



FINAL REPORT OF THE WESTFORD BUDGET TASK FORCE



OCTOBER 18, 2023

EXECUTIVE SUMMARY

The Budget Task Force was appointed by the Select Board in May of 2023 to evaluate upcoming budget challenges and to investigate potential solutions for revenue and efficiency. The approach was to:

- Perform data-driven research
- Evaluate our current budget against peer communities and our own history
- Solicit and explore ideas and solutions from all sources.

The Task Force performed a close analysis of the primary challenges in the upcoming FY25 and FY26 budget, some of which have sharp increases of 10-30%, including Health Insurance, Waste Collection, Union Contracts, Energy Costs, School Transportation and Special Education Tuitions. **Analysis of these upcoming challenges shows an increase in expenses of \$7-10M in FY25 and a further increase of \$5.7-7.9M in FY26.**

The Task Force was able to identify several areas for further exploration that may lead to process efficiencies, cost savings, or new revenue. While there is reason to be optimistic about the possible opportunities, many will take time to produce gains and will not cover these expense increases. To illustrate the severity of the situation, Town and School administration were asked to give an indication of the potential cuts and reductions in services in Section VIII. The Town may consider a Proposition 2 ½ override as an alternative to the significant budget cuts, or some combination of both cuts and an override.

These recommendations were integrated from the new revenue research, observations from benchmarking, and insight from interviews with peer communities and department heads. A complete list is in Section VII. Below are select high priority areas:

- Invest in energy efficiency improvements as part of the contract with Ameresco or other means
- Develop a strategy to reduce Westford's per household solid waste disposal to best practice levels. Westford is currently 17% above the state average for curbside collection, leading to high tipping costs to incinerate our waste.
- Consider Pay As You Throw strategies to share the increased costs related to waste collection and disposal with residents.
- Review town position on cannabis dispensaries. There is now substantial data on public health and public safety impacts as well as the potential economic benefits to the town.
- Increase Ambulance fees to be consistent with surrounding communities (New rates were adopted in September 2023.) Additionally, the Westford Fire Department should investigate potential for improving collection rates – some communities have higher collection rates than Westford.
- Strengthen economic development to bolster commercial tax revenue to ensure existing commercial zones are used productively
- Pursue the MBTA Multi-family Zoning amendment to generate new growth potential
- Review policy on funding level of the Recreation Department. Many peer communities do not have a Recreation Department or require that they be completely self-funded. Westford subsidized the Recreation Department \$263,227 in FY24.
- Consider consolidating vehicle servicing and fueling versus the current patchwork of approaches and service providers.
- Consider further consolidating town and school facilities management in hopes of mirroring other communities' success with this approach.

- Consider consolidating counseling/mental health support resources to improve efficiency.
- Review Westford's Health Insurance strategy to ensure it is the most cost-effective course. The expenses of our partially self-insured health care strategy have been far higher than forecasted over the past 12 months.
- Review rent levels and potential increased town use of space in the properties currently rented by TRCCI Inc. located at 65 Main Street, 71 Main Street, and 170 Plain Road (Roudenbush properties). Rent levels are well below market levels for similar types of properties and space in these buildings could be used to meet urgent town space needs.

While the Task Force attempted to be as comprehensive as possible in our evaluation, there are some limitations to our efforts. The focus was on the known challenges coming in FY25 and FY26 but this work is not exhaustive and there may be additional inflationary impacts and unforeseen circumstances that could impact future operating budgets beyond FY26. Additionally, the Task Force did not fully address capital needs in a broad way due to time constraints, and recommends that the Capital Planning Committee develops a comprehensive 5 or 10 year plan. This type of plan should address the backlog of projects in addition to those identified in the most recent School Master Plan Feasibility study to help address the potential risk in deferred maintenance and to ensure resident needs are being met.

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Cover photo courtesy of Ben Domaingue

I. INTRODUCTION

During the Spring of 2023 numerous budget challenges for future fiscal years arose which would require the expenditure of town funds well in excess of what has been allocated to those individual town functions previously. These budget challenges are listed below.

- Solid Waste/Recycling (new contract starting FY25) - about \$500k
- Energy Costs (gas and electricity) – less than \$500k
- Employee Non-Union Salaries – less than \$500k
- Town and School Collectively Bargained Union Contracts - \$3M+
- Health Insurance Trust - \$1M - \$2M+
- Bus Contract – about \$500k
- Special Education Fleet Leases – less than \$500k
- Special Education Out of District Tuitions – \$1M - \$2M

The Select Board realized that unless Westford took proactive measures to address the looming budget difficulties, providing Westford residents with a consistent level of service would demand more funds than would be available. The Select Board therefore convened a Budget Task Force to assess the budget situation and provide options for the Select Board, Finance Committee, and School Committee to consider.

A. Budget Task Force Charge

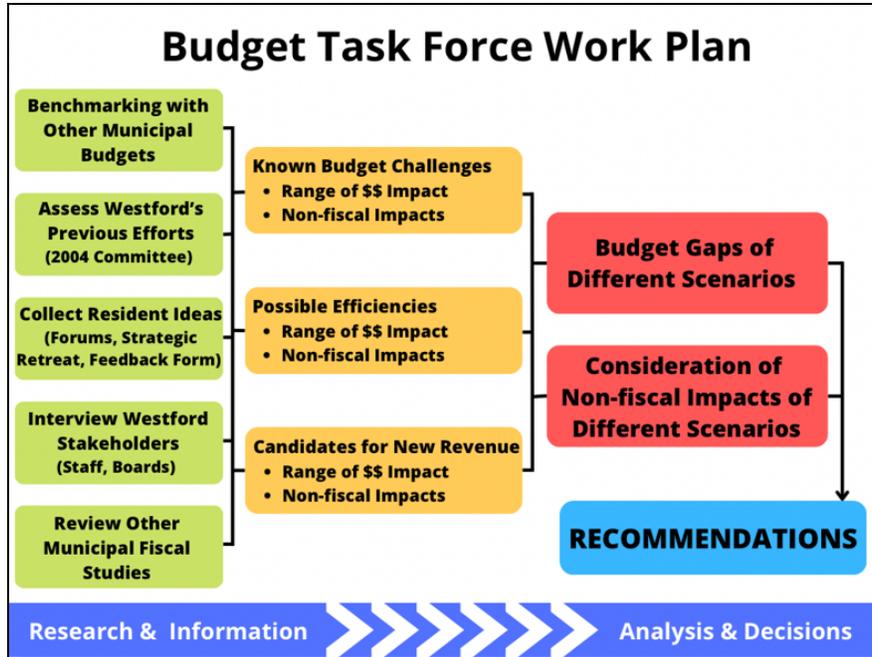
The Select Board does hereby establish a nine (9) member Budget Task Force consisting of one (1) member each of the Select Board, School Committee and Finance Committee, two (2) members at large, the Town Manager, School Superintendent or their designee, Town Finance Director, and School Finance Director.

The Budget Task Force shall be charged with recommending several scenarios for a five-year, sustainable fiscal plan for the Town of Westford. Said fiscal plan shall consider, as an example, alternative revenue sources; overrides and exclusions under Proposition 2 ½; cuts in service; contracting out of services, as well as other measures. Said fiscal plan shall include both operational and capital budgets for the Town. The Committee shall consult with pertinent departments as it formulates its plan.

The Task Force shall present its findings to a joint meeting of the Select Board, Finance Committee, and School Committee by October 1, 2023. The Task Force shall meet biweekly at a time and place mutually agreeable to its membership. The Select Board shall reserve the right to continue the Task Force after its task is complete in order to adjust the plan due to changing circumstances.

List of Members

Tom Clay, Select Board, Chair
Valery Young, School Committee, Vice Chair
Chris Chew, Westford Public Schools Superintendent
Shana Farnsworth, Resident, Clerk
Kristina Greene, Finance Committee
Vibhu Jain, Resident
Kristen Las, Town Manager
Jenny Lin, School Finance Director
Dan O'Donnell, Town Finance Director
Erika Kohl, Resident, Alternate
Amy Lundquist, Resident, Alternate



B. Work Plan and Process

Upon being created, the Task Force quickly organized itself into two subcommittees. One group focused on detailing the rise in expenses of the upcoming budget challenges and researching opportunities for new revenue. Another group performed deep dive analysis of Westford’s department level spending compared to market communities and reviewed potential efficiencies. Throughout this research and investigation, members collected any reflections for best practices to consider moving forward and included a list in Section IX.

Projecting the Budget Impact

To evaluate its options for dealing with budget issues, the Task Force sought to understand the magnitude of the expense increases anticipated over the next few years. The Finance Department estimated the range of likely budget impacts over the next few years for each of the upcoming budget challenges. It also identified a “most likely” value that indicated the best educated guess of where, within that range, the actual value would fall. For more information on the math methodology used for this effort, please refer to Appendix A.

Selecting Market Communities

When deciding who to compare ourselves to, the Task Force agreed to use two separate lists that reflect the current practice for town and school analyses in collective bargaining. For the past number of years, the Town of Westford has used a list of 20 communities that were subjectively chosen as being similar to Westford in several metrics. Upon initial investigation of the existing list of comparable communities, Wakefield’s budget information was difficult to find, so the Task Force agreed to remove Wakefield. Members also agreed to add Franklin and Shrewsbury as both were felt to have practices or services that could provide helpful information.

For the school analysis, the Massachusetts Department of Elementary and Secondary Education (DESE) determines ten “DART” districts as comparable in terms of grades span, total enrollment and special

populations (students with disabilities, low income, English language learners). This list of districts changes over time as the profile of the student population changes. WPS also recently became aware that it is industry practice to also include school districts that are geographically adjacent to our community. Towns with an asterisk indicate the DESE DART districts. Italicized communities are represented on both lists.

School	Town
<i>Acton-Boxborough*</i>	<i>Acton</i>
Arlington*	Andover
<i>Chelmsford</i>	Bedford
<i>Concord</i>	Belmont
Groton-Dunstable	Billerica
Hingham*	Burlington
Holliston*	<i>Chelmsford</i>
Littleton	<i>Concord</i>
Milton*	Dracut
Natick*	Franklin
Needham*	Lexington
Sharon*	North Andover
Tyngsborough	Reading
<i>Wellesley*</i>	Shrewsbury
<u>Westford</u>	Stoneham
Winchester*	Sudbury
	Tewksbury
	<i>Wellesley</i>
	Westborough
	<u>Westford</u>
	Westwood
	Wilmington

Community Input

Incorporating community feedback was a priority for the Task Force and had three focus areas:

- Educating the public on the upcoming expenses
- Brainstorming solutions
- Learning what services were most valuable

Since May, the Task Force has made efforts to be accessible to the public and to engage the community. Task Force virtual meetings were open to attendees with Zoom registrations and later broadcast on Westford CAT. Agendas and meeting minutes are posted on the document management site according to Open Meeting Law regulations, as well as directly on the Budget Task Force website on westfordma.gov. In July, a public listening forum was held at the Millennium Building with an in-person and virtual option for attendees. The Task Force committed to publishing the presentation ahead of time on the website and the forum was recorded by Westford CAT.

The Task Force also created an open online form for submitting feedback, whether identified or anonymous. The question prompts were purposely left open-ended to capture any thoughts from residents, employees or business owners. The link to the form was shared on social media, the Town Manager's newsletter, and on the BTF website.

For the town-wide Strategic Planning Retreat in September, the Task Force created an informative handout detailing the information that had been collected. Members led roundtable discussions to share and explain the benchmarking data analysis and the details of the budget issues. A follow up survey was created to capture the reactions of residents.

Below is a high-level, brief summary of the feedback received:

- Concerns that increasing fees and taxes would be a hardship for many residents
- Appeals to maintain school services, the willingness to pay more to do so and the assertion that this is directly related to Westford's property values
- Suggestions to examine the possibility of shared services with other communities
- Requests to consider clean energy and sustainability options
- Ideas for changes in trash collection, such as requiring more personal responsibility for waste disposal, starting a composting program, or offering yard waste disposal
- Requests for additional services such as increased sidewalks throughout town

Additional details can be found in Appendix B.

II. WESTFORD COMMUNITY PROFILE

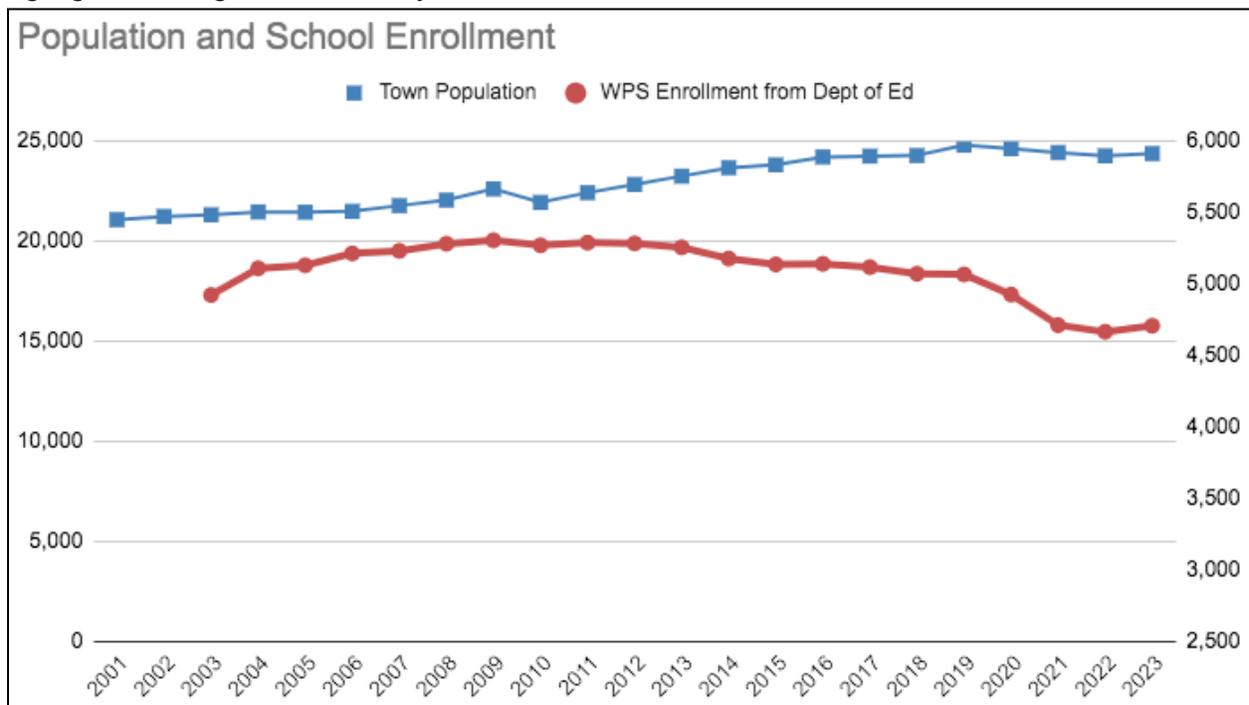
In this section: A look at Westford's population and income data

It is important to look at Westford's demographic data to understand the town's budget history, how service demands have evolved, and the broader context for the current situation.

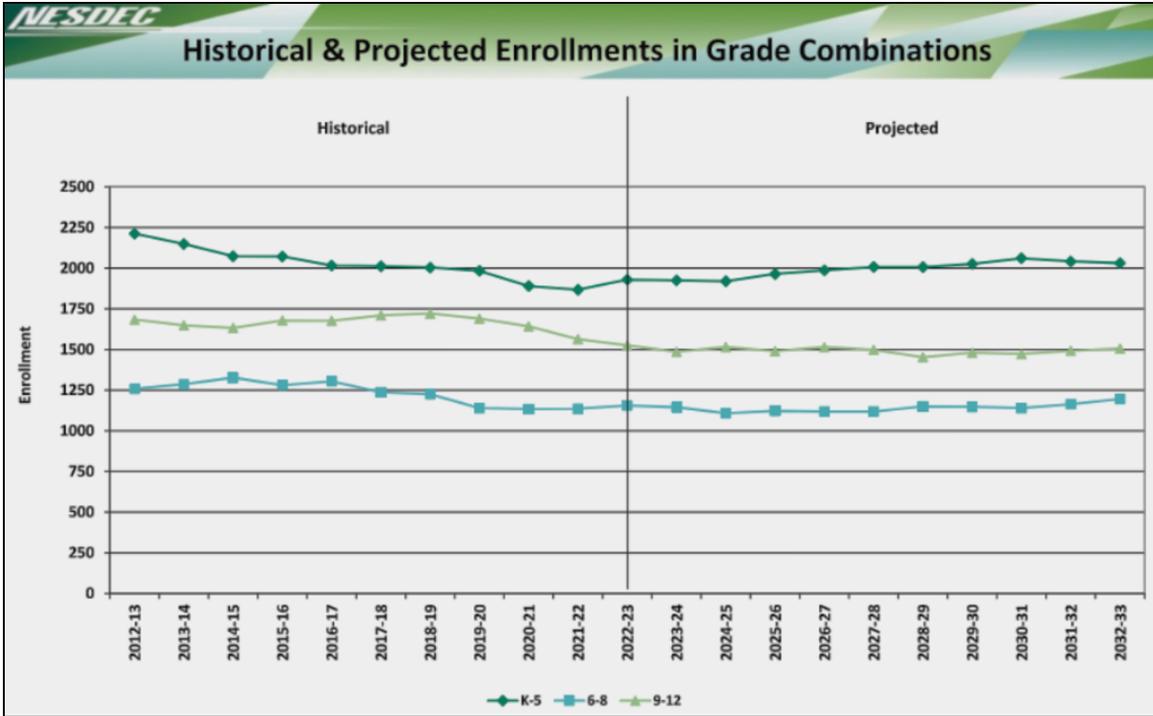
Data Sources: Data was mostly sourced from the Massachusetts Division of Local Services (DLS) databank which collects from all municipalities on demographics, debt, expenses, revenue, taxes and property values (<https://www.mass.gov/collections/DLS-databank-reports>). School enrollment data is from DESE (<https://profiles.doe.mass.edu/statereport/enrollmentbygrade.aspx>).

A. Population and School Enrollment

Westford's total population has gradually increased since 2001 and appears to be leveling off in recent years. Please note that the scales are different on the left and right axes for each dataset in order to highlight the changes in the last 20 years.

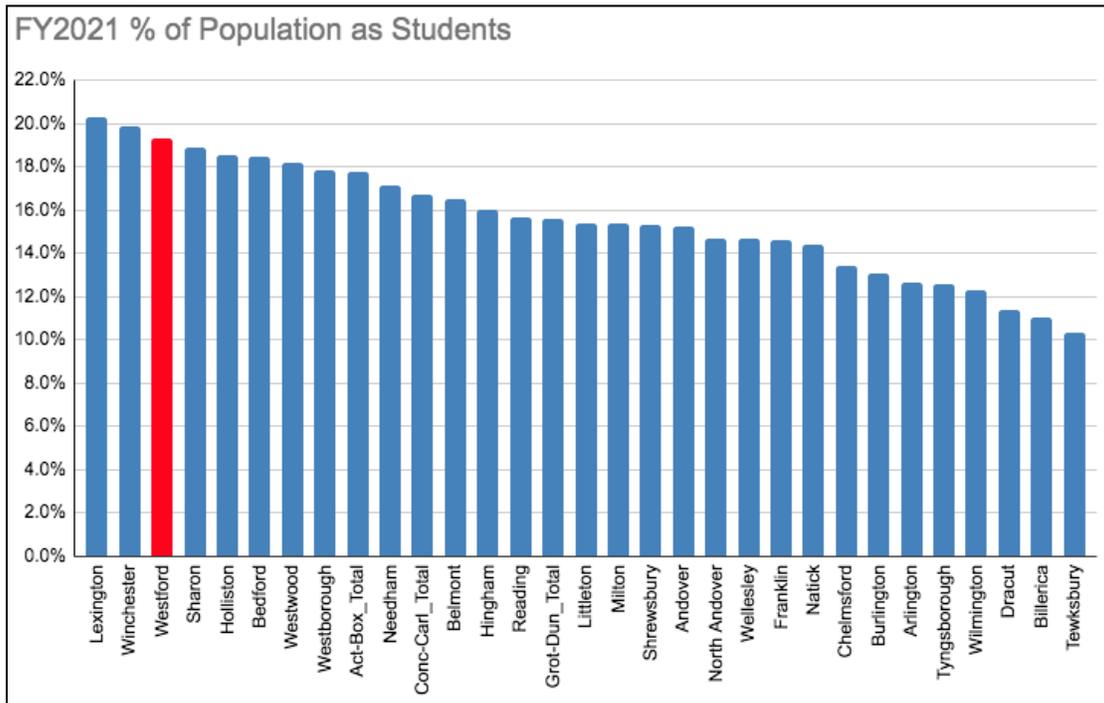


As part of the Schools master plan feasibility study conducted by SMMA in 2022-2023, future enrollment projections were produced. Enrollment has declined in the last ten years and is projected to hold relatively steady for the next ten. Classroom teachers and numbers of sections have been routinely adjusted to reflect the lowered enrollment.



