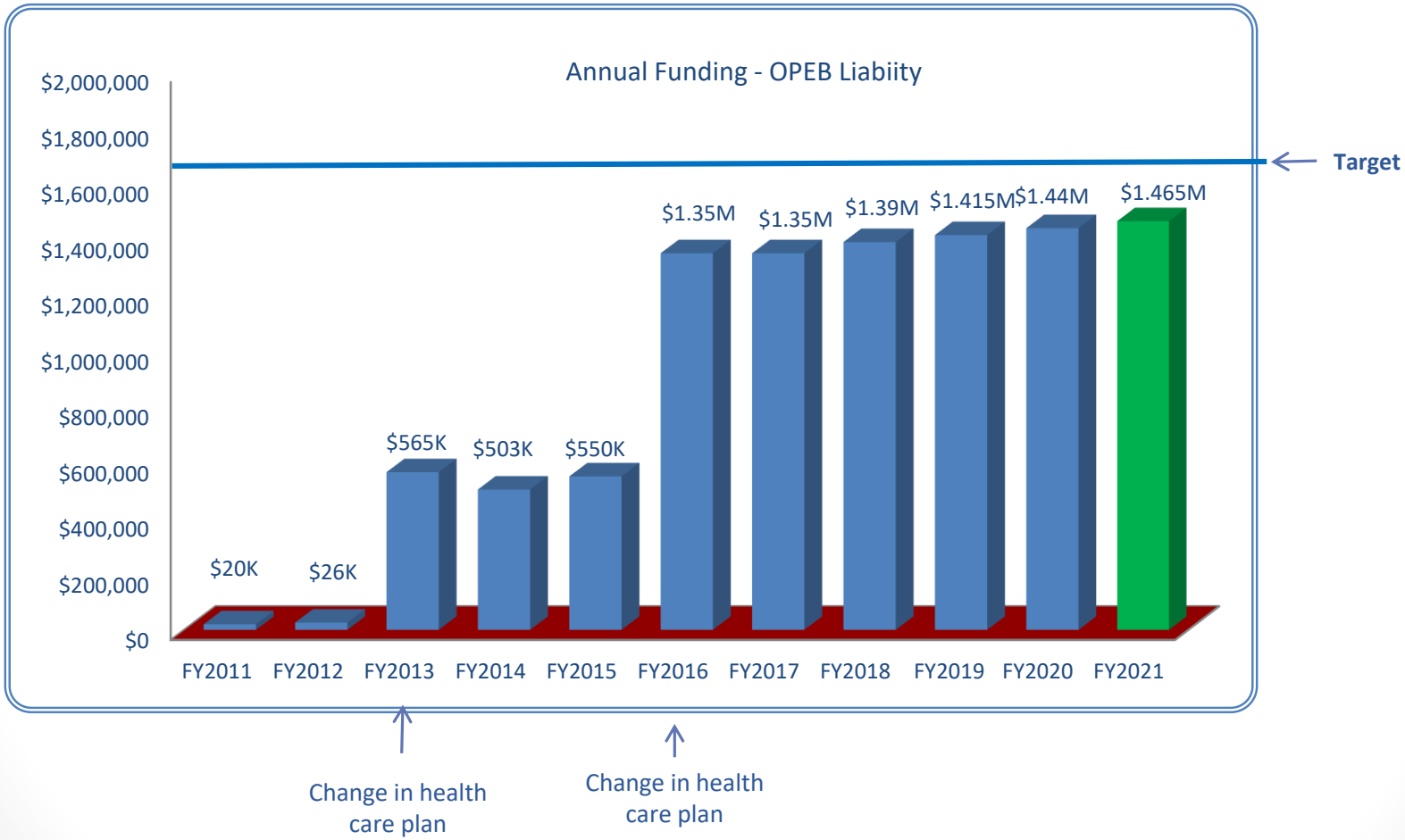
Appropriation to Stabilization Fund

Purpose	Amount	Funding Source
Stabilization Fund	$125,000	Free Cash



Appropriation to OPEB Liability Trust Fund

Purpose	Amount	Funding Source
OPEB Liability Trust Fund	$1,465,000	Taxation



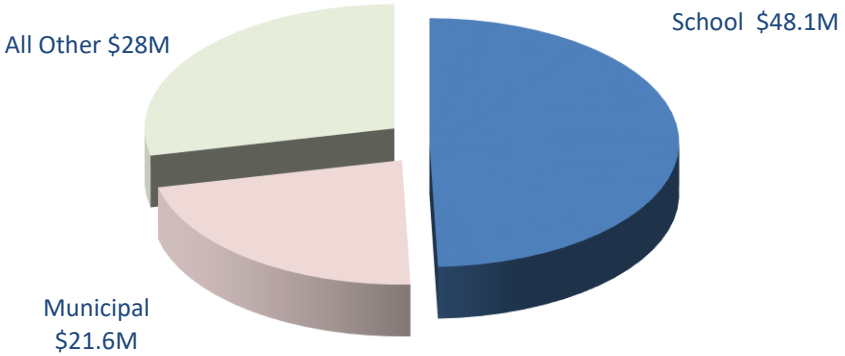
- On target with funding plan, $25K additional per year
- Balance in trust fund account as of 12/19 is approximately $10.7M.