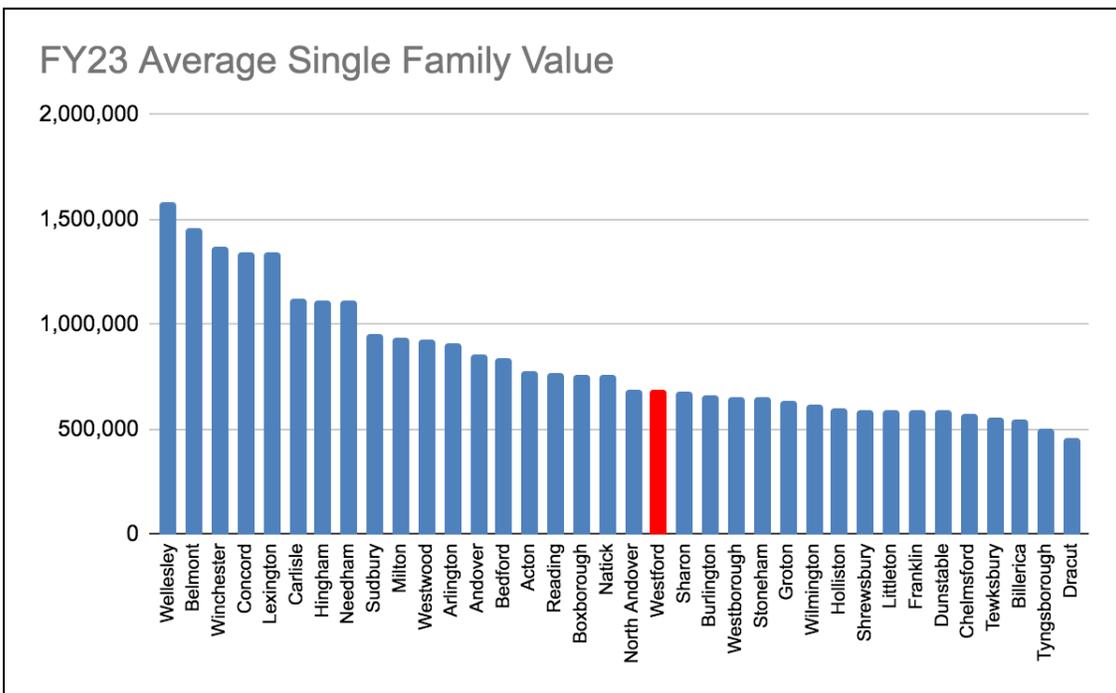
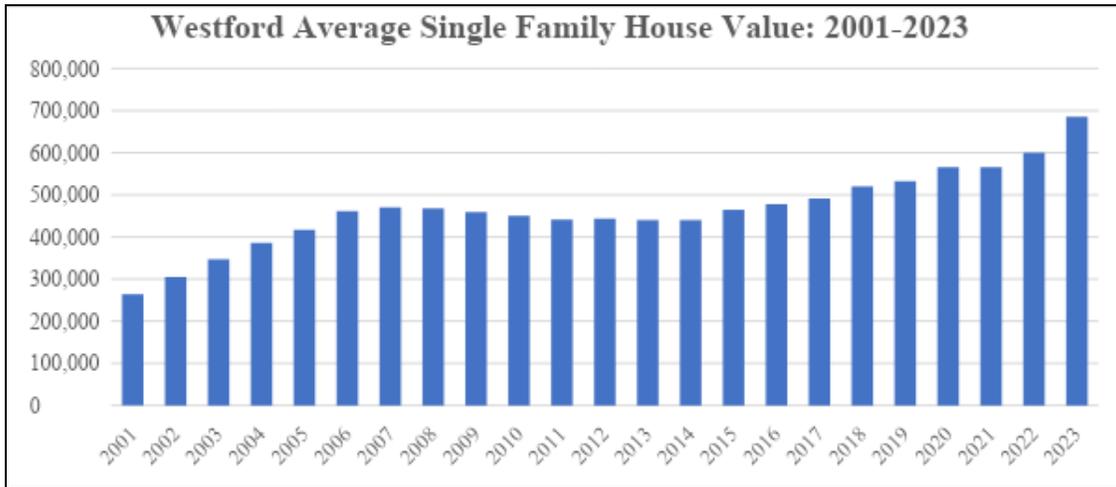
Provided by NESDEC. Top line is K-5; middle line is Grades 9-12; bottom line is Grades 6-8.

In comparing Westford’s demographics to both town and school market communities, Westford stands out as having the third largest percentage of students, after only Lexington and Winchester. This dataset uses each district’s enrollment reported to DESE as a portion of that town’s census population for 2021 (or combined for regional districts).

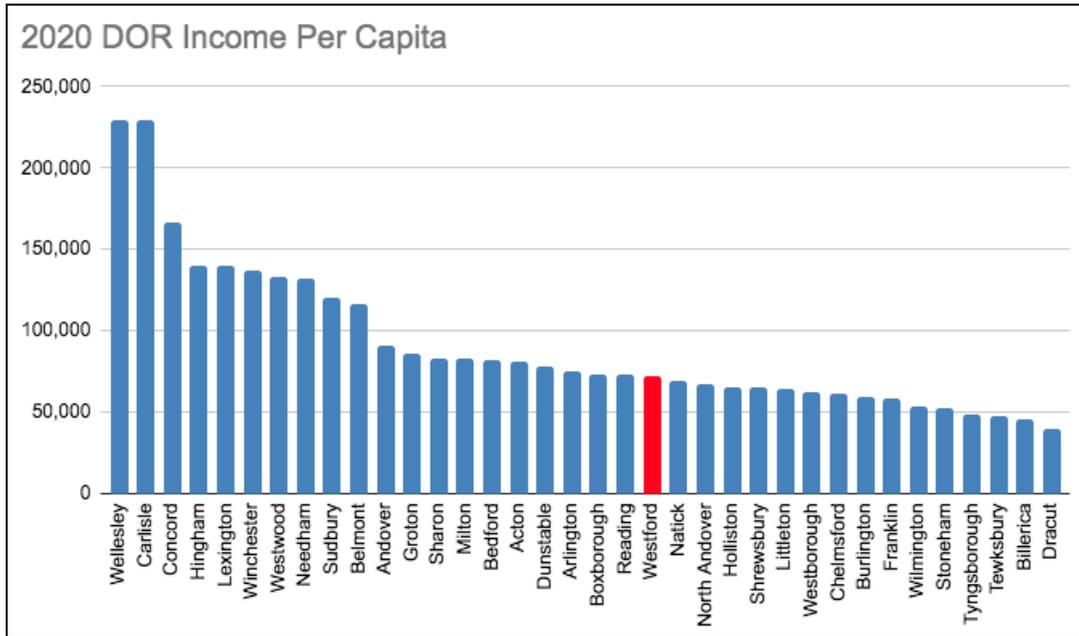


B. Property and Income

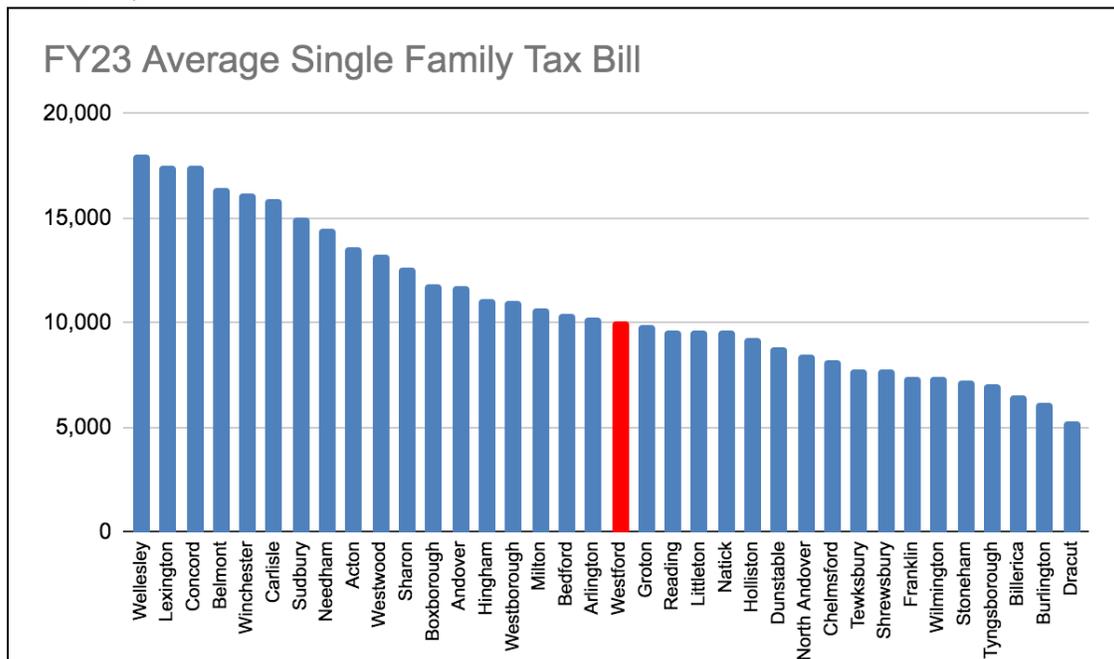
Despite a slight decrease after 2007, single family home values have risen throughout Westford in the last twenty years. Westford is close to the middle of the range of our Town and School market communities for single family house value in FY23.



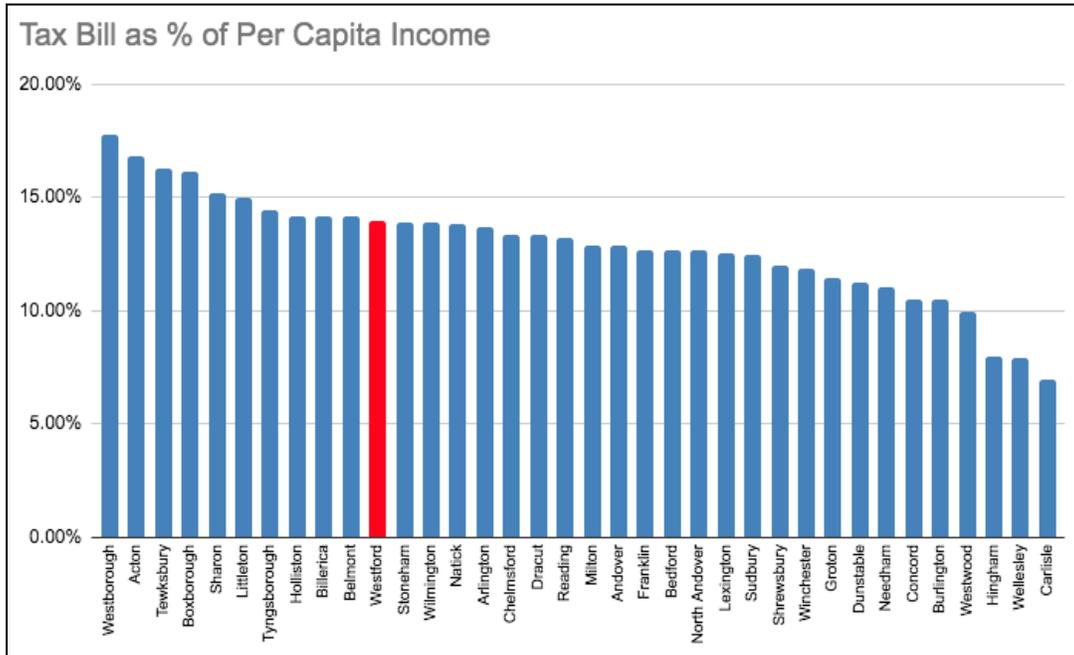
Another important aspect to understand how Westford falls within peer communities is to look at average income per resident. Out of 36 municipalities, Westford is only slightly below the median. Westford's value for 2020 is \$72,500, the 16th lowest, versus a median of \$74,221. Note that several of our School DART districts (Wellesley, Hingham, Winchester, Needham) are on the very high end of this dataset.



The Task Force received anecdotal and online feedback from residents about the perception of their tax bill compared to other communities. Within this list – of all of our geographically adjacent communities, our School and our Town peers – the data shows that Westford is right in the middle (Westford \$10,120; median \$10,174).



The amount is only part of the picture; in Westford the tax bill has a slightly higher than average burden on residents, shown in this comparison of tax bill amount as a percentage of resident income. (Westford 14%; median 13%)



Key Takeaways from this Section:

- Population and school enrollment appear to have leveled off in the last three years.
- More students make up our town population than in other communities.
- Compared to peers, Westford has an average tax bill amount; however that tax bill is a slightly higher percentage of resident income than in other communities.

III. CURRENT STATE OF THE BUDGET

In this section: An explanation of how the budget is created and allocated, as well as Westford's typical town revenue and expenses, and an overview of the Capital Project process

A. The Steps of the Budget Process

As early as the summer, department heads receive guidance from the Town Manager on creating their budget. Initial budget proposals are then reviewed with the Town Manager and Finance Director in the fall. After the Town Manager presents a budget to the Select Board and Finance Committee in December, the Finance Committee holds budget hearings as open public meetings to review each town department.

The School administration creates their own budget. The Town Manager will recommend a bottom-line budget to the schools that fits within the overall financial capacity of the Town. The School Committee votes on the Superintendent's recommended budget, which enters the same review process as other town departments through Finance Committee budget hearings.

Finally, the Finance Committee makes a recommendation on the budget and produces a report for residents in advance of the budget being proposed and voted on at Annual Town Meeting, usually in March. Town Meeting votes on a single line item for the Schools budget and the School Committee has the authority to transfer funds between expense line items as necessary.

B. Allocating Resources

The town budget covers the cost to run the services offered by our town departments. The allocations of the budget can be simplified into major categories:

- Westford Public Schools (does not include any related debt service or employee benefits)
- Municipal Services (General Government, Public Safety, Public Works, Health & Human Services, and Culture & Recreation)
- Enterprise Funds (accounts for specific purposes: Recreation, Ambulance, Stormwater, Water)
- Shared Services (Debt Service for payments on authorized borrowed projects and Unclassified for health insurance and benefits for employees and retirees)

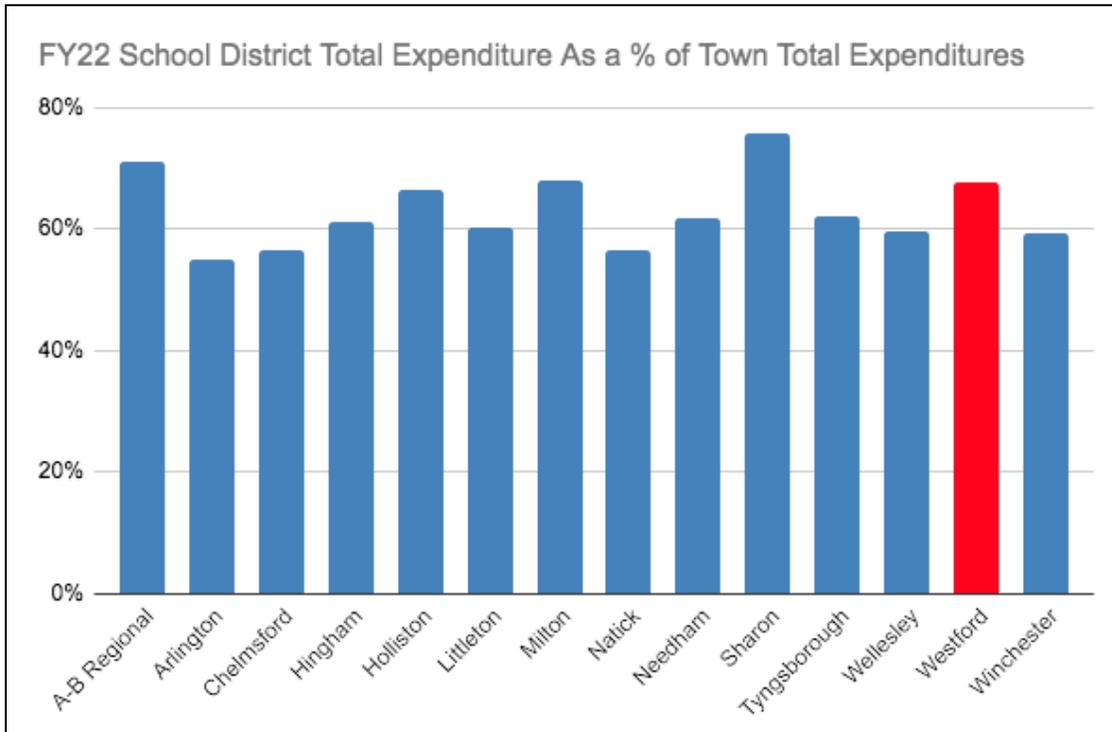
The Select Board Budget Policy has consistently directed the Town Manager to first satisfy all existing debt obligations. After debt, money must be set aside for increases to health insurance, retirement, general insurances, and Other Post Employment Benefits (OPEBs). These allocations are made for both Town and School employees. The Town also has other mandatory assessments, such as our Nashoba Valley Technical High School assessment, the allowance for abatements account, and other amounts to be raised. There are also subsidies for the Recreation Enterprise, Ambulance Enterprise and Stormwater Enterprise. No general fund money is used to offset the Water Enterprise or Community Preservation budgets.

After those requirements are accounted for, what's left over represents the sole "new" funds available each year – from the allowable increase on property taxes (Proposition 2 ½ increase) and any additional taxes from new properties (new growth). This amount is allocated between the Town and School departments and historically has been the only typical increase on a department's previous year's budget. Frequent discussions often take place between the Town Manager and School departments to determine a suitable arrangement in the lead up to Annual Town Meeting's budget vote.

Q. How much of the budget goes to Westford Public Schools?

A. The Task Force wanted to specifically address this question as part of the work to help drive a consistent message about this often-asked question, especially during constrained budget cycles.

1. Focusing on just the ‘available’ funds that remain after addressing the non-negotiable expenses of debt, insurance, benefits, assessments and enterprise funds, shows an average since FY2010 of 73% allocated to the Schools budget and 27% allocated to the municipal departments. However, the actual value of these available funds can vary widely from year to year because it is based on new growth. Since FY2010, it is an average of \$1,582,673, which is a very small percentage of the WPS budget and may not even cover the projected year-to-year increase of personnel expenses.
2. On the other hand, looking at the bottom line budget amount for WPS is also an incomplete picture of school funding. For example, in FY2022 Westford Public Schools had a general fund allocation of \$63,750,262 which was 57% of that year’s Westford total operating budget – but it misses the portions of the shared expenses that support the schools like employee benefits.
3. The Task Force realized that the data from the MA Department of Elementary and Secondary Education (DESE) accounts for all expenditures that support the schools, including employee and retiree benefits. In FY2022, that amount was \$75,269,738. Using that reported general fund total as a percentage of the town’s total expenditures for Westford shows a percentage of 68%. The Task Force agreed this was a more representative way to talk about how Westford’s budget funds the schools. This value was benchmarked to the School’s comparable communities list, which had a median of 62%. Note that communities have different total budgets, so another community could have a lower percentage but their total education spending could be a higher amount.

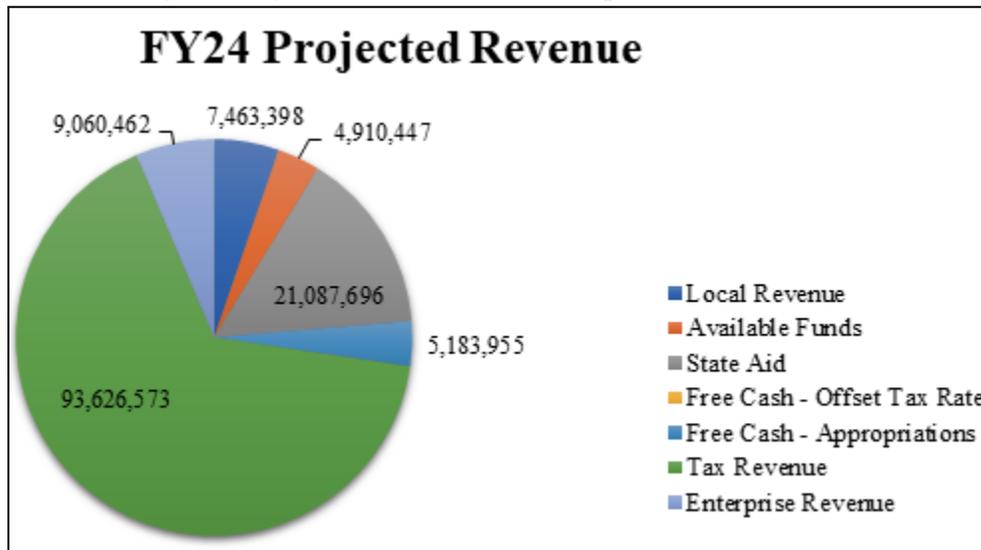


DESE General Fund Total Expenditures: <https://www.doe.mass.edu/finance/statistics/per-pupil-exp.html>
 Department of Revenue Town Total Expenditures: <https://www.mass.gov/collections/DLS-databank-reports>