FY21 Proposed Operating Budget $98.3M, 3.89% increase

FY21 Proposed Operating Budget

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

FY20 Budget	Category	FY21 Proposed	$ Change	% Change
$46,513,031	School Operating	$48,187,500	$ 1,674,469	3.60%
$ -	FY20 Ch70 Aid for Schools	$ 160,000	$ 160,000	
$20,908,040	Municipal Operating	$21,653,795	$ 745,755	3.57%
$ 149,576	Blue Hills (Estimate)	$ 159,576	$ 10,000	6.69%
$ 110,676	Traffic Supervisors	$ 116,077	$ 5,401	4.88%
$16,554,870	Fixed Costs (Includes Trash)	$17,613,181	$ 1,058,311	6.39%
$ 6,056,779	Debt Service	$ 5,949,779	$ (107,000)	-1.77%
$ 4,334,975	Sewer	$ 4,471,151	$ 136,176	3.14%
$94,627,947	Total	$98,311,059	$ 3,683,112	3.89%



Continued stable and sustainable operating budget growth.

FY21 Fixed Costs/Reserve Budget $17.6M, 6.4% increase

	FY20	FY21	$ Change	% Change
Employee Benefits	$13,803,020	$14,689,131	$886,111	6.4%
Insurance/Shared Costs	$2,031,850	$2,199,050	$167,200	8.2%
Reserve Accounts	$720,000	$725,000	$5,000	1.3%
Total Fixed Costs	$16,554,870	$17,613,181	$1,058,311	6.4%

This employee benefit budget ($14.68M) includes:

- Pension Assessment (7% increase) $5.8M
- Health Insurance budget (5% increase) $6.5M
- Medicare Payroll tax (10% increase) $1.17M
  - Total of these three items $13.47M

Employee Benefit Cost

Looking At Town Debt, Absorbing New Debt

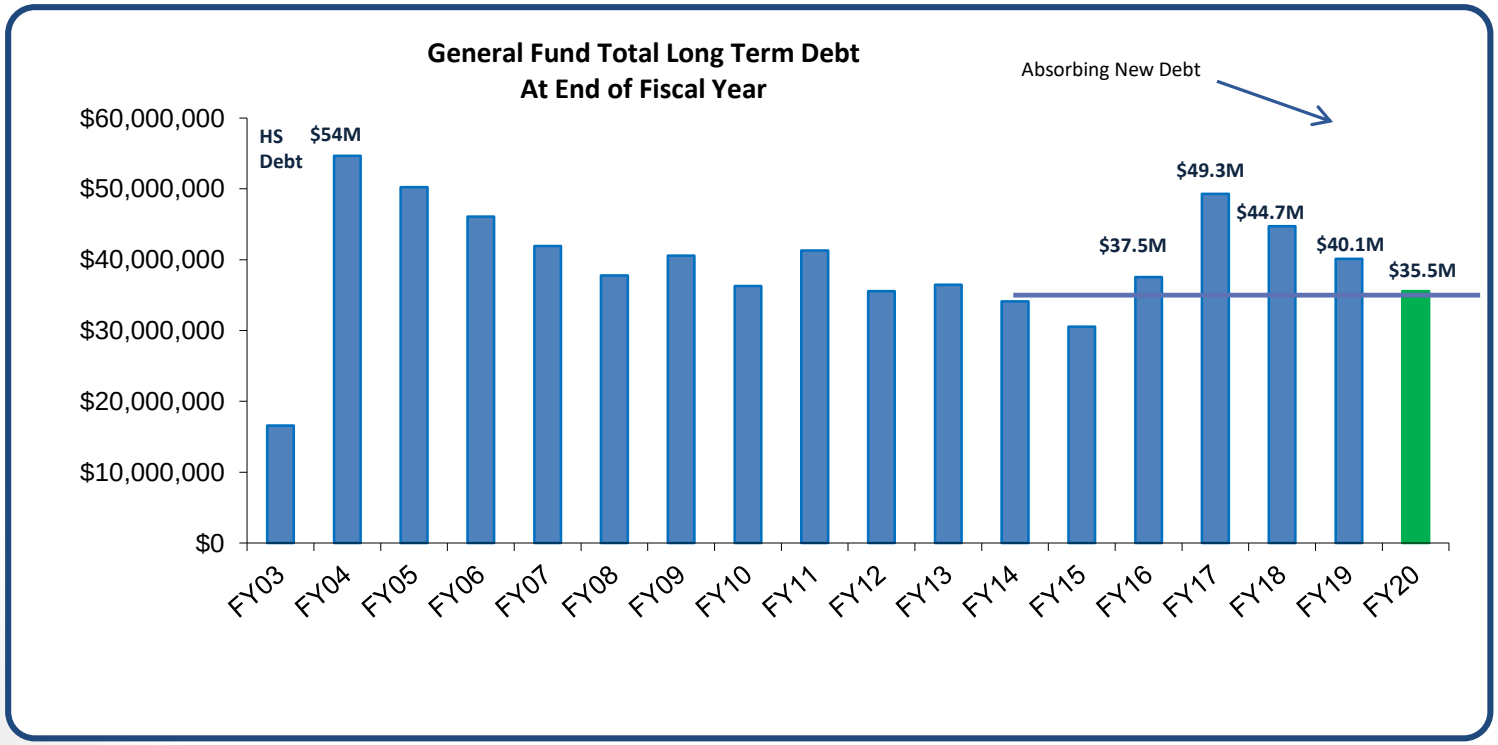
Favorable Borrowing Climate

- 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

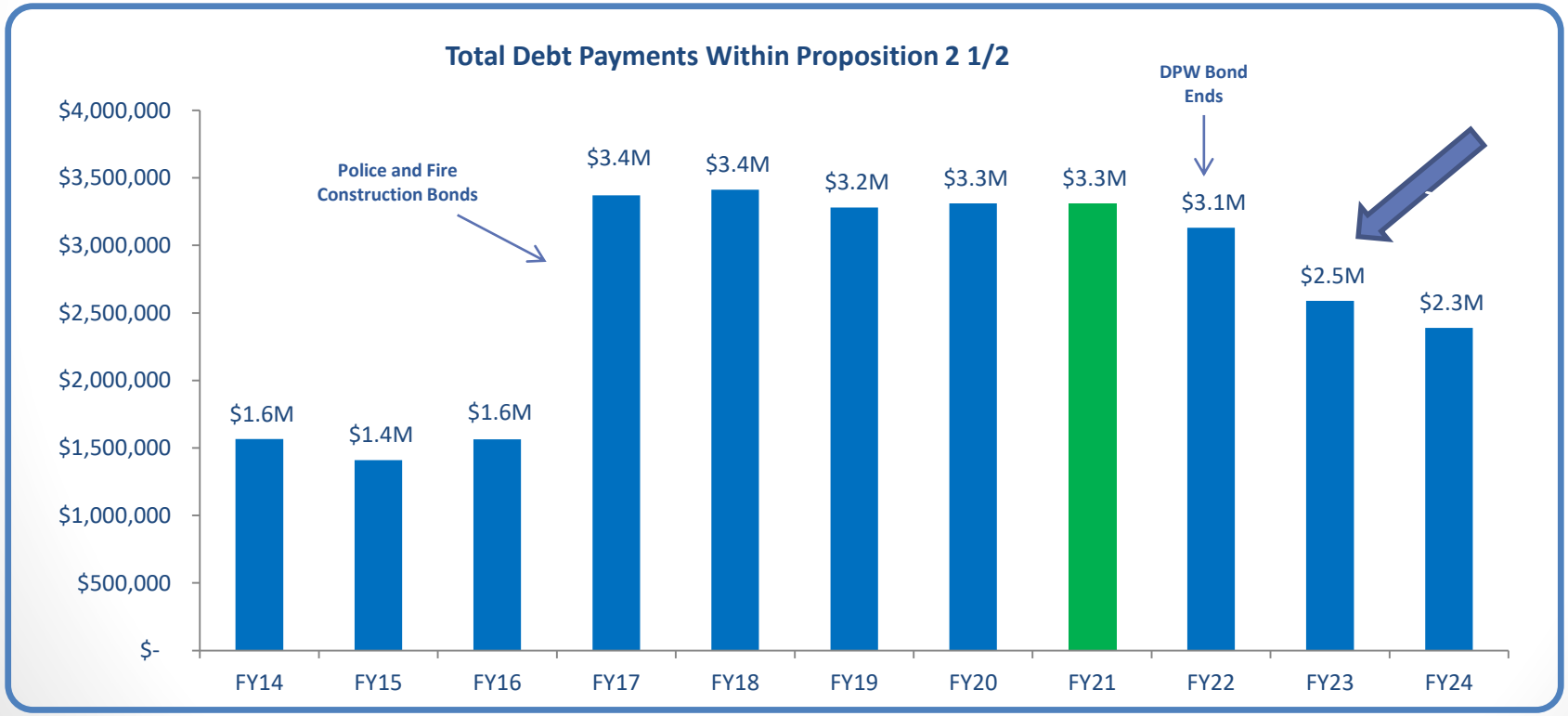
- Bond sold August, 2016:
  - $16.64M, 10-30 year term, 2.4%.
- Bond sold August, 2015:
  - $10.45M, 5-20 year term, 2.6%.

- Debt authorized, not yet issued $6,150,000



Total FY21 Debt Budget: $5.9M, decrease of 1.8%

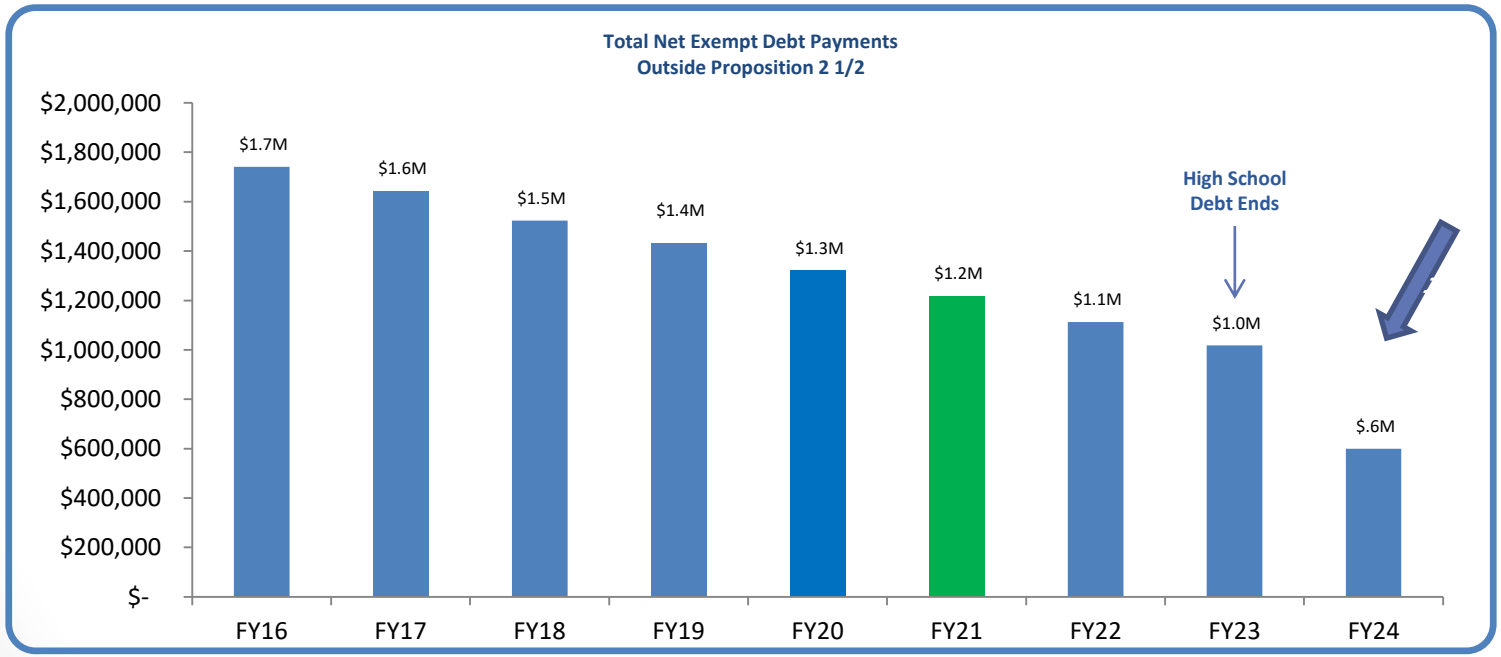
	FY20	FY21	$ Change	% Change
Exempt Debt	$2,744,613	$2,637,613	($107,000)	- 3.9%
Non Exempt Debt	$3,312,167	$3,312,167	$0	0
Total	$6,056,780	$5,949,779	$107,000	-1.8%