FY15 to FY24 Budget Allocation													
Budget Category	FY15 BUDGET	FY16 BUDGET	FY17 BUDGET	FY18 BUDGET	FY19 BUDGET	FY20 BUDGET	FY21 BUDGET	FY22 BUDGET	FY23 BUDGET	FY24 BUDGET	FY23 to FY24 \$ Increase	FY23 to FY24 % Increase	
General Government	4,102,484	4,181,480	4,344,293	4,202,833	4,200,560	4,494,023	4,692,565	4,342,567	4,655,538	4,773,128	117,570	2.53%	
Public Safety	8,882,198	9,446,917	9,492,786	9,699,792	10,113,671	10,588,205	10,851,902	11,441,497	11,978,422	12,283,016	304,594	2.54%	
Education	52,066,340	54,079,562	55,390,039	57,256,582	58,826,282	60,627,268	62,319,527	63,421,288	65,333,397	67,285,633	1,952,236	2.99%	
Public Works	4,640,360	4,832,220	4,913,962	5,059,061	5,141,939	5,375,261	5,473,132	5,542,265	5,734,625	5,642,278	(92,347)	-1.61%	
Health & Human Svcs	1,115,649	1,086,423	1,116,991	1,100,945	1,133,717	1,174,647	1,154,910	1,171,203	1,213,384	1,203,093	(10,291)	-0.85%	
Culture & Recreation	1,897,811	1,989,977	2,012,667	2,089,186	2,027,163	2,046,002	2,086,571	2,109,612	2,203,913	2,448,230	239,337	10.86%	
Debt Service	6,913,279	6,562,422	6,733,967	6,787,368	7,044,829	7,486,926	6,076,930	6,164,354	6,201,642	4,326,575	(1,875,067)	-30.24%	
Unclassified	14,631,788	14,790,085	15,598,725	16,561,968	17,161,963	18,030,607	18,731,219	19,148,741	19,744,190	20,625,961	881,771	4.47%	
Transfers to Capital	-	7,839	-	-	-	-	-	-	-	-	-	0.00%	
Community Preservation	887,023	885,610	884,528	881,574	1,369,704	837,443	807,327	835,406	1,079,330	1,120,491	41,141	3.81%	
Water Enterprise	4,774,205	4,194,673	4,212,727	4,255,509	4,326,163	4,420,963	4,667,342	4,655,986	4,639,223	4,813,234	174,009	3.75%	
Recreation Enterprise	1,262,073	1,362,481	1,375,174	1,426,875	1,620,983	1,450,938	1,407,233	1,429,996	1,356,805	1,365,527	8,722	0.64%	
Ambulance Enterprise	1,132,023	1,151,848	1,252,533	1,376,403	1,390,823	1,426,801	1,362,078	1,541,213	1,464,944	1,505,371	40,427	2.76%	
Stormwater Enterprises	-	-	-	-	-	-	1,230,138	1,209,662	1,262,732	1,415,209	152,477	12.08%	
Total	102,305,233	104,591,457	107,328,412	110,698,116	114,361,819	117,959,086	120,880,934	123,013,790	126,868,187	128,802,786	1,934,599	1.64%	
Town General Fund Increase:													
Total Operating Town	20,638,502	21,556,967	21,880,699	22,151,837	22,621,070	23,678,140	24,215,450	24,607,144	25,785,902	26,344,765	558,863	2.17%	
Enterprise Specialty (Amb, Rec & SV)	481,083	575,279	538,502	642,536	634,060	572,739	1,134,369	1,425,882	1,391,777	1,468,598	76,821	5.52%	
Lease Available Funds	(23,000)	(20,500)	(22,500)	(3,414)	(38,542)	(101,500)	(33,000)	(83,000)	(103,000)	(103,000)	-	0.00%	
Net Operating Town	21,094,585	22,111,746	22,396,701	22,790,959	23,216,588	24,149,379	25,296,819	25,950,026	27,074,679	27,710,363	635,684	2.35%	
WPS Operating	41,076%	41.438%	40.948%	40.302%	40.030%	40.501%	41.307%	41.696%	42.279%	42.056%			
WPS Operating	51,355,160	53,361,373	54,695,407	56,550,110	57,997,394	59,626,571	61,241,359	62,236,867	64,038,192	65,889,564	1,851,372	2.89%	
Net Operating WPS	51,355,160	53,361,373	54,695,407	56,550,110	57,997,394	59,626,571	61,241,359	62,236,867	64,038,192	65,889,564	1,851,372	2.89%	
Town and WPS	72,449,745	75,473,119	77,092,108	79,341,069	81,213,982	83,775,950	86,538,178	88,186,893	91,112,871	93,599,927	2,487,056	2.73%	
% of Available Funds													
New Funding - Town Depts	894,269	1,017,161	284,955	394,238	425,629	932,791	1,147,440	653,207	1,124,633	635,684	751,005		
New Funding - WPS	2,103,594	2,006,213	1,334,034	1,854,703	1,447,284	1,629,177	1,614,788	995,508	1,801,325	1,851,372	1,663,800		
% - Town Depts	30%	34%	18%	18%	23%	36%	42%	40%	38%	26%	28%		
% - WPS	70%	66%	82%	82%	77%	64%	58%	60%	62%	74%	72%		

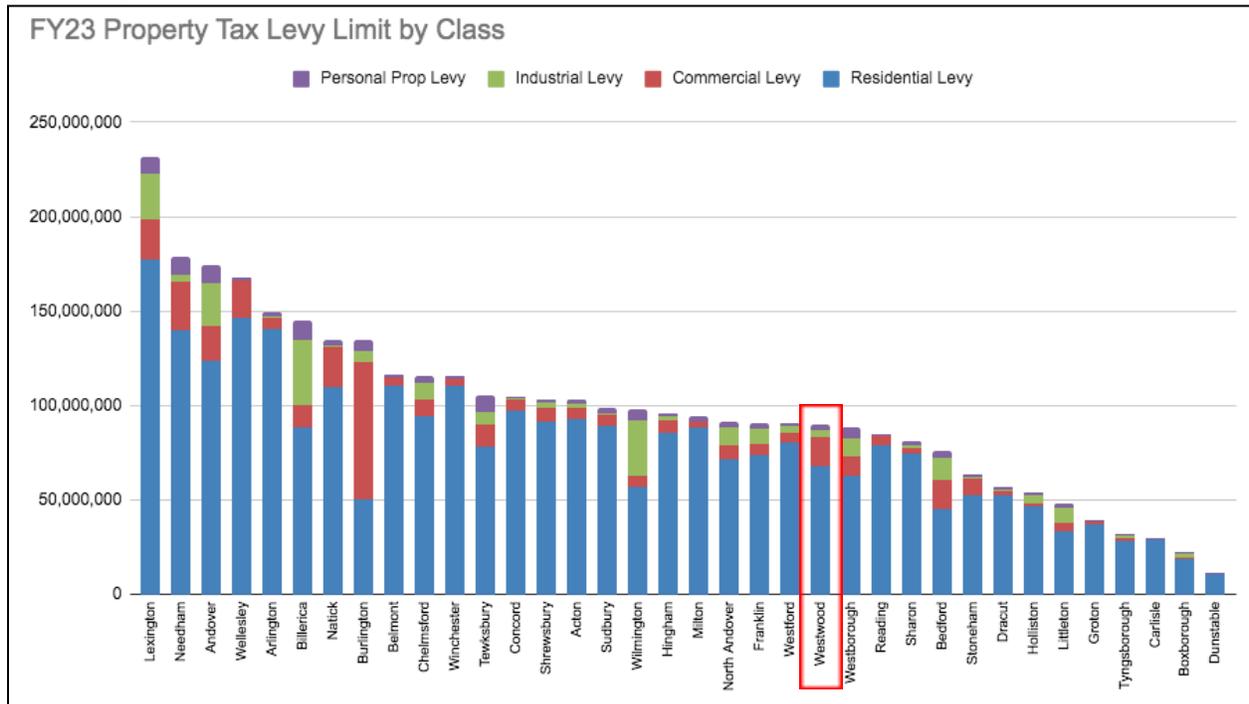
C. Revenue

This section will discuss the different revenues that Westford collects each year to operate the town. Below is a chart showing the budgeted FY24 revenue as of September 2023.

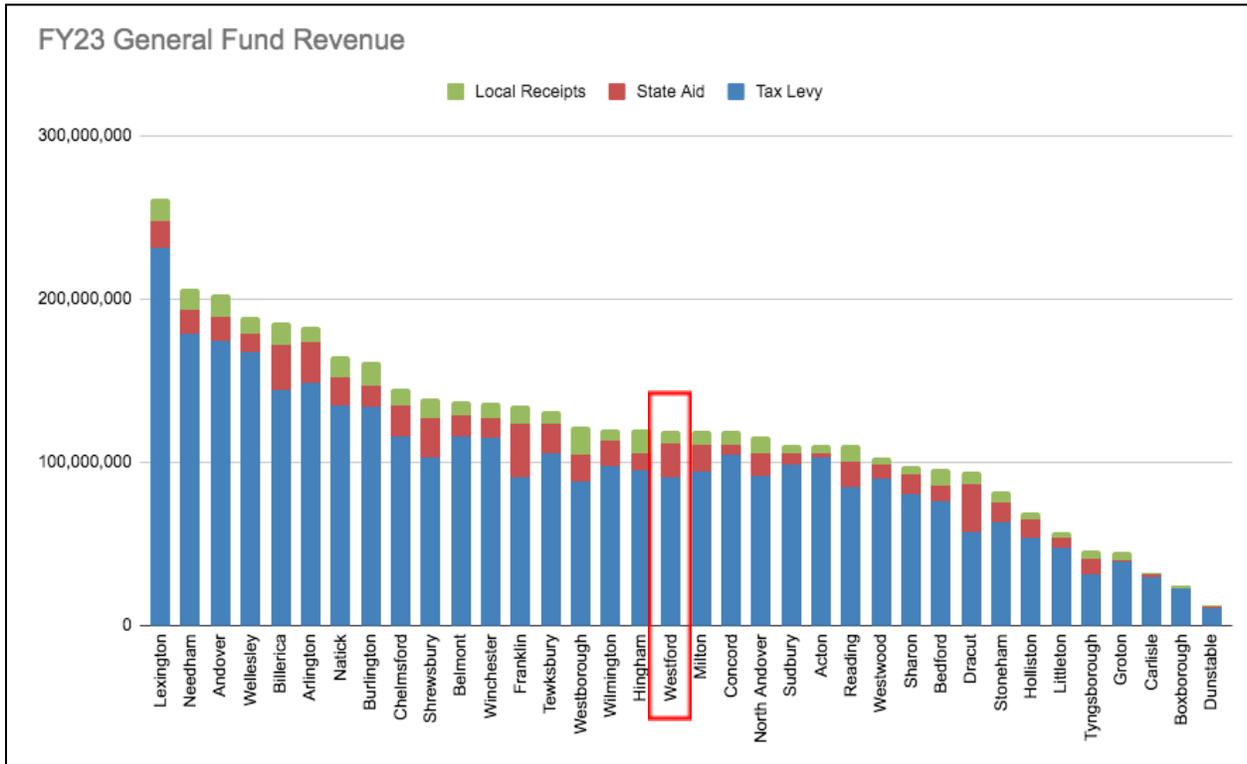


Property Taxes

Property Tax is the primary source of revenue for the Town of Westford, which accounts for approximately 76% of General Fund revenue, or \$93.6M in FY24. Property taxes are levied on real property (land and buildings) and personal property (equipment). In FY23, Westford’s tax rate was \$14.76 per \$1,000 of assessed value for all property classes. Some communities have a different tax rate for commercial properties – this is explained further in Section VI but having a split tax rate would not increase the total levy limit and could negatively impact economic development for commercial and industrial growth.

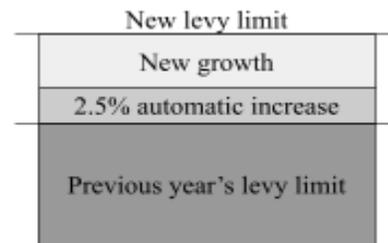


Comparing Westford's sources of tax revenue to our peer communities highlights which types of property tax that communities rely on. As the chart shows above, Westford's tax base is primarily residential (88.90%), followed by commercial (5.71%), industrial (3.50%), and personal property (1.89%). It is clear that some communities have a larger commercial tax base than Westford by looking at the size of the red portion of the bar. Westford's dependence on residential property taxes is pretty typical (89% versus a median of 86%).



Similar to the pie graph at the start of this section, this bar chart shows the largest revenue source for Westford is from property taxes. Westford also receives state aid and local receipts, described in more detail below. Since Westford has a higher percentage of school age children, Westford receives more Chapter 70 funding than many of our market communities.

FY23 LEVY LIMIT	88,155,334
PROP. 2 1/2 INCREASE	2,203,883
NEW GROWTH ESTIMATE	850,000
DEBT EXCLUSIONS	2,406,282
EXCESS LEVY CAPACITY	-
TOTAL FY24 TAX LEVY	93,615,499



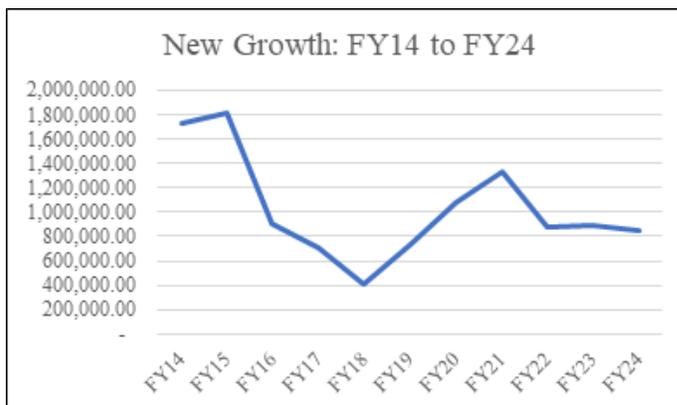
Proposition 2 ½ - Levy Limit and Levy Ceiling - Proposition 2 ½ refers to a Massachusetts law enacted in 1980 that places strict limits on the amount of property tax revenue a community can raise through real and personal property taxes. Under Proposition 2 ½, the annual levy limit increase for property taxes cannot exceed 2.5% from year to year. Westford is currently at the levy limit and has been since at least the early 2000's. The Town also cannot raise more than

2.5% of the total full and fair cash value of all taxable real and personal property in town. This is referred to as the levy ceiling.

New Growth - Another factor is "New Growth" which allows municipalities to increase the tax levy above the 2.5% cap by the value of new construction and newly taxable parcels of land annually. New growth is permanently added to the tax levy resulting in recurring revenue that the town relies on to balance the budget year to year.

Uncertainty of New Growth: Because Westford has been at the levy limit since the early 2000's, new growth plays a major role in determining the budget capacity year after year. The uncertainty of new growth is illustrated by looking back to FY14, when two major developments were constructed (Cornerstone in FY14 and Princeton Properties in FY15) followed by a period of minimal construction. Since Bell Properties construction added to the tax levy base in FY20-21, Westford has averaged in the \$800,000 range for the past three years.

Fiscal Year	New Growth
FY24 (Budget)	\$850,000
FY23	\$892,263
FY22	\$870,884
FY21	1,234,704
FY20	1,069,837
FY19	740,243
FY18	408,857
FY17	707,422
FY16	901,454
FY15	1,808,449
FY14	1,728,677



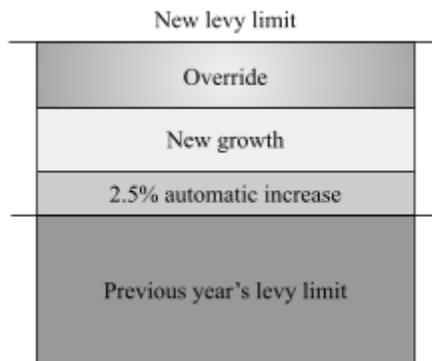
Overrides - An override would increase the Town's tax levy limit and become part of the tax base for calculating future years' tax levy limits. The result is a permanent increase in property taxes. An override requires a majority vote at Town Meeting and a majority election ballot vote. Per Massachusetts law, a majority vote of the Select Board is required to place an override on an election ballot. Since 1989, Westford voters have considered 22 overrides on eight different occasions as shown in the table below:

Fiscal Year	Vote Date	Win / Loss	Vote Type	Amount	Description	Department
1990	4/1/1989	LOSS	Override	56,650	General Operating Expenses	GENERAL OPERATING
1991	5/1/1990	LOSS	Override	981,169	General Budget	GENERAL OPERATING
1992	5/7/1991	LOSS	Override	606,096	Addit.Monies For General Oper.Expenses	GENERAL OPERATING
1993	5/5/1992	WIN	Override	40,000	Disposal Of Hazardous Waste Products	PUBLIC WORKS & FACILITIES
1993	5/5/1992	WIN	Override	70,911	Addit Money For Fire And Ambulance	PUBLIC SAFETY
1993	5/5/1992	LOSS	Override	35,657	Recreation Department	CULTURE AND RECREATION
1993	5/5/1992	WIN	Override	80,295	Maintaining Bookmobile Service	CULTURE AND RECREATION
1993	5/5/1992	WIN	Override	570,901	Maintaining Schools Educational Programs	SCHOOL
1993	5/5/1992	WIN	Override	77,231	Financial Support For Community Center	HEALTH AND HUMAN SERVICE
1993	5/5/1992	WIN	Override	64,712	Maintain Cruiser Coverage	PUBLIC SAFETY
1996	5/2/1995	LOSS	Override	28,550	Insurance Benefit; Admin & Cler. Support	GENERAL GOVERNMENT
1996	5/2/1995	LOSS	Override	9,215	General Govt. - (Clerical Support)	GENERAL GOVERNMENT
1996	5/2/1995	LOSS	Override	1,181,598	Educational Services And Programs	SCHOOL
1996	5/2/1995	LOSS	Override	99,500	General Operating Expenses	GENERAL OPERATING
1996	5/2/1995	LOSS	Override	102,000	Curbside Recycling Program	PUBLIC WORKS & FACILITIES
1996	5/2/1995	LOSS	Override	153,000	General Government Expenses	GENERAL GOVERNMENT
1996	5/2/1995	LOSS	Override	99,500	Library Expenses	CULTURE AND RECREATION
1996	5/2/1995	LOSS	Override	781,598	Services For School Department	SCHOOL
1999	11/18/1998	WIN	Override	692,076	School Department Operating Budget	SCHOOL
2002	5/2/2000	WIN	Override	2,500,000	General Operating Expenditures	GENERAL OPERATING
2006	5/3/2005	LOSS	Override	521,265	General Operating Expenditures	GENERAL OPERATING
2006	5/3/2005	LOSS	Override	3,000,000	Funding School Budget	SCHOOL
2018	5/2/2017	WIN	Override	1,600,000	Supplement School Operating Budget	SCHOOL

In 2017, voters passed an operational override to fund the school operating budget to increase compensation for teachers. That was the first successful override passed in Westford since 2000.

Overrides are an integral tool associated with Proposition 2 ½ as they provide a sustainable source of revenue to support town operations. There are processes in place to ensure that voters are given control over the option to increase taxes to continue to provide for services.

Considering that expense projections are far exceeding expected new revenues, an override is a viable option that Westford can consider to maintain service levels for our Town.



*Proposition 2 ½ Overrides since 2010 in Town/School Peer Communities
Does not include debt exclusions*

Municipality	Fiscal Year	Vote Date	Win / Loss	Amount	
Dunstable	2022	5/18/2021	WIN	125,000	Police Budget
Shrewsbury	2022	5/4/2021	WIN	9,500,000	General Operating Budget
Arlington	2020	6/11/2019	WIN	5,500,000	General Operating Budget
Winchester	2020	3/26/2019	WIN	10,000,000	General Operating Budget
Reading	2019	4/3/2018	WIN	4,150,000	General Operating Budget
Milton	2018	6/20/2017	WIN	3,137,264	General Operating Budget
Sudbury	2018	5/9/2017	WIN	1,077,270	General Operating Budget
Westford	2018	5/2/2017	WIN	1,600,000	School Budget
Dunstable	2017	6/30/2016	WIN	475,000	School Budget
Groton	2017	6/30/2016	LOSS	812,013	School Budget
Groton	2017	5/17/2016	LOSS	1,899,746	General Operating Budget
Sudbury	2016	5/19/2015	LOSS	1,000,000	For Rail Trail
Sudbury	2016	5/19/2015	LOSS	300,000	Lighting at Recreation Field
Sudbury	2016	5/19/2015	LOSS	1,000,000	For Rail Trail
Belmont	2016	4/7/2015	WIN	4,500,000	Capital Budget for Town/Schools
Shrewsbury	2015	6/3/2014	WIN	5,500,000	General Operating Budget
Wellesley	2015	5/20/2014	WIN	3,345,000	General Operating Budget
Dunstable	2015	5/19/2014	WIN	200,000	General Operating Budget
Needham	2015	4/8/2014	WIN	1,548,410	School Budget
Dracut	2014	9/9/2013	LOSS	2,900,000	School Budget
Dracut	2014	9/9/2013	LOSS	200,000	Government Operating Budget
Arlington	2012	6/7/2011	WIN	6,490,000	General Operating Budget
Sudbury	2012	6/7/2011	LOSS	553,000	School Budget
Stoneham	2012	4/5/2011	LOSS	1,900,000	General Operating Budget
Winchester	2012	3/29/2011	LOSS	1,440,000	General Operating Budget
Belmont	2011	6/14/2010	LOSS	2,000,000	General Operating Budget

Q. Why is my home assessment rising more than 2.5% in some years?

*A: Under Proposition 2 ½, the tax levy as a whole increases by 2.5% each year. The tax levy is the total amount of money the Town can collect through Property taxes. The increase does not apply to individual properties. The total levy limit is then divided among the full and fair cash value of all taxable real and personal property within Westford. **The assessment for each property may change due to improvements to the property or market conditions.** For example, if the sales data shows that single family homes have increased in value by 10% over the previous fiscal year and commercial property has increased by 5%, more of the levy will be assessed to residential homes and the tax bill for a single-family home will increase more than 2.5%.*

Q. Can we raise rates on commercial payers to increase revenue?

A: Some communities have a split tax rate where commercial and industrial properties are taxed at a higher rate. This does not increase the overall tax levy. It simply shifts the tax burden from residential real property to commercial, industrial, and personal property. The overall levy limit remains unchanged. This is further explained in Section VI.

State Aid

In FY24, State Aid is projected to account for 17.32% of General Fund revenues. These funds are from the Commonwealth and amounts are determined by the state budget process. Below is a brief description of each category of state aid.

Chapter 70 - The Chapter 70 program is the major program of state aid to public elementary and secondary schools. The program also establishes minimum spending requirements for each municipality's share of school costs. The Town received an additional \$279,480 in FY24, or a 1.59% increase. This amount represents the minimum increase of \$60 per student, which 119 out of the 318 operating districts will receive in FY24. More information regarding Chapter 70 can be found at <http://www.doe.mass.edu/finance/chapter70>.

Unrestricted Government Aid – In FY10, Lottery and Additional Assistance funding were combined into one line item by the state. Proceeds from the state lottery are distributed to communities with the intention of having an equalizing effect. Those communities with a lower Equalized Property Valuations (EQV) receive a higher share aid. The FY24 budget had a \$78,778 or 3.20% increase for Unrestricted Aid. The State has committed to increasing the Unrestricted Aid based on the estimated growth in tax revenues.