- $4.6M 10 year bond issued in 2012 is completed in FY22

Total FY21 Debt Budget: $5.9M, decrease of 1.8%

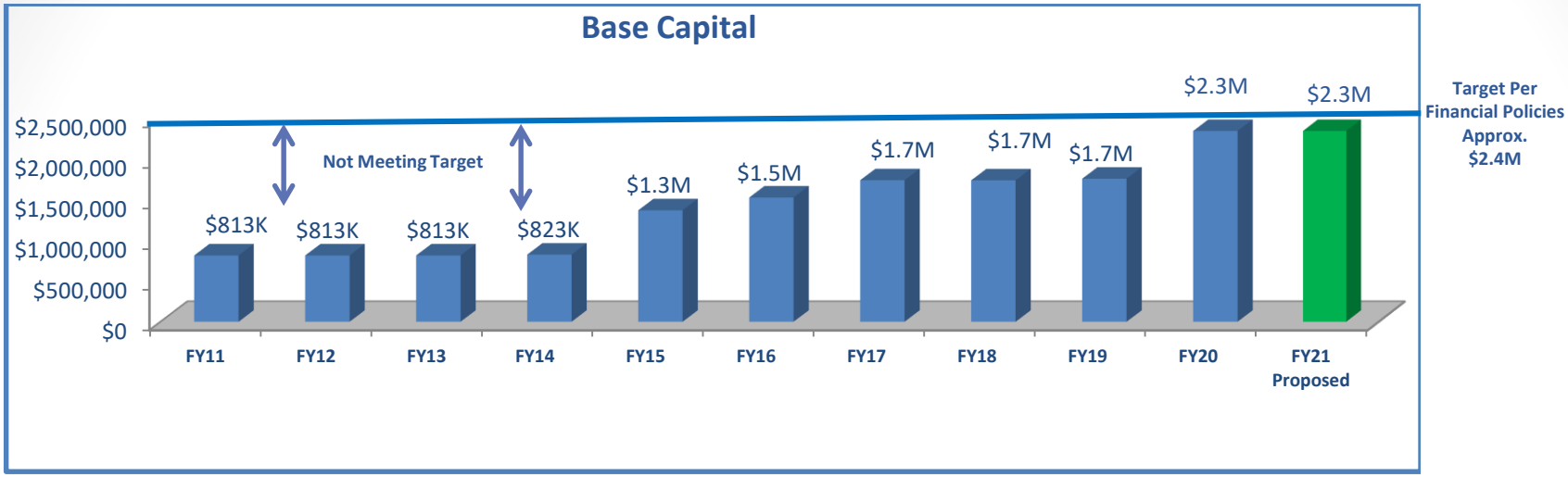
	FY20	FY21	$ Change	% Change
Exempt Debt	$2,744,613	$2,637,613	($107,000)	- 3.9%
Non Exempt Debt	$3,312,167	$3,312,167	$0	0
Total	$6,056,780	$5,949,779	$107,000	-1.8%



- High School bond ends in FY23

Capital Budget Articles - $5.3M Total

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



Base Capital

- Article: Municipal Capital Improvements
  - $1,304,400, funded with Free Cash

- Article: School Capital Improvements
  - $1,017,000, funded with Free Cash

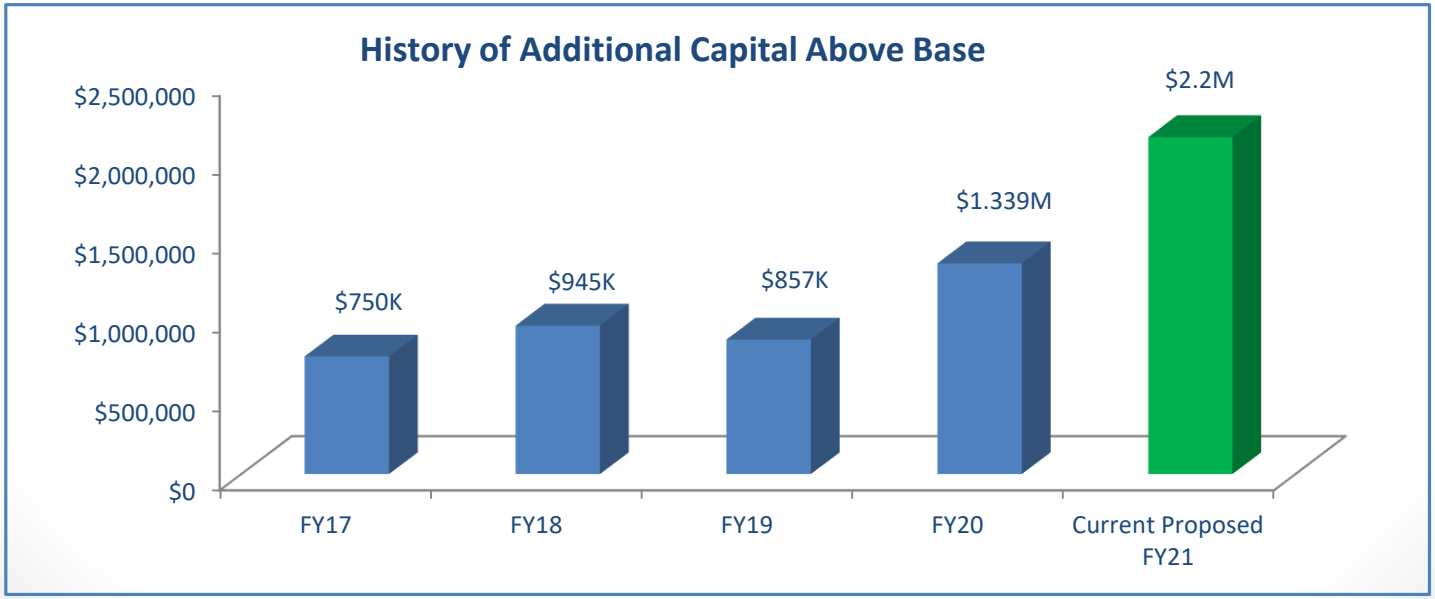
Other Capital

- Article: Sewer Capital Improvements
  - $765,000 funded with Sewer Retained Earnings

- Article: Other Capital – Ambulance
  - $64,720 funded with Ambulance Revenue

Capital Budget – Additional Capital Article Beyond the Base

- Since FY17, the Town Meeting has approved an "additional" capital budget article
  - 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
  - FY21: Other Capital Improvements
    - Town and School Projects, $1.062M Funded with Free Cash
    - Town Wide Recreation Projects, $1.075M Funded with Meals/Hotels Tax



Additional Capital – Town and School Projects

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

Additional Capital – Town-Wide Recreation Projects

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

Article Budget -13
Road Improvement Bond

Item	Amount	Funding Source
Route 109 Improvements	$2,550,000	Bond
Crosswalk/Safety Improvements	$500,000	Bond
Paving/Sidewalk Enhancements/Winter/Clapboardtree Intersection/ Pavement Preservation	$1,600,000	Bond
Total	$4,650,000	

Funded by a Bond Authorization

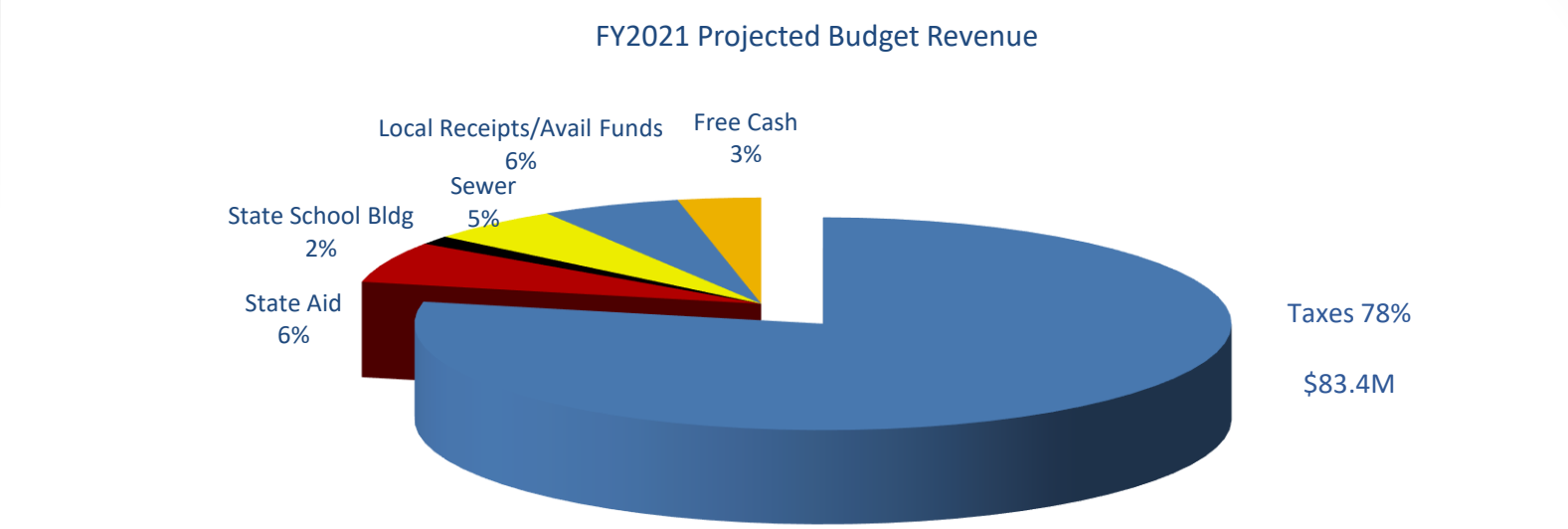
- This would need to be funded by a 10 year bond under Proposition 2 1/2
- This bond would replace a retiring DPW bond issued in 2012.