Veterans Benefits – Under Chapter 115, Section 6 of Massachusetts General Laws (M.G.L. Ch. 115), the Commonwealth provides a uniform program of financial and medical assistance for indigent veterans and their dependents. Qualifying veterans and their dependents receive necessary financial assistance for food, shelter, clothing, fuel, and medical care in accordance with a formula which considers the number of dependents and income from all sources. Benefits paid out in accordance with state guidelines are reimbursed 75%. The amounts Westford has received over the past few years has decreased as our Veterans Service Officer continues to get our veterans the proper support from other agencies.

Tax Exemption Aid for Veterans, Blind Persons, Surviving Spouses and the Elderly – Chapter 59, Section 5 of M.G.L.s details the requirements for assistance. The town is partially reimbursed for these exemptions towards property taxes. Residents that have questions regarding exemptions should contact the Assessor's office.

State Owned Land – Much like payment in lieu of taxes, the state pays the town an amount to make up for lost property tax revenue on state owned land.

Charter Tuition Reimbursement – Municipal and regional school districts pay tuition for resident pupils attending Commonwealth Charter Schools. Parents have a choice to send their children to charter schools and have the town pay the tuition. The state reimburses the town a portion of these costs.

School Construction – The state provides an offsetting revenue stream to pay for a portion of school building projects. The payments in the chart below were for the Westford Academy addition. However, there have been more recent projects approved with MSBA Funding, such as the Abbot Roof, Day & Robinson Window Replacement, and Blanchard Roof. These reimbursements are sent to us during construction and only the net amount is permanently borrowed. Therefore, Westford will not see future annual payments from the state under this new system.

Offset Items – These items are amounts that constitute categorical aid, i.e., funds that must be spent for specific municipal and regional school district programs. These items can be spent without an appropriation in the local budget.

Public Libraries – The funding for Public Libraries includes three grant awards: The Library Incentive Grant (LIG) that encourages municipalities to maintain minimum levels

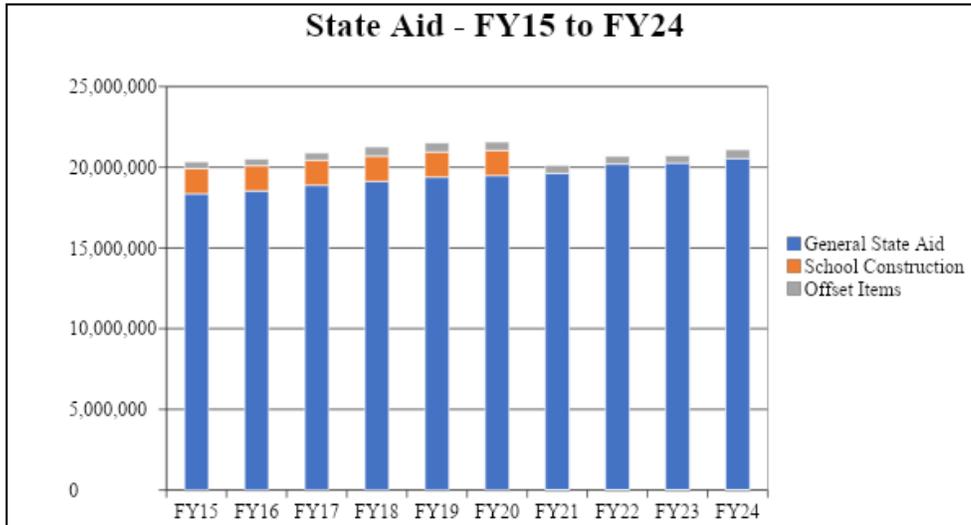
of service, the Municipal Equalization Grant (MEG) to help compensate libraries with relatively less revenue, and the Nonresident Circulation Offset (NRC) that helps offset the cost of circulating materials to residents of other communities.

School Choice – To provide funding to school districts for accepting pupils from other districts.

The following table displays the history of state aid revenue from FY15 to FY24. The amounts listed for FY24 were approved by Governor Healy on August 9, 2023.

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Revenue										
Chapter 70	16,313,850	16,436,625	16,706,565	16,853,055	17,010,375	17,144,235	17,144,235	17,281,815	17,551,275	17,830,755
Unrestricted Aid	1,891,061	1,959,139	2,043,382	2,123,074	2,197,382	2,256,711	2,256,711	2,335,696	2,461,824	2,540,602
Extended Polling Hours					3,528		11,147			
Veterans' Benefits	58,907	64,493	60,459	41,597	40,614	44,027	52,085	24,511	19,479	12,972
Exempt: Vets, Blind, Surv Spouses	73,245	71,697	58,543	69,191	113,854	21,084	21,084	236,537	105,508	100,087
State-Owned Land	230	230	227	227	227	240	248	269	347	391
Charter Tuition Reimbursement	22,766	8,960	18,451	42,682	26,149	21,224	140,877	97,826	122,736	55,826
Pupil Transportation						250		16,305		
Other Revenue From State							3,727	206,849		
Subtotal	18,360,059	18,541,144	18,887,627	19,129,826	19,392,129	19,487,771	19,630,113	20,199,808	20,261,169	20,540,633
School Construction	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	-	-	-	-
Subtotal	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	1,557,026	-	-	-	-
Offset Items - Reserve for Direct Expenditure										
Public Libraries	25,464	25,512	25,834	26,240	27,933	27,885	28,783	39,438	48,769	53,529
School Lunch Programs	22,033	-	-	-	-	-	-	-	-	-
School Choice Receiving Tuition	378,741	381,375	416,682	552,174	538,445	496,773	463,085	443,764	412,298	493,534
Subtotal	426,238	406,887	442,516	578,414	566,378	524,658	491,868	483,202	461,067	547,063
Total State Aid	20,343,323	20,505,057	20,887,169	21,265,266	21,515,533	21,569,455	20,121,981	20,683,010	20,722,236	21,087,696

Below is a visual showing the gradual increase that state aid has had over the past ten years. Not including the decrease in funding from the School Construction MSBA funding, our overall state aid has increased by an average of 1.29%, which is substantially less than the amount that expenses have grown over the same time period.

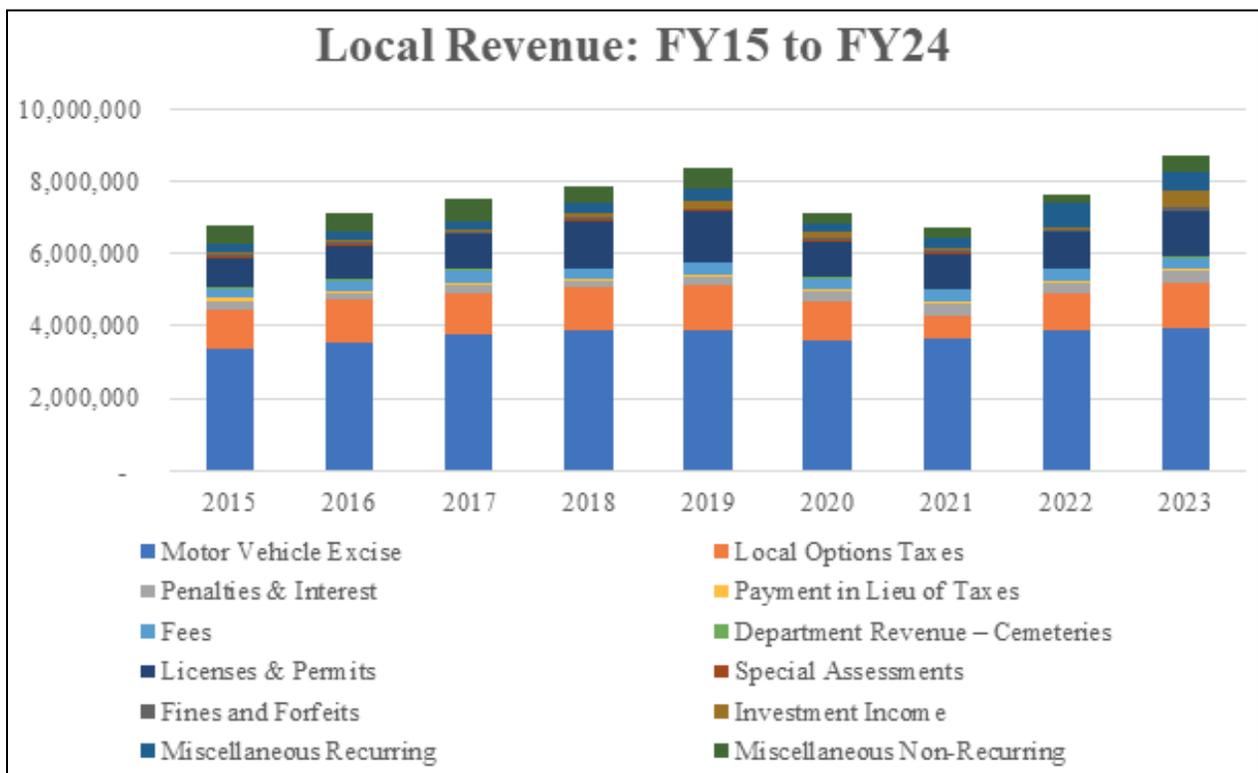


Local Revenue

The town also collects local revenue to help offset the cost of providing services by various departments. In FY23, local revenue accounted for approximately 7% of general fund revenue in the following categories:

- Motor Vehicle Excise
- Local Options Taxes
- Penalties & Interest
- Payment in Lieu of Taxes
- Fees
- Department Revenue – Cemeteries
- Other Departmental Revenue
- Licenses & Permits
- Special Assessments
- Fines and Forfeits
- Investment Income
- Miscellaneous Recurring
- Miscellaneous Non-Recurring

Local Revenue	2015	2016	2017	2018	2019	2020	2021	2022	2023
Motor Vehicle Excise	3,342,941	3,511,958	3,755,588	3,861,840	3,853,028	3,607,964	3,676,793	3,866,078	3,940,849
Local Options Taxes	1,126,516	1,199,286	1,168,284	1,197,073	1,269,745	1,073,118	602,981	1,016,322	1,234,766
Penalties & Interest	194,908	195,860	203,018	171,672	208,189	250,100	328,622	304,807	351,322
Payment in Lieu of Taxes	99,554	55,136	64,131	65,345	88,152	89,526	87,726	73,802	71,956
Fees	265,846	285,916	348,874	284,450	314,422	297,142	302,780	297,000	268,206
Department Revenue – Cemeteries	30,900	30,900	30,950	27,825	36,000	30,075	43,500	37,700	39,000
Licenses & Permits	827,175	946,680	960,556	1,307,018	1,429,462	1,000,146	965,695	1,027,398	1,255,298
Special Assessments	21,816	11,076	26,200	19,936	7,618	7,560	6,202	6,521	5,460
Fines and Forfeits	90,119	84,352	53,111	40,664	52,321	51,690	61,221	54,551	95,731
Investment Income	43,556	53,574	65,674	126,200	193,455	184,250	71,538	47,662	454,419
Miscellaneous Recurring	197,773	242,118	228,568	278,640	323,927	231,577	267,472	687,019	553,705
Miscellaneous Non-Recurring	555,194	522,896	608,097	484,270	598,786	319,578	315,970	222,988	411,105
Total Local Revenue	6,796,298.55	7,139,752.24	7,513,049.93	7,864,933.90	8,375,105.14	7,142,726.14	6,730,500.15	7,641,846.05	8,681,817.80



Certain Local Revenue categories are discussed in more detail below:

Motor Vehicle Excise - FY24 proj (\$3,895,000) - Motor Vehicle Excise Tax accounts for about half of Westford’s local revenue. Vehicles that are garaged in Westford are assessed an annual motor vehicle excise tax based on the Kelly Blue Book value. Increases to Motor Vehicle Excise

Tax represents residents purchasing new vehicles or additional vehicles being added at the registry. Although the state sets the billing amount, it is the responsibility of the Treasurer/Collector to issue and process all excise tax bills and payments.

Local Options Taxes - FY24 proj (\$1,158,625) - Local Options Taxes consist of a Rooms/Occupancy (or Hotel) tax and a Meals Tax. At the May 2011 Annual Town Meeting, a local option was voted to increase the local tax on the Hotel tax from 4% to 6%. Voters also approved a new Meals tax which added a 0.75% tax for all restaurant meals in town. The local options excise taxes were the most impacted General Fund revenue stream from the COVID-19 pandemic as people stayed in hotels sparingly and restaurants had to conform with state guidelines regarding seating capacity. Since the beginning of FY22, amounts from the meals excise tax have increased to pre-pandemic levels.

Penalties & Interest - FY24 proj (\$205,000) - Mass General Law allows Collectors to assess penalties and interest to unpaid balances. Westford charges interest on all unpaid tax bills starting on the day after the due date according to provisions found in MGL Chapters 59 and 60. The rates are as follows:

- Real Estate and Personal Property Tax - 14%
- Motor Vehicle Excise Tax 12%
- Tax Title 16%

The budgetary benefit of fees collected is relatively minor. The fees do however motivate taxpayers to make their payments timely and that helps to keep Westford fiscally sound.

Payments in Lieu of Taxes - FY24 proj (\$75,646) - The revenue received from Payments in Lieu of Taxes, or PILOTS, are from agreements that the Select Board has entered into with non-profits in Westford. The largest contributor on an annual basis is MIT.

Fees - FY24 proj (\$280,000) - Westford charges a wide variety of fees to help offset the administrative cost of providing services. Some of the more common fees include demand fees on delinquent tax bills, municipal lien certificates, planning board fees, police detail administration fees, fire alarm monitoring fees, marriage/death/birth certificates.

Departmental Revenue

Cemeteries - FY24 proj (\$30,750) - The charges for the cost of opening a grave or placing remains in a columbarium.

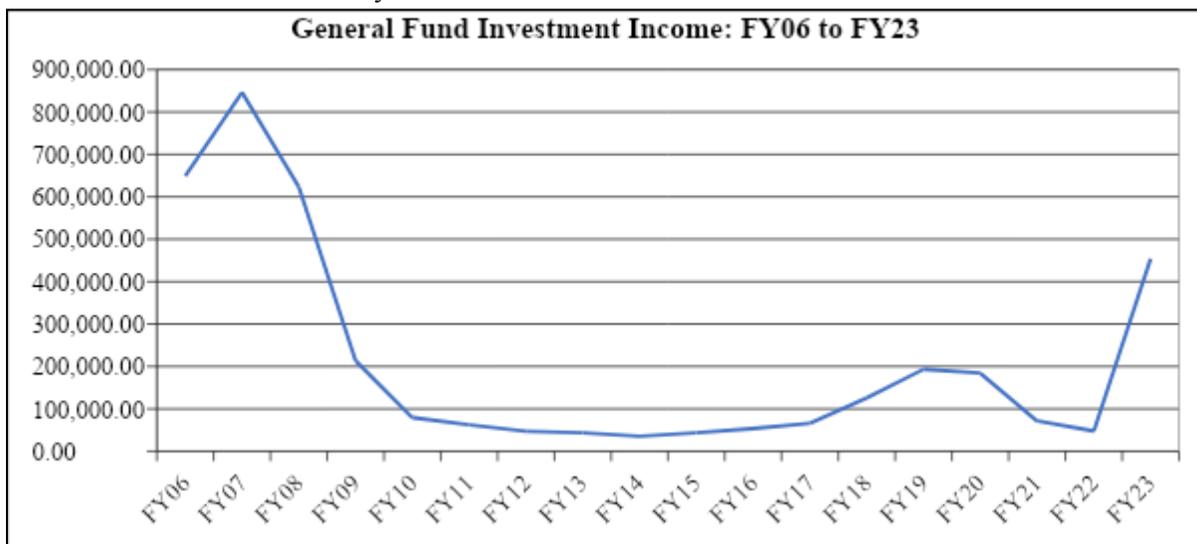
Other Departmental Revenue - There has been very little revenue collected in these accounts for the past several years, with the lease agreement for the Day Field (community gardens) and the rental of fire department equipment being the only source of revenue.

Licenses and Permits - FY24 proj (\$960,000) - The majority of revenues from licenses and permits comes from inspection services (77.7% in FY23). The amount collected is heavily correlated to the amount of new construction in town and is a good indicator of future new growth. In FY23, the Town collected \$971,866 in inspection revenue, up from \$706,749 in FY22. As stated in this report, the vote at the Annual Town Meeting for the MBTA Communities article will have an impact on the amount of inspection revenue raised in FY25. Other licenses and permits including alcohol licenses are collected in December of each year. Dog licenses are due by March 31st. The majority of fire department permits come from fire alarm and smoke detector permits. Examples of Board of Health permits include food, pool, tobacco, hauler (septic), installer (septic), stabling (horses), piggery, and beach permits. The Cemetery Commission charges \$20 as a monument permit fee for any type of headstone.

Special Assessments - FY24 proj (\$4,963) - This is revenue collected through the taxation process for betterments or other improvement projects on private roads. The residents on the road must vote to request the town to make the repairs, which is ultimately approved by Town Meeting. The latest example of a betterment was on Byrne Avenue Extension.

Fines & Forfeits - FY24 proj (\$50,000) - The majority of fine revenue is due to motor vehicle infractions. There was a spike in motor vehicle infractions in FY23 as police were able to staff multiple traffic control vehicles throughout the year.

Investment Income - FY24 proj (\$450,000) - The town’s general fund investment income has seen a drastic increase in revenue since the Federal Reserve began increasing interest rates to help curb inflation. Since March of 2022, they have raised rates 11 times, from 0.25% to 5.50%. As a result, the Town saw a spike in investment income that is similar to the amount previously collected prior to the Great Recession in 2008. Below is a graph showing the general fund investment income history.



Miscellaneous Recurring Revenue - FY24 proj (\$186,612) - The town applies for and receives annual payments from the federal government as a Medicaid reimbursement. This is to offset medical costs incurred by the school system. In FY15, the town also participated in a new federal program that allows communities that provide ambulance services to receive additional Medicaid funds. Lastly, the town assesses the Nashoba Valley Technical High School for the salary and fringe benefits of the school resource officer.

Miscellaneous Non-Recurring Revenue - This is a category of local revenue that allows us to properly account for and classify one-time revenues that are unexpected, unplanned, or non-recurring. Since this revenue is not budgeted, any revenue in this category will help our free cash situation at the end of the fiscal year. Examples include but are not limited to tax tile revenue, sales of equipment and vehicles, restitution, and workers compensation insurance recovery.

Enterprise Funds

Enterprise Funds are authorized under Massachusetts General Laws, Ch. 44, Sec. 53F1/2. The benefit of an enterprise fund is that it allows a community to demonstrate to the public the total cost of providing a service by consolidating all the program's direct and indirect costs (e.g. interdepartmental support, benefits, insurance costs, retirement costs, etc.), debt service and capital expenditures into a segregated fund. **Westford currently has four enterprise funds: Water, Ambulance, Recreation and Stormwater.** The Stormwater Enterprise was the latest one established at the October 28, 2019 Special Town Meeting. Below is a summary of Enterprise Revenue from FY15 to FY24.

Enterprise	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Budget
Water	4,185,226.53	4,573,857.99	4,088,502.55	4,030,118.31	4,696,291.26	4,726,414.99	4,617,448.10	4,350,871.29	4,329,444.48	5,314,734.00
Recreation	1,247,593.95	1,295,860.21	1,190,627.70	1,217,826.07	1,298,692.36	851,271.34	285,808.09	929,972.16	1,004,489.63	1,102,300.00
Ambulance	836,223.19	963,432.07	953,777.24	915,862.18	985,148.33	1,000,605.26	871,206.92	980,224.23	1,098,262.78	903,219.00
Stormwater							1,032,303.89	1,143,521.39	1,183,489.08	1,080,209.00
Total	6,269,043.67	6,833,150.27	6,232,907.49	6,163,806.56	6,980,131.95	6,578,291.59	6,806,767.00	7,404,589.07	7,615,685.97	8,400,462.00

Enterprise funds can be entirely self-sufficient, or they can be subsidized from the general fund. In Westford, the only enterprise that is supported entirely through user charges is the water enterprise. The ambulance, recreation, and stormwater have all received general fund subsidies in the past. Below is a table showing the amount each enterprise has been subsidized over the past ten years:

Enterprise General Fund Subsidies: FY15 to FY24										
	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Budget	FY24 Budget
Water	0	0	0	0	0	0	0	0	0	0
Recreation	99,060	173,431	110,969	148,133	93,237	45,938	47,153	149,896	34,705	263,227
Ambulance	382,023	401,848	427,533	494,403	540,823	526,801	437,078	666,324	589,944	605,371
Stormwater	0	0	0	0	0	0	600,000	392,188	600,000	600,000
Total	481,083	575,279	538,502	642,536	634,060	572,739	1,084,231	1,208,408	1,224,649	1,468,598

Water Enterprise - The Water Enterprise is self-sufficient. They pay for their operating expenses and capital improvements throughout town. The Water Commissioners are responsible for setting rates, so they are able to bring in the revenue needed to support operations.

Recreation Enterprise - The Recreation Enterprise has historically raised most of their revenue (over 60%) through the Westford Partnership for Children after school program. This budget has been negatively impacted by the pandemic as the program was shut down for most of FY21. In the meantime, parents found alternative ways to provide care for their children after school. The Town has seen enrollment increase over the past two years, and the general fund subsidy in FY25 should decrease as costs are better controlled.

Ambulance Enterprise - The Ambulance Enterprise was first established as a way to offset the cost of providing fire and ambulance services. The town has a policy where they bill non-residents for medical and transportation services. They also charge Westford residents, but only the amount that is dictated by health insurance deductibles. The enterprise uses their retained earnings to purchase a new ambulance every three to four years.

Stormwater Enterprise - The Stormwater Enterprise was created to comply with state and federal permit requirements, maintain and replace gaining drainage infrastructure, prevent flooding, and to protect our bodies of water and drinking water supply from harmful stormwater pollutants. Stormwater fees are based on property type and the overall amount of impervious surface area that exists on a property. The average annual fee per household is \$75 per year. The general fund subsidy is to remain at \$600,000 per year. According to our consultants, this was the amount that the Town was paying out of the general fund each year for stormwater related expenses.