Equipment Borrowing Article

Item	Amount	Funding Source
DPW - 1 Heavy Duty Dump Truck with Plow (Truck 19)	$325,000	Bond
Total	$325,000	

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

FY21 Proposed Budget Revenue - $106.4M, 3.8% Increase



FY2021 Projected Budget Revenue

	FY2020 Per Recap	FY2021 Proj	$ Change	% Change
Taxes	$80,224,068	$83,363,930	$3,139,862	3.9%
State Aid	$6,395,080	$6,638,070	$242,990	3.8%
State School Bldg Reimbursement	$1,401,276	$1,401,276	$0	0.0%
Sewer Enterprise	$5,790,177	$5,650,370	($139,807)	-2.4%
Local Receipts	$4,195,857	$4,195,857	$0	0.0%
Available Funds	$527,176	$539,246	$12,070	2.3%
Available Funds - prior yr/other articles	$167,000	$64,720	($102,280)	-61.2%
Meals/Hotels Tax	$515,000	$1,075,000	$560,000	108.7%
Free Cash	$3,288,500	$3,508,900	$220,400	6.7%
Total	**$102,504,134**	**$106,437,369**	**$3,933,235**	**3.8%**

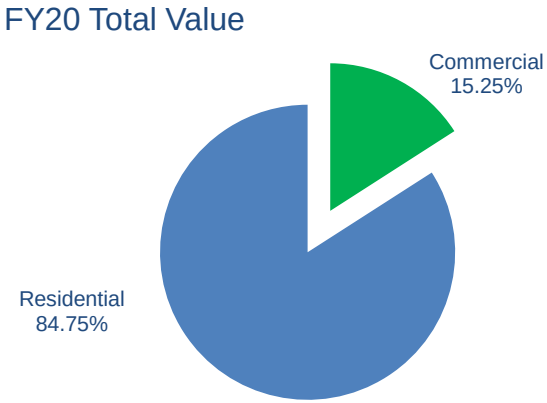
FY21 History of Tax Levy

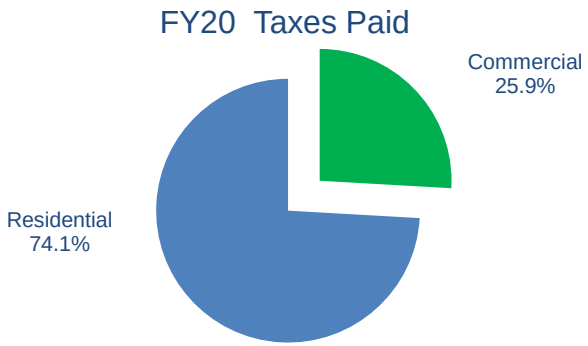
Tax Levy Calculation	FY2017	FY2018	FY2019	FY2020	FY2021	
Prior Year Levy Limit	$66,435,457	$70,367,740	$73,558,364	$76,623,854	$79,703,916	
Plus 2.5% Increase	$1,660,886	$1,759,194	$1,838,959	$1,915,596	$1,992,598	Plus 2.5%
Plus New Growth	$1,099,667	$1,252,430	$950,531	$661,466	$450,000	New growth
New Tax Levy - University Station	$1,171,730	$179,000	$276,000	$503,000	$200,000	Uni Station growth
General Overrides	$0	$0	$0	$0	$0	General Override
Tax Levy Limit	**$70,367,740**	**$73,558,364**	**$76,623,854**	**$79,703,916**	**$82,346,514**	
Exempt Debt	**$1,642,706**	**$1,523,690**	**$1,429,505**	**$1,320,986**	**$1,217,416**	Exempt Debt
Levy Capacity	**$72,010,446**	**$75,082,054**	**$78,053,359**	**$81,024,902**	**$83,563,930**	What we could tax
Actual Levy Assessed	$70,500,803	$74,005,710	$76,955,697	$80,224,068	$83,363,930	What we actually tax
Excess Levy(Taxes not raised)	$1,509,643	$1,076,344	$1,097,662	$800,834	$200,000	Unused tax levy