Revolving Funds

There are hereby established in the Town of Westford pursuant to the provisions of Massachusetts General Laws, c.44, §53E½, the following Revolving Funds:

Revolving Fund	Spending Authority	Revenue Source	Allowed Expenses
Lease of Town Buildings: 65 & 73 Main St & 170 Plain Rd	Select Board	Lease payment and other revenues from leased properties	Costs associated with maintenance, repairs and improvements to the leased properties
Electric Vehicle Charging Station Revolving	Town Manager's Office	Fees from the Electric Vehicle Charging Stations	Costs associated with operating the Electric Vehicle Charging Stations
Recycling Revolving	Recycling Commission	Funds from the sale of composters and toters and revenue from other recycling programs	Purchase of composters, toters and for other recycling program expenses
Recreation Field Maintenance	Recreation Commission	Field user fees/permits	Field maintenance, hiring of necessary personnel and consulting services
Senior Center Fitness Room	Council on Aging	Fees received for the Fitness Room	Fitness room maintenance supplies, equipment warranties, training, monitoring and purchase of replacement fitness equipment
School Parking	School Department	Parking fees	Maintenance and expansion of parking facilities
School Bus/Transportation	School Department	User bus fees	Student transportation costs
East Boston Camps Maintenance	Conservation Commission	Revenue received for the lease, rental or licensing of camp facilities	Costs associated for the operation and maintenance of the East Boston Camps property located in the Stony Brook Conservation Land
Immunizations and Clinical Services	Board of Health	Fees received for immunizations and clinical services	Costs of supplies and technical services for immunization and clinical programs
Community Gardens	Agricultural Commission	Fees received for use of community gardens	Costs associated with maintenance, improvements, supplies and tools for the community gardens
Town Forest Management	Town Forest Committee	Revenue received from the sale of timber for the support and management of town forests	Costs associated with the management and maintenance of Town Forests

The revolving funds are established through a change to the bylaws. The table above shows the revenue source that is deposited directly into the fund and the allowed uses for each fund. Deficit balances are not allowed. Town Meeting authorizes the expenditure limit in a separate article each year. Revolving funds are a budgeting tool that allows the town to raise funds to pay for the service provided.

Reserves

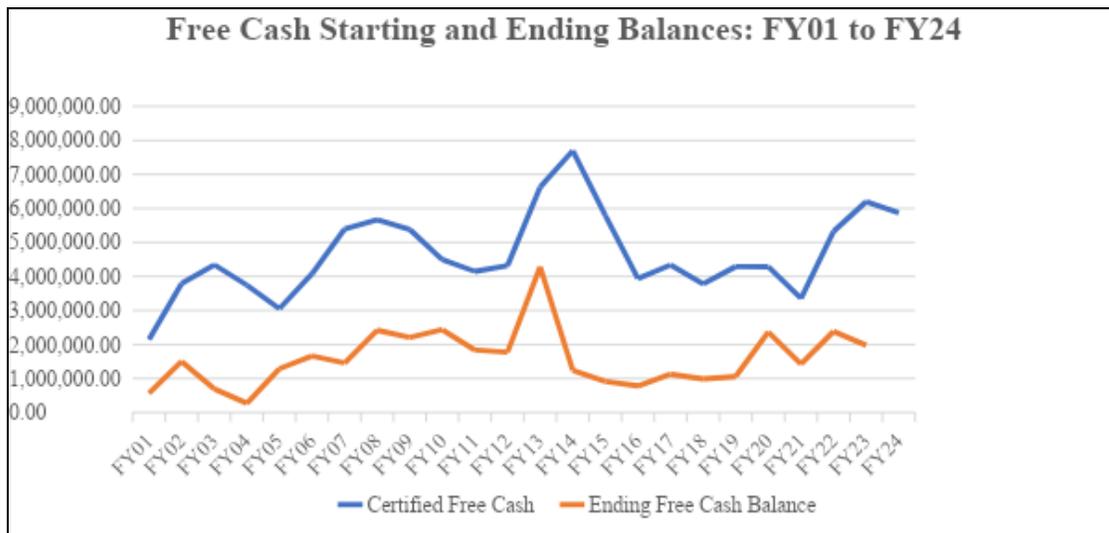
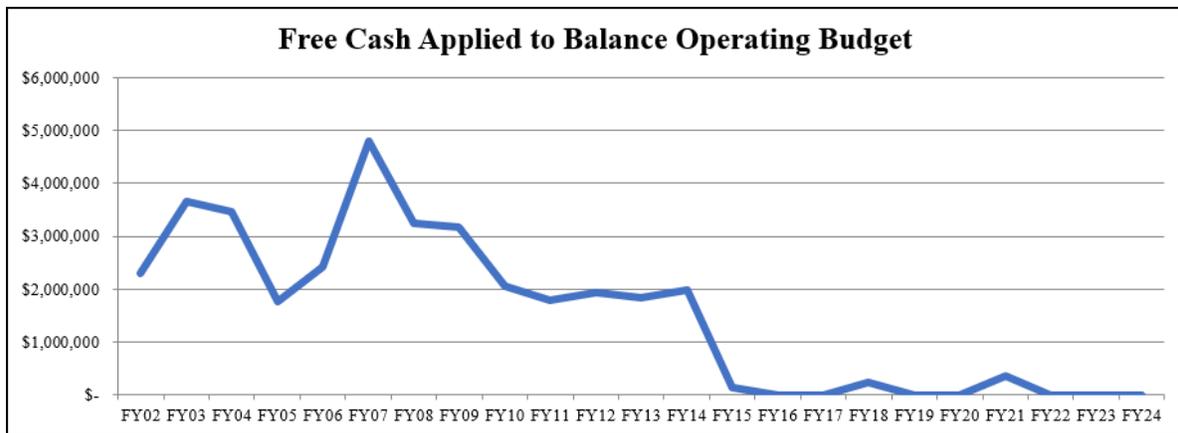
Free Cash

Free cash is calculated at the beginning of each fiscal year, and results from the calculation of our remaining, unrestricted funds from its operations of the previous fiscal year based on the balance sheet as

of June 30. It includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line items for the year just ending, plus unexpended free cash from the previous year. Free cash is offset by property tax receivables and certain deficits, and as a result, can be a negative number.

Free cash is only available for use after our Town Accountant submits a prior-year balance sheet to the Division of Local Services (DLS) and the Director of Accounts certifies the free cash figure. Once certified, free cash may be expended at Town Meeting.

It is recommended that free cash be used for one-time expenditures. Westford has historically used free cash to purchase capital and equipment, supplement our snow & ice operations, perchlorate remediation, and to supplement operating budgets when necessary, however since FY15, the Town has decided to limit the practice of using free cash to supplement the operating budget to comply with the recommended best practice from our bond rating agency, Standard & Poors. **It is not recommended that free cash be used to pay for ongoing annual expenses.** Below is a chart showing the certified free cash and free cash ending balance for each fiscal year dating back to FY01.



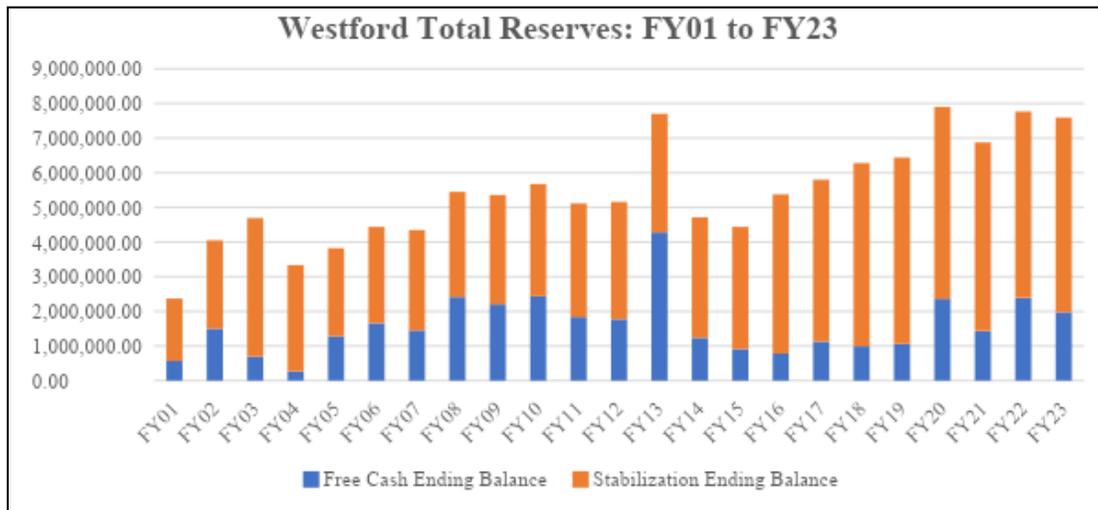
It is important that communities have a policy on maintaining reserves. The Select Board Budget Policy states that the Town should have between 5% and 10% of the general fund operating in reserves (free cash and stabilization fund) at the end of the fiscal year. Bond rating agencies, such as Standard & Poors, carefully monitor our reserve levels. If the Town does not adhere to the reserve policy, it's possible that

the bond rating could be downgraded from the Aaa rating. This would lead to increased interest costs when issuing bonds to raise money for projects within town.

Stabilization

The town’s stabilization fund is a reserve that the town operates which acts as a “Rainy Day” fund. The purpose of the stabilization fund is to enhance the town’s fiscal stability. This is the other portion of our reserves that factor into the Select Board’s 5% to 10% reserve policy. The stabilization fund is set aside in a separate bank account and earns interest on the balance.

Below is a chart showing the total reserves on hand at the end of each fiscal year:



D. Funding our Capital Needs

Westford has had a Capital Planning Committee (CPC) since 2009. Each year, the CPC reviews the capital requests from all departments. Capital is defined as major non-recurring tangible assets and projects which are;

- Purchased or undertaken at intervals not less than five years;
- Have a useful life of at least five years, and;
- Cost over \$10,000

Items acquired by the Technology Department (excluding software) are exempt from these restrictions due to the rapidly changing nature of technology advancement and costs.

Each year, department heads update their five-year capital plan to adjust for updated pricing and add or remove capital requests. The most recent five-year capital plan totaled \$59.6M. This amount did not include capital requests from the recently completed school feasibility study. While this is a daunting figure, the town has several ways to address the capital needs for the town.

Funding Sources

- **Free Cash:** As discussed above, Free Cash is our reserves. It is recommended that the Town spend Free Cash on one-time expenditures such as capital rather than for operating expenses. The Select Board approved the FY25 Budget Policy on September 26, 2023. The policy states

that Westford should “allocate a minimum of \$1.5M for capital expenses, from Free Cash, in keeping with past practice. If less than \$1.5M is recommended for capital expenses in FY24, then the difference should be added to the capital reserve for anticipated future costs related to town facility and road needs. The target total for bond payments should fall within the range of 7-10% of the Town’s operating budget.” If the Town has a higher Free Cash balance, voters may spend more than the \$1,500,000 minimum to address capital needs.

- **Retained Earnings:** The water, stormwater, and ambulance enterprise often use their retained earnings to fund small to mid-range capital requests. Out of the \$59.6M in capital requests, \$15.8M were enterprise related. Enterprise retained earnings act in the same manner as Free Cash where the Town has the available amount certified each year and the funds are available for appropriation at Town Meeting.
- **Community Preservation Funds:** There have been capital requests in the past that have been eligible for Community Preservation Act (CPA) Funding. CPA funds are an additional 3% surcharge on our tax bill that are restricted in use. Funds must be used for the purchase and improvement of Open Space, Affordable Housing, Historical Preservation, or Recreation. There are often requests that are submitted to the CPC that qualify for CPA funding, such as rebuilding sports courts, repairing tracks at the high school or middle school, purchasing land such as the Stony Brook Conservation Land formerly known as East Boston Camps, building playgrounds at the Day or Robinson School, or building affordable housing such as the Helena Crocker Residences or the new housing to be developed at 35 Town Farm Rd.
- **Capital Stabilization / Other Available Funds:** The Town created a capital stabilization fund many years ago. The current balance as of August 31, 2023 was \$521,000. This account is usually reserved for unforeseen capital expenditures that are urgent in nature. These funds are in a separate account and earn investment income to build the balance. Westford also occasionally has other miscellaneous funds that are used to fund capital. Examples may include insurance recovery funds or remaining balances from previously bond capital projects.
- **Non-Excluded Debt:** The town often has capital requests that are too large to fund using Free Cash or other available funds. The town is allowed to issue bonds to pay for larger projects over a certain period of time. The most common request for borrowing is what’s referred to as non-excluded debt. Non-excluded debt does not increase the tax levy, rather, it is absorbed within the operating budget and competes with other operational needs of the town. Common requests include fire trucks, roadway repairs, smaller building improvements, and the construction of sidewalks. Bonds are typically issued from anywhere from five to twenty years. The enterprise funds are also able to issue debt that is repaid through enterprise revenue. Authorizing non-excluded debt only requires a 2/3 majority vote at Town Meeting.
- **Excluded Debt:** Similar to a property tax override, the Town may also vote for a debt exclusion. A debt exclusion is a temporary tax increase that affects all property owners in town. The word “exclusion” means that the additional tax is excluded from the limits of Proposition 2 ½. Debt exclusions are considered to pay for larger capital projects that the annual debt service costs are too large to absorb within the annual operating budget. The additional tax is added onto the levy limit and assessed across all the real and personal property in town. Although debt exclusions are temporary tax increases, many projects are bonded over a 20-year period so residents are paying for the project over a long period of time.

A debt exclusion requires a two-thirds vote at Town Meeting and a majority election ballot vote. Per Massachusetts law, a two-thirds vote of the Select Board is required to place an exclusion question on an election ballot.

Funding Major Capital Projects

Large enough projects that require the excluded debt temporary tax increase must be approved by voters. Since 1988, Westford voters have considered 16 debt exclusions on 12 different occasions as shown in the table below:

Fiscal Year	Vote Date	Description	Department	Win / Loss
2000	5/1/1988	Schools/New Middle School	School	WIN
2000	5/2/1995	Additions And Constr.To Elem.School	School	WIN
2000	5/7/1996	School Plans And Remodel-Police & Land	General Operating	WIN
2000	11/18/1997	Picking Land	General Government	WIN
2000	11/18/1997	Equip And Furnishing Of New Fire Substat	Public Safety	WIN
2001	5/6/1997	School Addition	School	WIN
2001	5/6/1997	Construct Police Station	Public Safety	WIN
2002	5/2/2000	Highway Garage Facility	Public Works and Facilities	WIN
2005	11/9/1999	One School To Meet The 6-8 Needs; K-5 Needs Create A Six Grade Elementary School	School	WIN
2009	9/4/2007	Design, Engineer As Well As Renovate The Cameron Senior Center	Culture and Recreation	WIN
2016	5/5/2015	Design And Construct A New Center Fire Station On The Town-Owned Parcel Of Land	General Government	WIN
2022	11/8/2022	Expansion and renovation of the J.V. Fletcher Library	General Government	WIN
2024	5/2/2023	Construct a New Municipal Building Located at 51 Main Street	General Government	LOSS
2024	5/2/2023	Appropriate Funding for the Loyd G. Blanchard MSBA Roof Replacement	School	WIN

Except for the ‘New Municipal Building Located at 51 Main Street,’ all of the debt exclusion questions passed. All the articles above are related to building construction, renovation, or the acquisition of land.

In FY24, residents will only be paying for the last payment for the Highway Garage, the Cameron Senior Center Renovation, and the Fletcher Fire Station on Boston Rd. The total of all the excluded debt payments is \$1,486,250. No money has been bonded yet for the J.V. Fletcher Library or the Blanchard Roof, so there will not be a debt payment due in FY24.

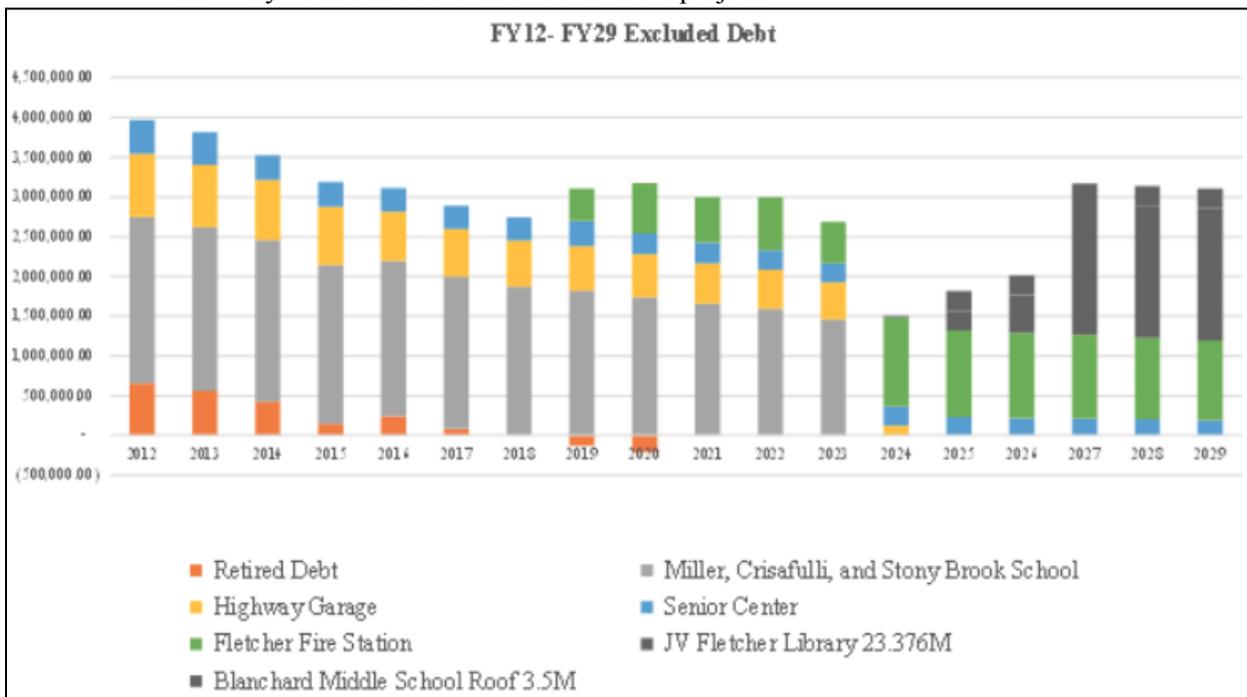
Below is a preview of future projects that will require a debt exclusion and projects that have already been authorized with a debt exclusion:

- **Approved - Blanchard Roof:** The Blanchard Roof has experienced many leaks over the past several years, which caused our insurance company to increase the deductible on our coverage from \$5,000 to \$50,000. During the same time, the Town was applying for the Massachusetts School Building Authority (MSBA) rapid repair program to help assist with the project. The MSBA application was approved, and they are funding 48.05% of eligible costs, totaling \$2,940,904. Voters approved to fund the balance of \$3,484,139 through a debt exclusion at the March 2023 Annual Town Meeting and May 2023 election. This project will take place during the summer of 2024 and be substantially completed while students and staff are on summer break. The average impact of the debt exclusion is approximately \$25.00 per year on a single-family house assessed at \$660,500.
- **Approved - J.V. Fletcher Library Expansion:** At the March 2023 Annual Town Meeting and May 2023 election, voters approved a debt exclusion to fund the J.V. Fletcher Library expansion. The overall estimated cost of the project was \$32,546,009, with funding coming from excluded bonds (\$23,375,756), a Massachusetts Board of Library Commissioners (MBLC) Grant (\$7,851,994), fundraising (\$1,300,000), and Community Preservation Funds (\$18,259). After the project was approved, the MBLC allocated an additional \$829,263 to help address the rising cost of construction.

The Library project is currently under design in FY24. The Library will move off site prior to construction starting. During the construction period, the Town will issue short term notes to pay for the construction costs. The short-term interest rates will be added to the tax base. The Finance Department is estimating the impact on a house assessed at \$660,500 to pay an additional \$24.32

in taxes in FY25, and \$47.24 in FY26. The project is estimated to be finished in the fall of 2026. At that point, the Town will permanently bond the project and there will be an annual debt payment that will be funded through an additional assessment on the tax base. The estimated impact on a household assessed at \$660,500 would be about \$158.61 in FY27.

- **Future - School Feasibility Study:** At the June 2022 Annual Town Meeting, voters appropriated \$250,000 for a Master Plan and Space Utilization Feasibility Study. A draft of the report has been presented to the School Committee. The findings will be used to generate a 10-year plan of capital needs and shared with the School Committee and the Capital Planning Committee. These projects will most likely require a combination of excluded and non-excluded debt.
- **Future - Oak Hill Rd Fire Station:** The Oak Hill Road Fire Station in Nabnasset is in need of repair. At the March 2023 Annual Town Meeting, voters appropriated \$300,000 for the architectural and engineering costs for either the addition, renovation, or replacement of this station. Estimates are not yet available for the projected cost for each option, however, this project will most likely need a debt exclusion to fund the project.



Key Takeaways from this Section:

- Westford relies on residential property tax revenue, most of which is limited to grow by only 2.5% each year. New growth adds to the tax levy but is unpredictable.
- Approximately 17% of the town’s general fund comes from State Aid, which has increased by an average of 1.3% over ten years – substantially less than the amount expenses have grown.
- Because of shared expenses, determining the town’s allocation to the Schools is not as simple as the line item in the town budget. In 2022, WPS was supported by 68% of the town’s total expenditures.
- Voters can increase the tax levy – permanently with an override or temporarily with a debt exclusion for large-scale capital projects.

IV. BENCHMARKING WESTFORD'S EXPENSES

In this section: Town Department and School department-level spending are compared against their market communities to make observations and look for learnings

A. Town Departments

The Budget Task Force charge includes benchmarking Westford's spending in various areas against comparable communities. For all departments, except the School Department, this process began with data obtained from the State of Massachusetts Department of Revenue. Unfortunately, it became obvious very quickly that this data was not consistent across communities based on how the communities organize their departments. For example, some Town's Police Departments include their Dispatch functions. Westford budgets its Dispatch Department separately. In order for the Task Force to compare "apples to apples," major department/function budgets for FY24 from each of the comparable communities were analyzed and pulled into a format that allowed for comparison. The task force did not compare administrative budgets (Town Manager, accounting, assessor's office, etc) because the differences were too great to be meaningful. The datasets refer to "FTE" which stands for Full Time Equivalent as a measure of staffing.

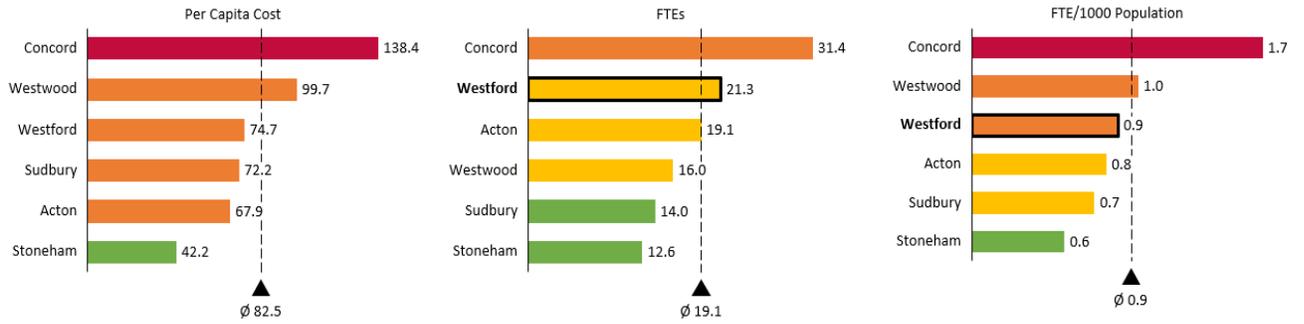
Every effort was made to make these budget comparisons "apples to apples." In some cases, it was difficult. Some communities include building and vehicle costs in the respective department budget, some have them in a separate department. For this reason, these comparisons should be considered with a margin of error. The following sections graphically depict the benchmark data and the observations that were made from the analysis and/or the interviews with counterparts in some of the peer communities.

Library

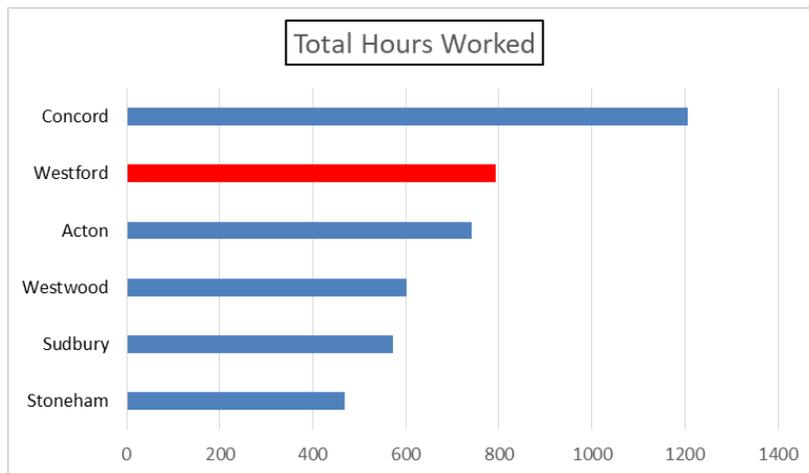
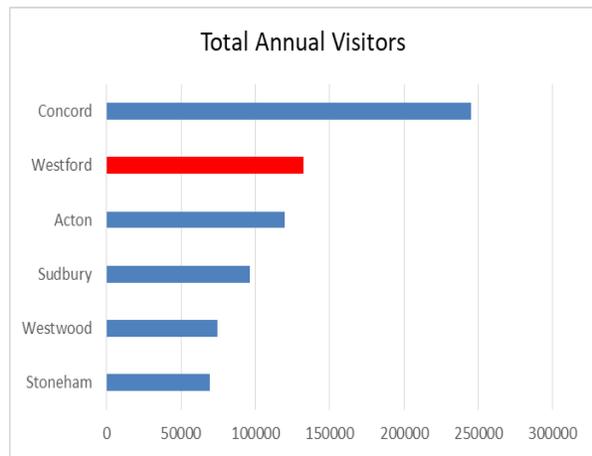
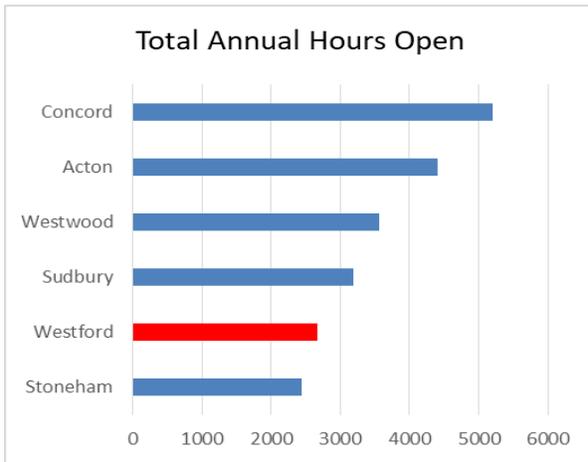
Libraries are required by Massachusetts Libraries Board of Library Commissioners (MLBC) to adhere to standards based on the municipalities' population. For this reason, the comparable communities list was narrowed to reflect the communities under the same requirements. Towns that are in the same population category include: Acton, Concord, Stoneham, Sudbury and Westwood.

The MLBC requires a municipality with a population between 15,000-24,999 to meet the following requirements: 50 hours per week over at least 5 days, including some evenings; spend 15% of appropriation on library materials; lend books to other libraries; and employ "trained library personnel" defined by Code of MA regulations as a specific level of education and certification. Westford will have a three-year window to increase hours once the MBLC formally determines the population to be above 25,000. Adhering to these standards provides access to inter library loans and funding for the operating budget. In FY23 this additional funding was \$48,401.

Library



Westford per capita cost = \$75
 Mean average per capita cost = \$99
 Median per capita cost = \$83

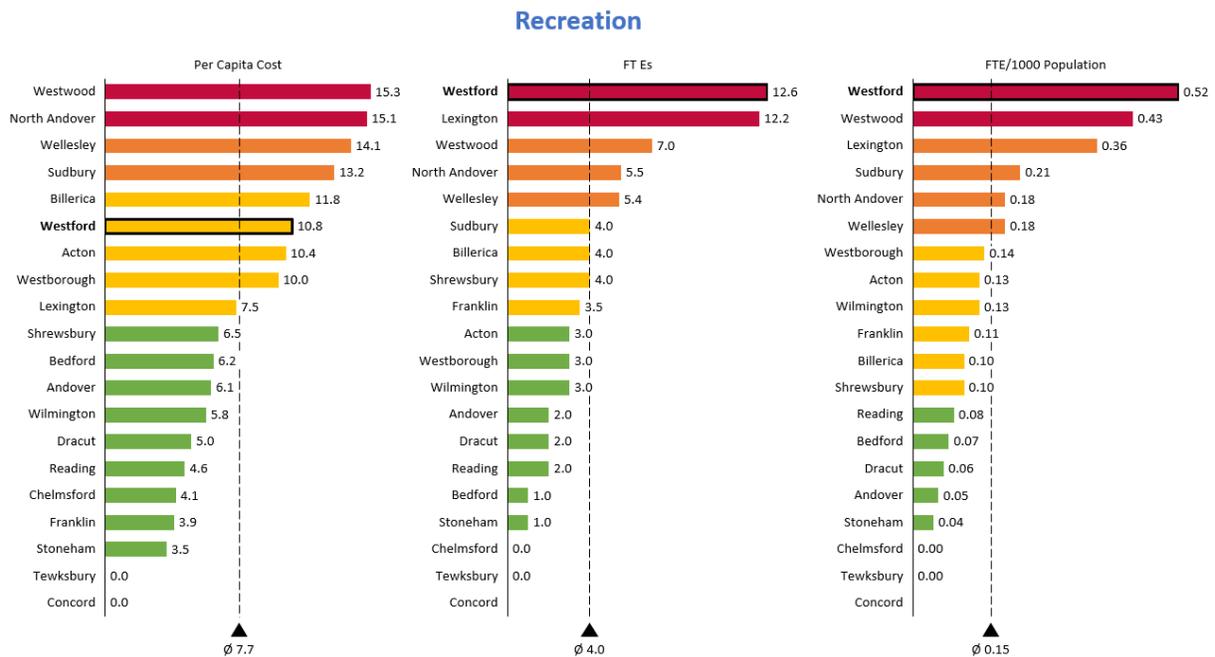


Observations:

- The Westford library is slightly higher than average for FTE counts but lower than average for open hours. The Library Director attributes the higher FTE count to the unique architecture of the building. More personnel are required to operate the various areas of the building.
- Westford’s hours worked per week are high vs. total hours open annually. This is due to the high number of employees on duty at any given time.
- Although Westford is open less hours than comparable communities it has 7.5% more visitors than the average and 22% higher than the median.
- Per capita spending is 25% below the average and 9% below the median
- If Library spending were in line with the average, Westford would need to spend approximately \$500,000 more.

Recreation

Lexington, Concord, Belmont and Burlington have large recreation facilities. Lexington and Concord generate enough revenue to cover all expenses completely. Revenue numbers were not able to be obtained to generate true net costs to the taxpayer for Belmont and Burlington. However, it is believed that the net cost in the operating budget is small to none. Therefore, Belmont and Burlington are omitted from the graphs.

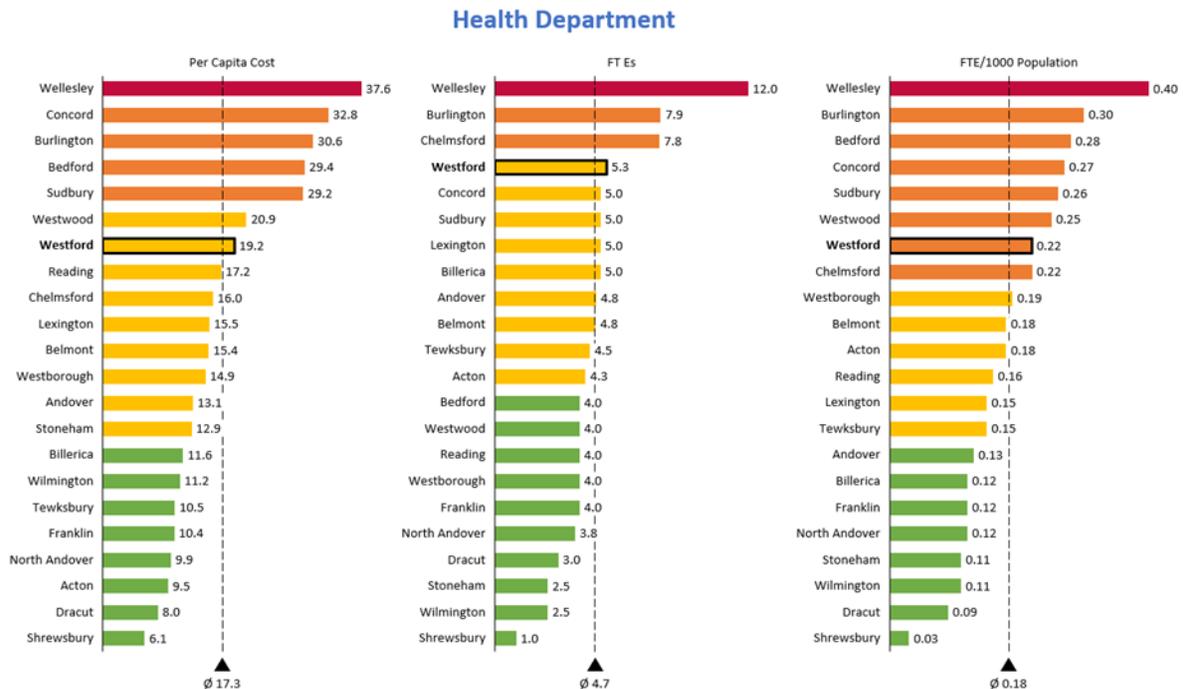


Westford per capita cost = \$11
 Mean average per capita net cost = \$8
 Median per capita net cost = \$8

- Westford net Per Capita cost is 33% higher than the average; 40% higher than the median.
- If spending were in line with the average, it would result in savings of approximately \$65K.
- Westford Recreation Department FTE count is the highest. This could be a result of Westford operating after school childcare for K-5 students.

- Only Concord, Lexington and Westford operate as Enterprise Funds. Concord and Lexington have large recreation facilities. If Enterprise Fund Revenue is less than anticipated, the Town must make up the difference. This occurred in FY21, 22, and 23 resulting in \$1,098,836 of additional ARPA and Stabilization funds needing to be used to supplement the Recreation Enterprise revenue deficit. The COVID pandemic exacerbated the past shortfall in revenue.
- Most other communities spend a minimal amount on a small number of full time employees out of the General Fund. The rest of the expenses/personnel are paid for by program fees.
- Concord and Lexington Recreation centers have a \$0 impact on the town budget.
- Tewksbury, Reading and Chelmsford no longer have recreation departments. The small budgets are used to manage public areas, such as beaches or parks.
- Westford Recreation department is unique in offering after-school care. In most other communities, the School department offers this program. It is unclear at this time whether this has an advantage.

Health Department

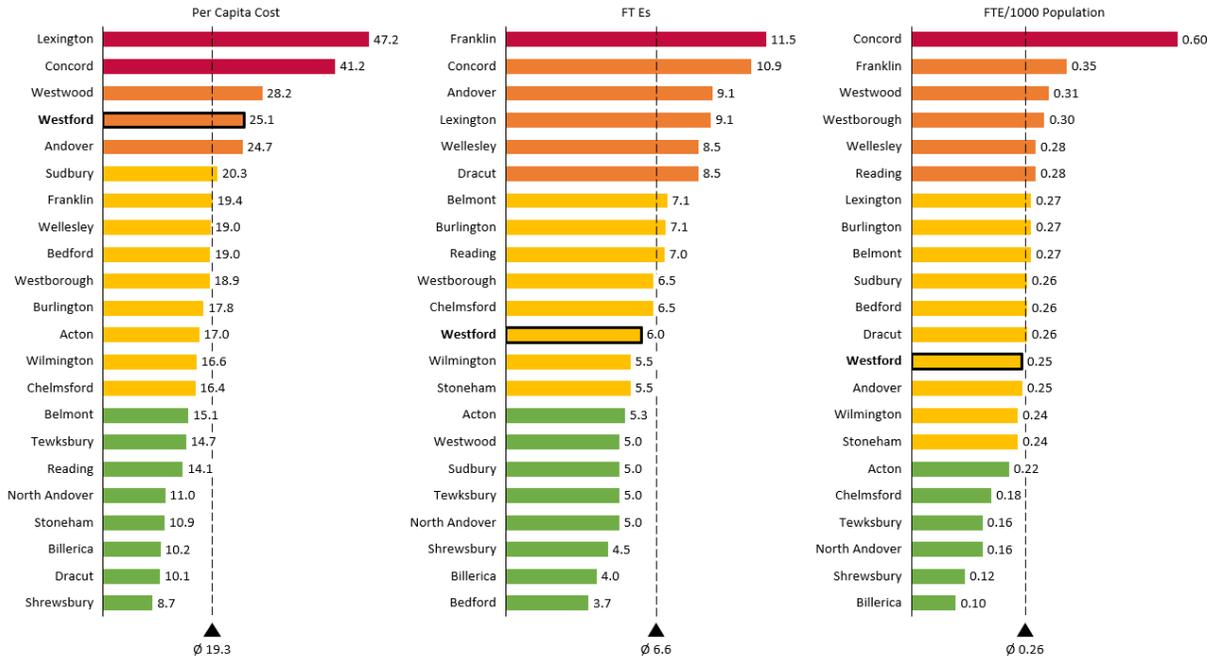


Westford per capita cost = \$19
 Mean average per capita cost = \$17
 Median per capita cost = \$15

- Westford per capita cost is 11% higher than the average; 27% higher than the median
- If spending were in line with the average, it would result in a savings of approximately \$45K
- FTE counts are on the higher end.
- Most other communities have a strict division between public health services and social services. See Section VII for reference to this as a potential efficiency.
- Shrewsbury and Stoneham have regional health departments with surrounding towns.

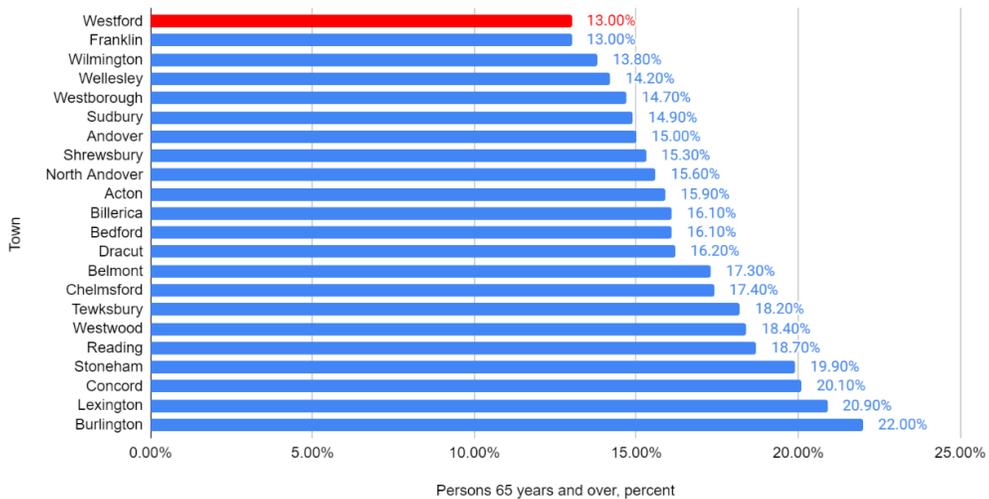
Council On Aging

Council ON Aging



Westford per capita cost = \$25
 Mean average per capita cost = \$19
 Median per capita cost = \$17

Persons 65 years and over percent vs. Town total population

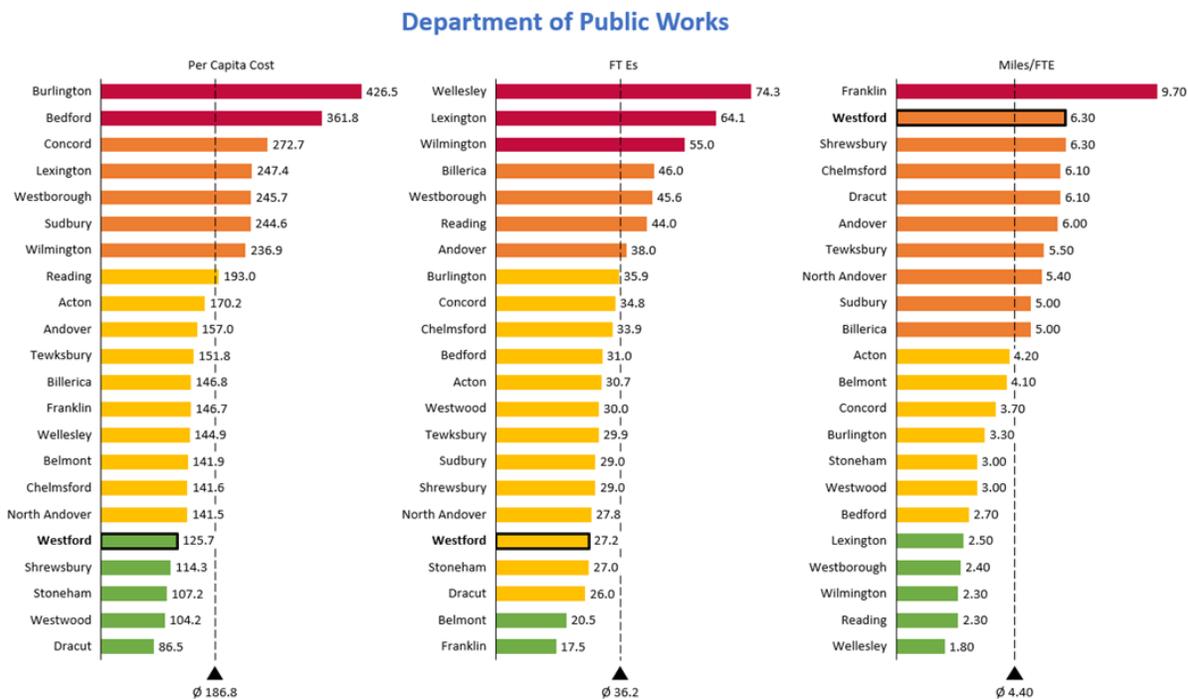


Source: <https://www.census.gov/quickfacts/>

- Westford per capita cost is 30% higher than the average; 44% higher than the median.
- If spending were in line with the average, savings of approximately \$140K would be realized.
- Westford’s percentage of the population over 65 years old is the lowest among the comparable towns.
- Westford’s town Social Worker and Outreach Coordinators operating under the Council on Aging.