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

- No general override since 2007

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

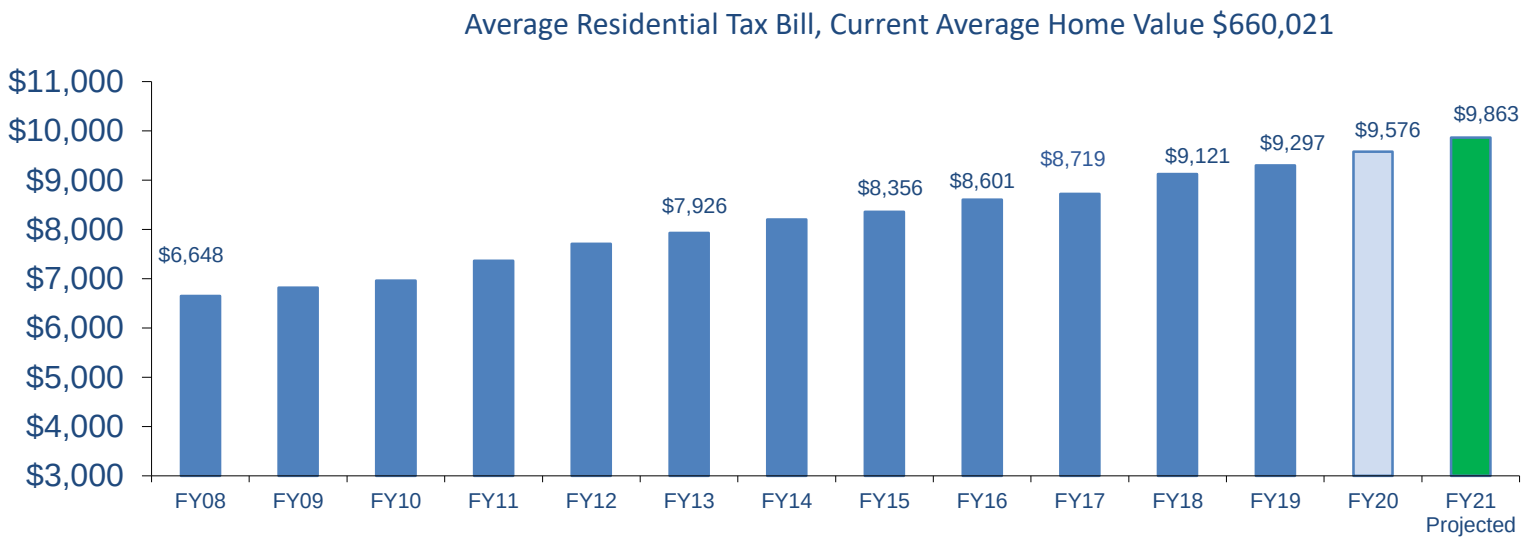




Commercial is 15.25% of value, but pays 25.9% of taxes

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

A Look at the Average Tax Bill



- FY21 bill projected increase of $287 or 3%

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

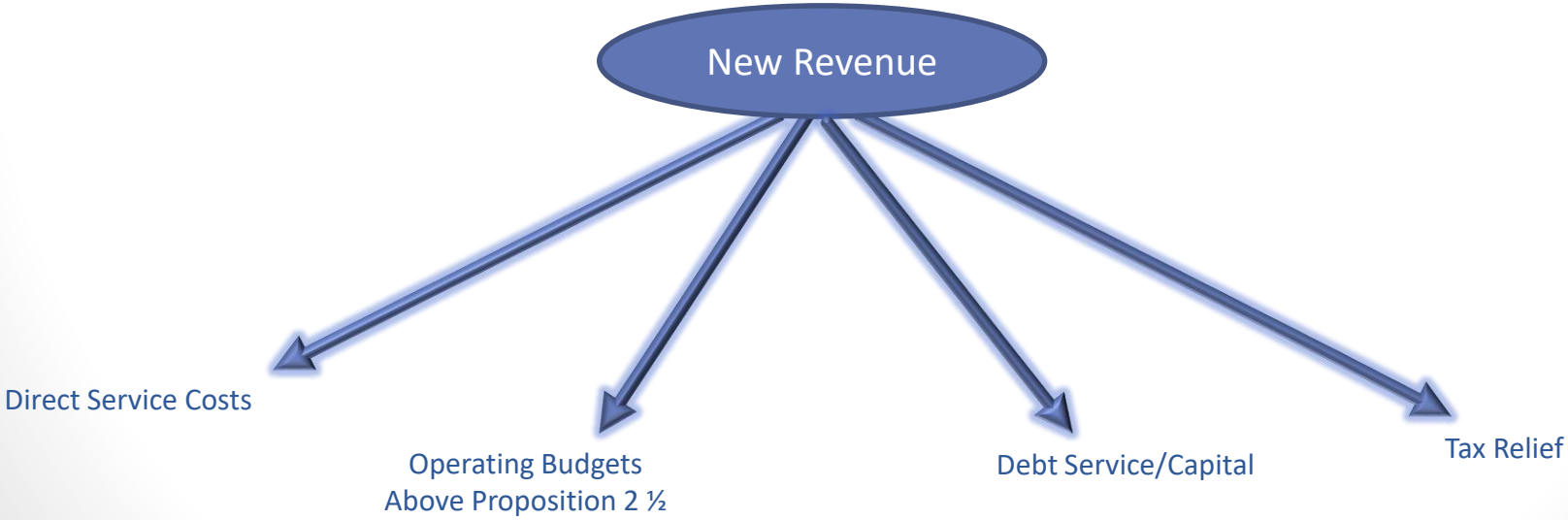
Westwood's Ranking in the State Average Tax Bill						
FY14	FY15	FY16	FY17	FY18	FY19	FY20
18	17	17	18	17	18	18

University Station Revenue Has Helped All Budget Areas

- University Station has provided important new commercial tax revenue:

University Station New Growth Tax Revenue						
FY15	FY16	FY17	FY18	FY19	FY20	Total
$565,000	$3,242,307	$1,171,730	$179,000	$276,000	$503,000	$5,937,037

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



Balance Many Needs

University Station Revenue Significantly Helps Multiple Budget Areas

- **School and Municipal Services have been enhanced without need for an override:**

Total Increase in funding to Operating Budgets	**$2.639M**
School	$1.9M
Municipal	$ 700K

- **The increase in direct services has been funded by the project revenue itself**
- **Public Safety staffing greatly improved.**

Total Funding for Direct Service Costs	**$1.938M**
School	$ 265K
Municipal	$ 1,672,500

- **Important capital has been funded without need for an override**

Ongoing:

Debt Service – Police Bond	$800,000
Debt Service – Route 109 Road Bond	$92,500
Total Ongoing	$892,500

One Time – Capital Fund	$975,000

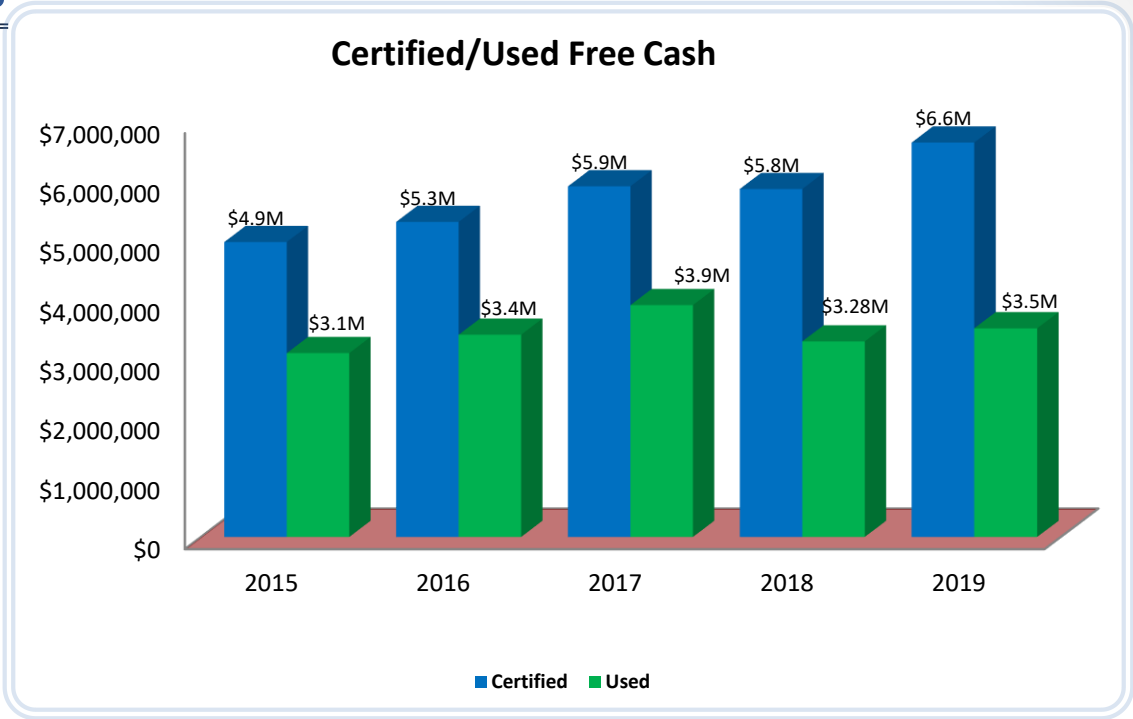
- **New revenue has been used to mitigate residential tax bills.**

	FY16	**FY17**	**FY18**	**FY19**	**FY20**
Unused Tax Levy	$500,000	$670,000	$279,000	$555,000	$378,000

Other Revenue Sources

Free Cash

- Certified $6.6M
- Budget Currently Uses
  - $125K Stabilization
  - $3.38M Capital
- $3.1M unallocated
  - Financial policy is $3.3M unallocated

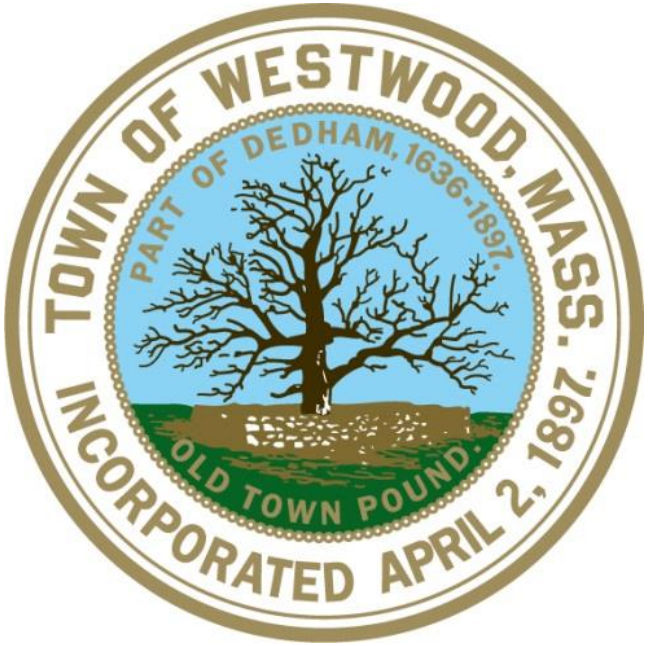


Meals/Hotels Tax

- Total balance through 12/19 $1.47M
  - Expected balance at 6/30/2020 $1.8M
  - Budget Uses $1,075,000

Next Steps in Budget Cycle

- Continued review of revenue projection
  - State budget process
- Continue review of expenditures/other updates
  - Assessments (Blue Hills, MWRA)
  - Health Insurance
- Select Board continues review/refinements to Capital Budget
- Prepare Articles 1 and 2 FY20 Budget Supplements
- Any updates will be presented to Finance and Warrant Commission in advance of Fincom March Public Hearings


TOWN OF WESTWOOD, MASS.
PART OF DEDHAM, 1636-1897.
OLD TOWN POUND.
INCORPORATED APRIL 2, 1897.