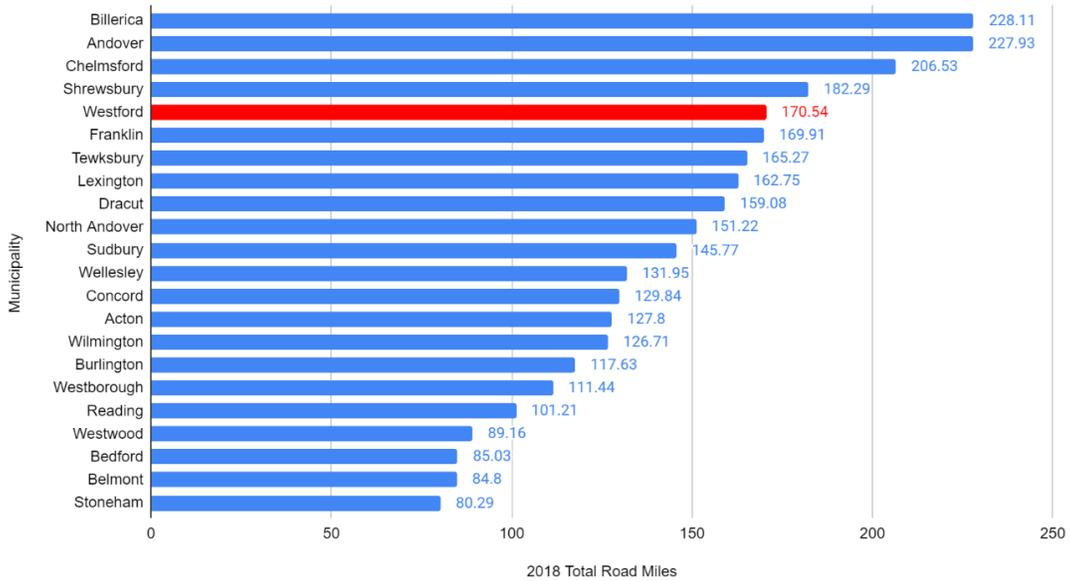
Department of Public Works (DPW)

The Department of Public Works was extremely difficult to make consistent. Across peer communities, the DPW can include a variety of services. Westford’s DPW director aided in this analysis to ensure consistency.



Westford per capita cost = \$126
 Mean average per capita cost = \$187
 Median per capita cost = \$150

2018 Total Road Miles vs. Municipality

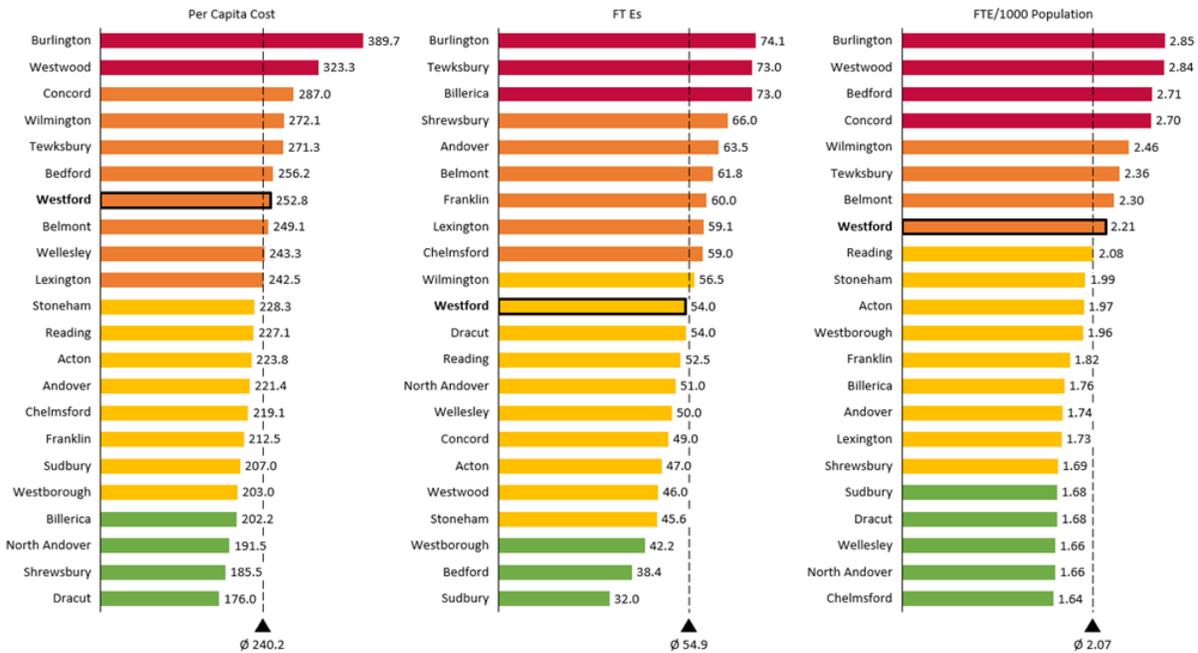


- Westford per capita cost is 33% lower than the average; 16% lower than the median.
- If spending were in line with the average, Westford would need to spend approximately \$1,400,000 more.
- Westford has the 5th highest number of road miles to maintain.
- Westford benefits from an agreement with Newport Materials, an asphalt company in Westford. The agreement’s financial value is approximately \$888,775 per year.

Police

It should be noted there are several variables in Police department budgets. Building, vehicle purchases, vehicle fuel, vehicle maintenance, and dispatch costs are sometimes included in the Police budget. These expenses, especially vehicle expenses, can be significant and will skew results. To the extent possible, these expenses were removed from the police budgets to create a more consistent comparison.

Police



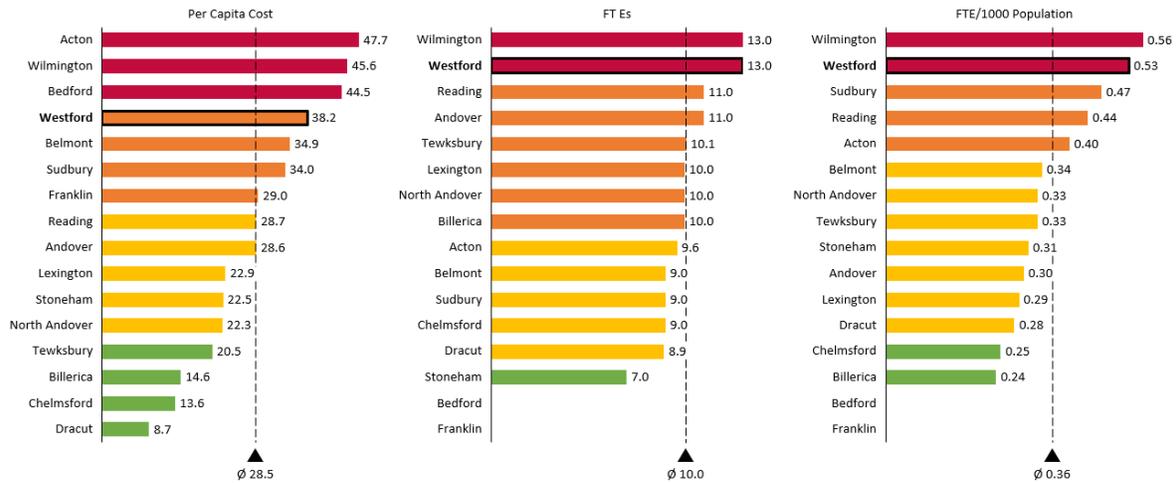
Westford per capita cost = \$253
 Mean average per capita cost = \$240
 Median per capita cost = \$228

- Westford per capita costs are 5% higher than the average; 11% higher than the median.
- If spending were in line with the average, savings of approximately \$300K would be realized.
- Franklin, Shrewsbury, Westborough and Stoneham are adding more officers to make FTE counts more in line with Westford.

Dispatch

This function is often embedded within the Police department. For this reason, pure dispatch costs could not always be extracted. Those towns were eliminated from the charts and include Burlington, Concord, Shrewsbury, Wellesley, Westborough and Westwood.

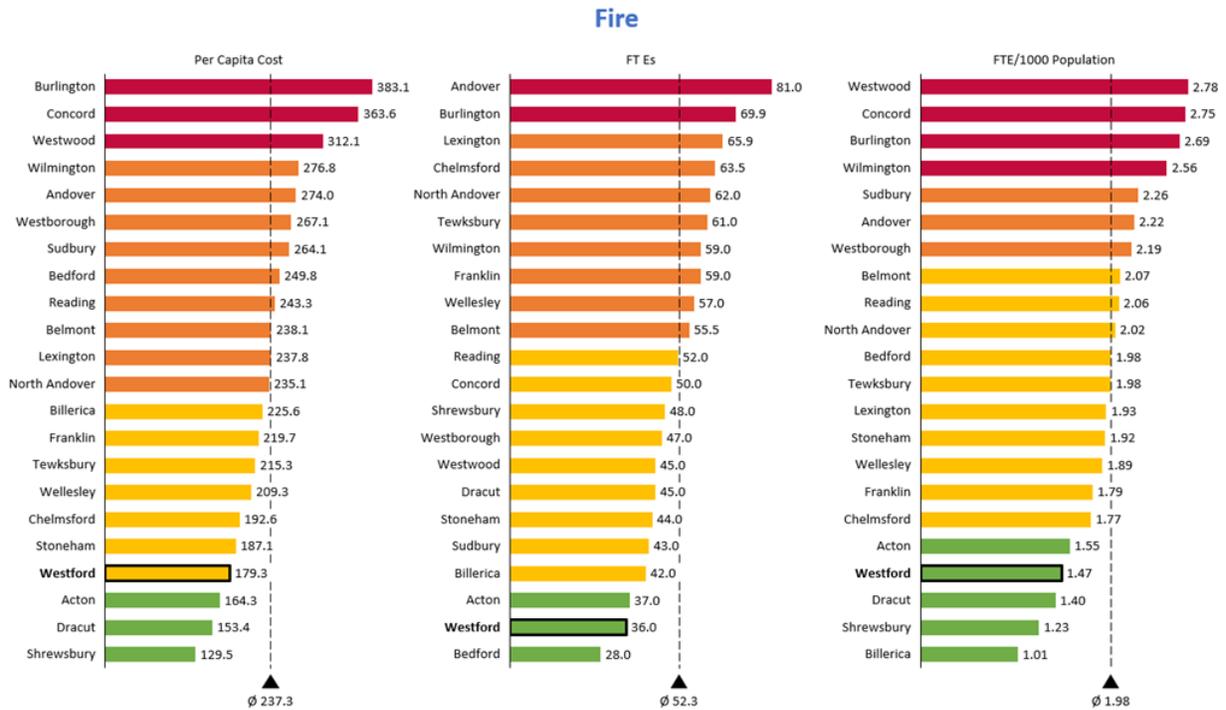
Dispatch



Westford per capita cost = \$38
 Mean average per capita cost = \$29
 Median per capita cost = \$29

- Westford per capita costs are 34% higher than the average.
- Westford's Dispatch FTE count is the highest among comparable communities.
- If spending were in line with the average, savings of approximately \$200K would be realized.
- Many communities are regionalized - Among comparable communities, Franklin, Dracut, and Tewksbury are part of regional or shared centers. The State is encouraging regionalization with numerous grants.
- Westborough is investigating regionalization.
- Five (5) other communities the BTF spoke to have only 2 dispatchers per shift on duty. All indicate this is sufficient. Westford has 3 on duty during day shifts and 2 overnight.
- It was difficult to obtain comparable call volumes across communities.
- Westford's 911 calls increased significantly (3921 to 6479) in FY20. The department head indicates this occurred when 911 calls from cell phones increased and Westford was the only dispatch center in the area accepting calls. However, this number has not decreased much in subsequent years. Westford dispatch handles over 50,000 calls per year on the business (non-emergency line).

Fire



Westford per capita cost = \$179
 Mean average per capita cost = \$237
 Median per capita cost = \$236

- Westford per capita costs are 24% lower than the average; 24% lower than the median.
- If spending were in line with the average, Westford would need to spend approximately \$1,400,000 more.
- Fire and Ambulance departments share personnel. Westford's Fire budget looks artificially low because of this. Other Communities combine Fire and Ambulance if they have in-house Ambulance services. It is difficult to make comparisons consistently.

Ambulance

This function is often embedded within the Fire department or contracted out to a private company with zero costs to the town. For these reasons, expenses and revenue for all towns could not be extracted.

Therefore, charts are unfortunately not particularly helpful for the Ambulance function.

- Many communities use private ambulance services with \$0 cost to taxpayers. These communities include Chelmsford, Dracut, Shrewsbury, Stoneham, and Wellesley.
- Towns with higher ambulance revenue compared to Westford's \$900K include Andover (\$1.7M), Franklin (\$2.2M), Tewksbury (\$1.6M), Westborough (\$1.6M), and Lexington (\$1.4M). Andover is expecting their ambulance revenue to offset additional multiple new positions in public safety.
- Franklin reviews their ambulance rates annually, citing "this annual review and adjustment, calculated as the average of our billing company's top fifty fire service clients in the area, ensures that our rates remain in line with the rates of the surrounding communities."

- Franklin and Westborough were interviewed. Each said that the Fire Chief placed a priority on Ambulance revenue. They prioritized paperwork and policies to make sure they were collecting the maximum possible, and they go out to bid every 3 years for billing paying less (% basis), and they have a 98% collection rate. Westford's last few years of collection rates: FY21 - 91%; FY22 - 87%; FY23 (so far) - 82%.

Trash and Recycling

- In FY25, the per capita cost of trash and recycling services will be \$105. The average per capita cost among the comparable towns is \$74.
- 14 of the 22 communities have limits on trash (64 gallons or less) and/or charge residents a fee. Concord and Shrewsbury residents pay for all of the trash they put out at the curb, resulting in \$0 cost to the budget for Concord, and 50% reduction for Shrewsbury
- 4 of the 22 communities have a transfer station which costs significantly less to run. Annual fees to use the transfer station are charged to the residents resulting in zero (Acton and Sudbury) to little (\$26 per resident for Westborough) cost in the budget.
- In 2021, Westford residents disposed of 0.95 tons of trash per household per year on average. This is 17.8% higher than the average of all Massachusetts municipalities with curbside collection. For comparison, Concord residents put out an average of 0.69 tons while Shrewsbury residents' average was 0.63 tons. Towns pay additional fees per ton of trash taken to the incinerator.
- Several communities have composting options to reduce solid waste. Concord initiated a pilot program, Chelmsford recently negotiated with private company (Black Earth Composting) to provide better rates to their residents. Lexington has a compost facility.
- If Westford were to reduce their trash tonnage to the average, this could save approximately \$135K.

Health Insurance

Employee health insurance was very difficult to benchmark. It depends on the number of employees participating in the plan, the health of the employees, the financial model of the plan, and whether or not the Town participates in a group plan. For these reasons, charts comparing costs are not helpful. However, the BTF did make some observations.

- Several communities offer their employees high deductible plans.
- Westborough created rules around eligibility for their PPO plan.
- Several communities participate in group plans including the Group Insurance Commission (GIC) through the state or collectives with other towns. Examples include Bedford, Franklin, Lexington, North Andover, Reading, Shrewsbury, Stoneham, Sudbury, Wellesley, and Westwood. These tend to be favorable in terms of costs.
- Reading and Franklin mentioned the involvement of their Insurance Advisory Committee was instrumental in controlling health insurance costs.

Other Benchmarking Observations

- Most communities have all /many vehicles refueled at a DPW or group facility at wholesale rates.
- Many communities have a "Vehicles Maintenance" department with the DPW that maintains all town vehicles. Exceptions are specialized Fire apparatus. This also ensures vehicles are

maintained properly by an expert mechanic. Communities include: Andover, Bedford, Belmont, Dracut, Franklin, North Andover, Shrewsbury, Stoneham, Tewksbury, Wellesley

- Many communities combine Facilities responsibilities into one department for all buildings. These responsibilities normally include maintenance, custodial, and utilities. This ensures buildings are properly maintained by an expert. It also takes advantage of bulk purchasing power when purchasing supplies or other services. Communities include: Acton, Andover, Bedford, Belmont, Billerica, Chelmsford, Concord, Dracut, Franklin, Lexington, Reading, Shrewsbury, Sudbury, Wellesley and Wilmington
- Some communities have a central procurement office to take advantage of bulk purchasing power. Communities include Reading and Stoneham.
- Many communities share Veteran's services. Communities include: Acton, Bedford, Lexington, North Andover, Shrewsbury, Sudbury, Westborough, Wellesley. Belmont, Concord and Westwood have part time Veteran Services Officers.
- Some communities use a portion of Cemetery revenue to offset the budget. Communities include: Andover and Lexington.
- Many communities combine like services to maximize efficiency (both with personnel and equipment) and take advantage of bulk purchasing. For instance, DPW handles all snow removal and field maintenance. Westford splits these responsibilities between the School and DPW.
- Several communities pursue solar energy systems to offset electricity costs. Lexington is adding solar panels and batteries to 7 school buildings. Chelmsford added Solar panels to 10 buildings in 2013 as part of an Energy Performance Contract; savings from the panels paid for \$19M worth of building repairs/improvements. Westwood has added solar capability to several buildings.

B. Westford Public Schools Data

The benchmarking analysis included a comparison of Westford Public School spending to the district's market communities. This list included ten "DART" districts identified by the MA Department of Elementary and Secondary Education (DESE) as having a similar enrollment profile as Westford, based on grade span, total enrollment and special populations (Low Income %, Students With Disabilities %, English Language Learners %). Industry practice also suggests including abutting communities, those districts that are geographically adjacent to Westford.

List of DART + Adjacent districts for WPS market comparison

District Name	School Configurations	Building	2022 Total Enrollment #	Low Income %	SWD %	ELL %	FY22 Student-Teacher Ratio
Acton-Boxborough*	PK; 6 K-6; 7-8; 9-12	9	5,186	10.9	14.7	4.9	19.4
Arlington*	PK; 7 K-5; 6; 7-8; 9-12	11	5,866	11.5	15.9	4.2	17.2
Carlisle	PK-8	1	615	4.4	13.5	2.1	
Chelmsford	PK; 4 K-4; 2 5-8; 9-12	8	4,943	19.2	16.7	4.3	17.8
Concord	3 PK-5; 6-8	4	1,998	9.9	16.3	1.9	
Concord-Carlisle	9-12	1	1,323	9.3	18.3	0.6	18.2
Groton-Dunstable	PK; 2 K-4; 5-8; 9-12	5	2,315	11.5	15.8	1.2	18.1
Hingham*	4 PK-5; 6-8; 9-12	6	3,864	8.3	15.5	0.4	16.5
Holliston*	PK-2; 3-5; 6-8; 9-12	4	2,809	11.5	16.5	2.2	16.3

Littleton	PK-2; 3-5; 6-8; 9-12	4	1,642	11.0	16.3	1.8	19.0
Milton*	4 PK-5; 6-8; 9-12	6	4,352	14.5	17.0	2.7	19.7
Natick*	5 K-4; 2 5-8; 9-12	8	5,308	13.5	16.5	3.4	18.2
Needham*	5 K-5; 6; 7-8; 9-12	8	5,515	8.4	17.9	3.2	17.8
Sharon*	PK; 3 K-5; 6-8; 9-12	6	3,537	12.9	15.5	3.1	18.3
Tyngsborough	PK-5; 6-8; 9-12	3	1,624	24.8	19.7	5.7	18.2
Wellesley*	PK; 7 K-5; 6-8; 9-12	10	4,290	7.4	17.1	1.8	15.9
Westford*	3 PK-2; 3 3-5; 2 6-8; 9-12	9	4,668	9.7	16.3	1.9	17.8
Winchester*	5 PK-5; 6-8; 9-12	7	4,362	7.3	16.4	3.1	17.7

Asterisk marks DART districts. Source: <https://profiles.doe.mass.edu/analysis/state.aspx>

The data provides detail about how much districts spend in specific functional areas such as administration, teaching, and maintenance. Since DESE tracks end-of-year school spending from all districts into standardized function code categories, this data from different districts can be reasonably compared.

About the data:

- Revenue: All expenditures and funding sources (town appropriation, grants, fee-based revolving funds, circuit breaker, school choice) are included.
- Expenses: The first ten functional categories are for services provided within the school district. In those categories, an in-district per pupil calculation is limited to the pupils enrolled in the district. Categories not represented include community services, fixed assets, and debt service.

DESE Function Code and Description		Westford vs Peers	Westford: FY 2022 Per Pupil Amount	Median of Peers: FY2022 Per Pupil
<u>Administration</u>	<i>Superintendent, Assistant Superintendents, Other Administration, Business and Finance, Human Resources and Benefits, Legal Service and Settlements, Administrative Technology</i>	37% below median	\$379	\$603
<u>Instructional Leadership</u>	<i>Managers responsible for delivery of student instructional programs at the school and district level: Principals, Dept Heads, Curriculum Coordinators,</i>	5% below median	\$1,188	\$1,245
<u>Teachers</u>	<i>All salaries and stipends related to providing instruction.</i>	2% below median	\$6,880	\$7,012
<u>Other Teaching Services</u>	<i>Substitutes, Library staff, Paraprofessionals, Medical/Therapeutic Services like BCBA, OT, PT, Speech</i>	7% below median	\$1,436	\$1,545

DESE Function Code and Description		Westford vs Peers	Westford: FY 2022 Per Pupil Amount	Median of Peers: FY2022 Per Pupil
<u>Professional Development</u>	<i>Salary and stipends for staff whose primary function is to provide instructional coaching to teachers, provide in-district professional development, or expenses for staff to participate in professional development both in and out of the district</i>	76% below median	\$29	\$124
<u>Instructional Materials and Technology</u>	<i>Physical instructional materials, Class or library materials, Instructional Equipment, General Classroom Supplies, Field Trips, Student and Staff Devices, Computer Lab Equipment, Licenses and Subscriptions for Electronic Textbooks and Materials</i>	46% below median	\$196	\$363
<u>Guidance, Counseling, Testing</u>	<i>Guidance Counselors, Adjustment Counselors, School Psychologists, Social Workers, Expenses for Testing and Assessing Students</i>	11% below median	\$584	\$659
<u>Pupil Services</u>	<i>Attendance and Parent Liaison Services, School Nurses and Medical Supplies, All Regular Day Transportation Services, Food Services, Athletics, Student Activities, School Security</i>	16% above median	\$1,817	\$1,572
<u>Operations & Maintenance</u>	<i>Heating, Utility Services, Building Security Systems, Technology Infrastructure, Salaries and Expenses for the Maintenance of the Grounds, Buildings and Equipment</i>	5% below median	\$1,283	\$1,346
<u>Benefits & Fixed Charges</u>	<i>Retirement and Insurance Programs for Active Employees and Retirees, Separation Costs, Rental Lease of Equipment or Buildings, School Crossing Guards and Other Fixed Charges</i>	9% below median	\$2,545	\$2,801
<u>Total In-District Expenditures Per Pupil</u>			\$16,339	\$17,184

Concord, Carlisle and Concord-Carlisle Regional are removed from this analysis because of their unique arrangement of separate municipal elementary schools plus a regional high school. Source: <https://www.doe.mass.edu/finance/statistics/per-pupil-exp.html>

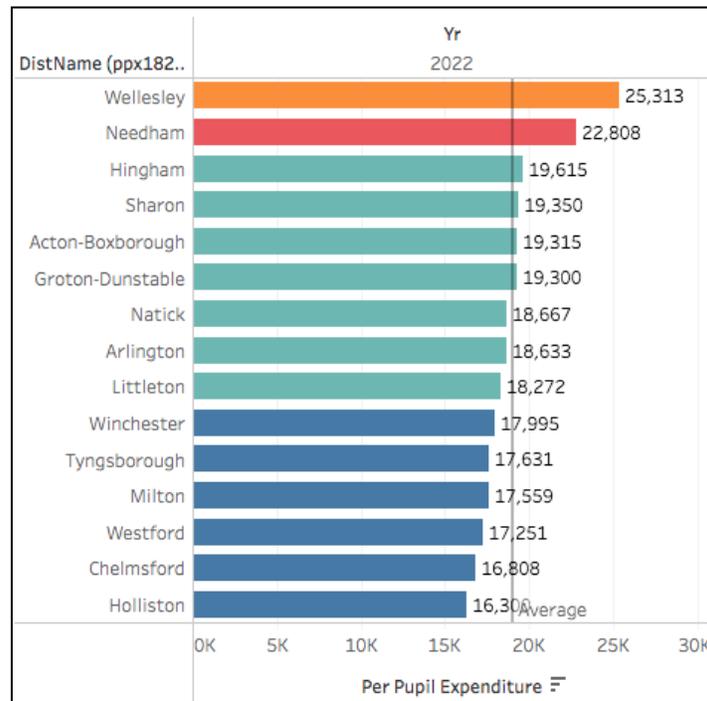
The out of district expenses represents out-of-district tuitions and transportation, including payments for Westford residents who are being educated in schools outside the district. There is no separate Per Pupil data point for out of district expenses because the enrollment is a combination of high-cost special education placements and lower cost school choice or charter school tuitions. Please note that some of these expenses are reimbursed through the Circuit Breaker state grant or federal grants. Also note that

these expenses do not represent students attending Nashoba Valley Technical High School — that is a separate amount that the town is assessed.

Out of District Expenses	Westford FY2022 Total Expenditures
Tuition to Mass Schools	\$20,400
Tuition for School Choice	\$162,750
Tuition to Commonwealth Charter Schools	\$110,699
Tuition to Horace Mann Charter Schools	\$0
Tuition to Out of State Schools	\$0
Tuition to Non-Public Schools	\$4,430,815
Tuition to Collaboratives	\$826,571
OOD Transportation	\$490,788

Total Per Pupil Expenditures (PPE) represents all school operating expenditures for in-district programs and out-of-district placements. The total per pupil expenditure includes all categories of spending, and combines both groups of students, in-district and out-of-district.

<u>Total Per Pupil Expenditures</u>	FY2022 Westford	Median
	\$17,251	\$18,633



Total Per Pupil Expenditure shown. Westford is the third lowest value.

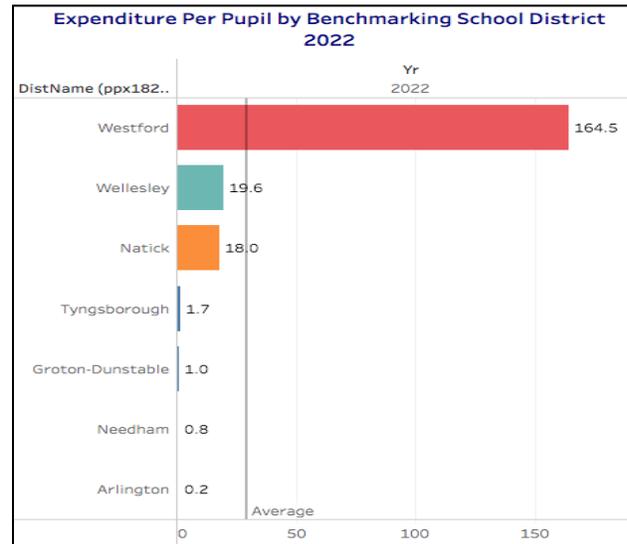
Observations

In 9 of the 10 overall in-district spending categories, Westford Public Schools is below average. Within each category, the subcategories were also compared. WPS is above average in several areas that could be a result of the district's configuration with nine buildings and the building-based administration and specific expenses: School Leadership, Librarians, Guidance/Adjustment Counselors, Custodial Services, Heating, Building Security System. Spending was also above average in Instructional Software, which is likely related to the district's usage of 1:1 student devices and curriculum subscriptions.

Within Pupil Services where WPS was above average, the category is a cumulation of Athletics, Attendance and Parent Liaison Services, Food Services, Medical/Health Services, School Security, Transportation Services, and Other Student Activities. The overall higher comparative value is due to several factors. Westford is spending the second highest in Transportation, spending \$762 per pupil, versus a median value of \$527. WPS has been in a five-year contract with Dee Transportation Services since FY20, and when WPS requested proposals from vendors, Dee was the only bidder. Westford's expenses are also comparatively high in Food Services, however that department does not impact the operating budget as it is self-contained with separate revenue and expenses.

Another area of note is the Benefits and Fixed Charges category, where Westford is spending above average in the subcategories of Rental Lease of Equipment, and Other Fixed Charges. Equipment rental leases include printers and copiers in school buildings.

The 'Other Fixed Charges' subcategory (shown right) contains approximately \$800k in end-of-year chargebacks from Westford's municipal public safety services that support the schools -- a combination of \$290k (Police department), \$40k (Public safety dispatch) and \$475k (Fire/ambulance department). No other peer district appears to be accounting for this support in this way. Note these are not actual funds taken from the WPS operating budget but are an accounting practice to represent workload allocation.



Key Takeaways from this Section:

- Comparing municipal department expenses is complicated by the varied services and methods of budgeting, however it did highlight several opportunities to gain efficiencies.
- The Library, Department of Public Works and Fire departments were below average in spending.
- Westford Public Schools' Total Per Pupil Expenditure is \$17,251 versus a median of \$18,633 for FY2022. Many areas are well below average in spending.

V. UPCOMING BUDGET CHALLENGES

In this section: Detailed descriptions of the context and the likely impact of each projected expenditure increase

Solid Waste/Recycling (new contract starting FY25)

Both the solid waste and recycling contracts expire on June 30, 2024. ACME Waste has been the town's solid waste hauler since 1989. They notified the town that they would not be submitting a bid to continue providing services. In past years, ACME was always the lowest bid and the town realized that there would be a substantial increase whenever ACME decided to no longer provide services. The town has already solicited bids through an RFP process and is currently analyzing proposals from E.L. Harvey and Waste Management, Inc. to be brought to the Select Board for consideration.

Below is the solid waste expense history dating back to FY18, with the budgeted figures included for FY23 and FY24:

DESCRIPTION	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
CURBSIDE COLLECTION-SOLID WASTE	633,968.70	649,746.50	667,500.00	687,999.96	716,224.92	744,141.00	773,907.00
TIPPING FEES	522,686.70	535,528.82	577,444.00	595,559.27	655,185.60	636,447.00	748,447.00
FUEL SURCHARGE/CREDIT							
LANDFILL MONITORING	8,611.85	9,956.15	9,574.24	12,256.24	12,400.00	13,000.00	14,300.00
SUPPLIES			1,893.00	1,945.00	3,150.00	2,000.00	2,000.00
CARTS							
ENCUMBRANCES				1,500.00			
Subtotal	1,165,267.25	1,195,231.47	1,256,411.24	1,299,260.47	1,386,960.52	1,395,588.00	1,538,654.00

Below are the projected expenses for the new five-year solid waste contract with E.L. Harvey:

DESCRIPTION	FY24	FY25	FY26	FY27	FY28	FY29	FY25-29 TOTAL
	BUDGET	EL HARVEY PROPOSAL 9/19/23					
CURBSIDE COLLECTION-SOLID WASTE	773,907	1,100,000	1,125,000	1,150,000	1,175,000	1,200,000	5,750,000
TIPPING FEES	748,447	797,784	825,162	866,420	892,413	919,185	4,300,964
LANDFILL MONITORING	14,300	17,500	18,000	18,500	19,000	19,500	92,500
SUPPLIES	2,000	10,000	10,000	10,000	10,000	10,000	50,000
ENCUMBRANCES							
Subtotal	1,538,654	1,925,284	1,978,162	2,044,920	2,096,413	2,148,685	10,193,464
Increase per Year		386,630	52,878	66,758	51,493	52,272	

The increase from FY24 to FY25 is estimated to be \$386,630 for solid waste services. Moving forward, in future years, the annual increase is consistent with contractual increases in prior years.

In FY20, the town contracted with Waste Management to provide recycling pick-up services for our residents. In addition to the collection fee, Waste Management also charges a fee for processing the recyclables. In FY24, that fee is \$118.18 per ton. The town is then credited with blended value of the recyclables, which in July 2023 was \$41.61 per ton. The town pays the difference between the processing fee and the blended value, or \$76.57 per ton. This figure fluctuates with the market each month and can be highly sporadic. The town has a clause in its contract that if the value of the recyclables is higher than the processing fee, then the town and Waste Management split the profits. This generated over \$39,000 in FY22. In FY23, the market for cardboard and mixed paper crashed, and the town paid Waste Management the sum of \$132,950.91.

Just as the cardboard and mixed paper markets crashed, the mixed plastics market also went down this year. A supplemental budget appropriation was submitted for \$165,000 to pay for the recycling processing fees through the rest of FY24. The supplemental request is not included in the below recycling expense history dating back to FY18, with the budgeted figures included for FY24:

DESCRIPTION	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET
CURBSIDE COLLECTION-RECYCLING	437,750.04	405,790.87	481,977.60	489,825.24	516,059.32	530,967.00	547,525.00
DISPOSAL SERVICES	78,938.81	158,872.90	208,012.16	131,746.34	68.41	132,950.91	65,000.00
FUEL SURCHARGE/CREDIT	8,905.14	14,801.86			-	32,494.56	5,000.00
HAZARDOUS WASTE DISPOSAL	1,470.48	8,878.00		13,290.00	6,345.00	2,902.00	5,000.00
ENCUMBRANCES			16,359.50	5,000.00	-		
Subtotal	527,064.47	588,343.63	706,349.26	639,861.58	522,472.73	699,314.47	622,525.00

E.L. Harvey has a similar method for determining the value of recyclables. In FY25, they proposed that the town pay a processing fee of \$100.00 per ton. They will then deduct the blended value of the recyclables to offset the cost. E.L. Harvey will use data from the composition audits with Waste Management, Inc. as a basis for their monthly analysis. Although there are still final decisions to be made regarding collections for next year, the projected expense for FY25 to FY29 is as follows:

DESCRIPTION	FY24	FY25	FY26	FY27	FY28	FY29	FY25-29 TOTAL
	BUDGET	EL HARVEY PROPOSAL 9/19/23					
CURBSIDE COLLECTION-RECYCLING	547,525	600,000	625,000	650,000	675,000	700,000	3,250,000
DISPOSAL SERVICES	65,000	130,287	138,373	146,619	155,037	163,616	733,933
FUEL SURCHARGE/CREDIT	5,000						-
Subtotal	617,525	730,287	763,373	796,619	830,037	863,616	3,983,933
Increase per Year		112,762	33,086	33,246	33,418	33,579	

The increase from FY24 to FY25 is estimated to be \$112,762 for recycling services. The total increase for solid waste and recycling is projected to be \$499,392 and \$85,964 in FY26.

Estimated Cost Increase by Fiscal Year			
Solid Waste/Recycling	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	425,000.00	500,000.00	575,000.00
FY26	55,000.00	75,000.00	95,000.00
FY27	55,000.00	75,000.00	95,000.00
FY28	55,000.00	75,000.00	95,000.00
FY29	55,000.00	75,000.00	95,000.00

Energy Costs (natural gas and electricity)

Through Tradition Energy, the town is currently under contract with Constellation for electricity supply and Direct Energy for natural gas supply for most of our town and school buildings. The Constellation contract began in December 2021 and will expire in December 2024. Under this contract, the town is currently paying \$0.08950 per kilowatt-hour of electricity. Our Direct Energy contract for natural gas

began in March 2021 and will expire in February 2024. Under this contract, the town is currently paying \$5.615 per dekatherm for natural gas. The town locked in at very favorable rates at the bottom of the market.

The town’s utility bills are comprised of two parts, delivery, and supply charges. Our supply charges can be negotiated with third-party providers to enter into contractual agreements, which in turn can greatly reduce the town’s annual operating costs.

Below are cost projections for the overall town based on the amount of energy used in FY22.

Electricity Cost Projections

	<i>Supply Rate</i>	<i>Supply Cost</i>	<i>Annual Change</i>
FY ‘23	\$.0895/kWh	\$753,403	N/A
FY ‘24	\$.0895/kWh	\$753,403	N/A
FY ‘25	\$.1072/kWh	\$902,400	\$148,997
FY ‘26	\$.1249/kWh	\$1,051,397	\$148,997
FY ‘27	\$.1249/kWh	\$1,051,397	\$0

*FY’25 supply cost is a weighted average of two agreements: \$.0895/kWh through 12/1/2024 and \$.1249/kWh beginning 12/1/2024

Natural Gas Cost Projections

	<i>Supply Rate</i>	<i>Supply Cost</i>	<i>Annual Change</i>
FY ‘23	\$5.615/dth	\$342,267	
FY ‘24	\$6.594/dth	\$401,943	\$59,676
FY ‘25	\$9.530/dth	\$580,909	\$178,966
FY ‘26	\$9.530/dth	\$580,909	0

*FY ‘24 supply cost is a weighted average of two agreements: \$5.615/dth through 2/29/2024 and \$9.53/dth beginning 3/1/2024

By the end of FY26, electricity supply costs are expected to increase by \$297,994 and natural gas supply costs are expected to increase by \$238,642.

Here is the cost breakdown by department for electricity supply costs for FY25:

FY25 Electricity Cost by Department				
Department	Annual KWH	FY24 Annual Cost	FY25 Projected Annual Cost	Increase
Animal Control	1,094	97.91	117.28	19.37
COA	178,760	15,999.02	19,163.07	3,164.05
Fire	67,436	6,035.53	7,229.14	1,193.61
Highway	264,107	23,637.58	28,312.27	4,674.69
Historical Commission	17,946	1,606.16	1,923.81	317.65
Library	159,720	14,294.94	17,121.98	2,827.04
Police	397,600	35,585.20	42,622.72	7,037.52
Public Buildings	21,432	1,918.16	2,297.51	379.35
Roudenbush	52,147	4,667.15	5,590.16	923.01
Schools	5,289,663	473,424.85	567,051.88	93,627.03
Street Lights	132,496	11,858.39	14,203.57	2,345.18
Technology	66,610	5,961.60	7,140.59	1,178.99
Town Hall	134,560	12,043.12	14,424.83	2,381.71
Town Manager	826	73.93	88.55	14.62
Water	1,633,220	146,173.20	175,081.17	28,907.97
Grand Total	8,417,617	753,376.74	902,368.53	148,991.79

Here is the cost breakdown by department for natural gas supply costs for FY25:

FY25 Natural Gas Cost by Department				
Department	Annual kWh	FY24 Annual Cost	FY25 Projected Annual Cost	Increase
COA	913	6,020.32	8,700.89	2,680.57
Fire	2,816	18,568.70	26,836.48	8,267.78
Highway	3,194	21,061.24	30,438.82	9,377.58
Historical Commission	92	606.65	876.76	270.11
Library	1,176	7,754.54	11,207.28	3,452.74
Police	1,231	8,117.21	11,731.43	3,614.22
Public Buildings	143	942.94	1,362.79	419.85
Schools	48,552	320,151.90	462,700.56	142,548.66
Town Hall	427	2,815.64	4,069.31	1,253.67
Water Enterprise	2,412	15,904.73	22,986.36	7,081.63
Grand Total	60,956	401,943.87	580,910.68	178,966.81

Estimated Cost Increase by Fiscal Year			
Electricity	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	134,097.00	148,997.00	163,897.00
FY26	134,097.00	148,997.00	163,897.00

Estimated Cost Increase by Fiscal Year			
Natural Gas	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	214,778.00	238,642.00	262,506.00

Employee Non-union Salaries

Although most of the town workforce are unionized, the town department heads and other positions are not in a union. Town administration constantly monitors the twenty market communities to ensure that

these positions are paid within the market. The Town Manager and Select Board review the market annually and provide guidance on rate increases each year. In lieu of steps, non-union employees are usually given performance reviews that include a merit increase.

Estimated Cost Increase by Fiscal Year			
Employee Nonunion Salaries	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	144,900.00	193,900.00	242,900.00
FY26	150,800.00	201,700.00	253,000.00
FY27	156,900.00	208,900.00	262,900.00
FY28	163,200.00	218,400.00	273,500.00
FY29	170,000.00	227,000.00	285,000.00

Town and School Collectively Bargained Union Contracts

Town Collective Bargaining contracts:

- The IAFF (International Association of Fire Fighters) expires on June 30, 2024. OPEIU (middle management), WPA (Westford Police Association), WSO (Westford Superior Officers), WPWA (Westford Public Works Association), and CWA (Communication Workers of America) all have been settled through June 30, 2025.

Estimated Cost Increase by Fiscal Year			
Town Collectively Bargained Union Contracts	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	635,000.00	831,400.00	881,000.00
FY26	628,000.00	808,400.00	995,600.00
FY27	554,000.00	744,800.00	933,700.00
FY28	603,500.00	798,400.00	994,100.00
FY29	548,800.00	747,100.00	946,900.00

School Collective Bargaining contracts:

- Unit B (Coordinators and Team leaders): this contract is currently functioning under a one-year agreement (FY22-23) and negotiations for a new contract are underway.
- Unit E: The School Committee has been in negotiations for a new three-year contract that expired in June 2022, and are waiting for Unit E’s response on our current proposal.
- Custodian contract: It has been settled for FY23 to FY25.
- Unit A (Teachers) and Unit C (Nurses): On August 28, 2023, the union and School Committee ratified an MOA for a three-year contract that will expire in FY26.

The largest contributor to the increase in cost in this category relates to teacher compensation, which has an additional cost of \$2 million and \$2.4 million in FY25 and 26 respectively. In the period leading up to the last full contract with Westford teachers, the average annual salary increase within similar school districts was below 2%. Since that time, average teacher pay has increased 2.49% amongst similar school districts.

Westford Public Schools uses a combination of schools established by the Department of Elementary and Secondary Education (DART Districts) and districts adjoining Westford as a benchmark set. The DART districts have similar student enrollment in terms of special populations and demographics. Each year the Commonwealth of Massachusetts updates the school districts that it believes are comparable to Westford. Because of enrollment constantly changing, the DART districts have evolved and now include: Acton, Boxborough, Arlington, Holliston, Milton and Natick. Between the general increase to salaries since the previous contract negotiation and the higher than previous salaries within the data of the now adjusted DART benchmark communities, there remains a total gap of approximately 4% to our teacher salaries (including counselors, service providers, and nurses).

2022 vs. 2017 DART

2022	2017
Acton-Boxborough	Acton-Boxborough Franklin
Arlington	Arlington Hopkinton
Hingham	Hingham
Holliston	Holliston Nashoba Reg.
Milton	Milton Shrewsbury
Natick	Natick Wachusett
Needham	Needham
Sharon	Sharon
Wellesley	Wellesley
Winchester	Winchester
Bachelor's Diff WPS vs. Benchmark: -3.28% Master's Diff WPS vs. Benchmark: -4.27% Master's+30 Diff WPS vs. Benchmark: -4.09%	

Estimated Cost Increase by Fiscal Year			
School Collectively Bargained Union Contracts	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	2,546,270.00	3,326,392.00	3,426,184.00
FY26	3,281,843.00	3,464,062.00	3,567,984.00

Health Insurance Trust

The major benefit for employees is health insurance. The Town contributes 65% for the HMO plans and 60% towards the PPO plan. Only 58% of the benefit eligible employees are enrolled on our health insurance plan. The Town enrolls all active employees and retirees under the age of 65. Once retirees are 65, they are required under Chapter 32B Section 18 to enroll in Medicare to be eligible for our Medicare supplemented plans. The Town contributes 60% towards this premium.

Other Employee Benefits: The Town also offers a \$10,000 life insurance policy to all benefit eligible employees. The Town contributes 50% of the cost, or about \$7 per year per employee. For retirees, the life insurance benefit decreases to \$1,500 and the town contributes about \$4 per year. Other benefits that are paid 100% by the employee include dental, vision, accident, short term disability, long term disability, supplemental life, and dependent supplemental life insurance.

Westford converted the town’s Health Insurance plan to a partially self-funded plan on March 1, 2022. At the October 2021 Special Town Meeting, voters transferred \$720,880 into the Trust from the Health Insurance Stabilization Fund. The partially self-funded plan officially began on March 1, 2022. Over the first four months, the balance grew to a total of \$2,035,666 in the Health Insurance Trust. Since that time, large claims have far outpaced the normal trend and, ending May 2023, the balance was \$1,945,717. The town has a stop loss contract for any health insurance claims that exceed \$125,000. Based on our utilization in the first year, the stop loss insurance increased from approximately \$110,000 per month to \$173,000 per month starting in March of 2023. There is about \$91,650 being lost each month through the end of June as the monthly contribution of \$1,241,100 plus the stop loss payment of \$173,000 is higher than the \$856,450 the town contributes and approximately \$466,000 that the employees and retirees contribute. The town will begin contributing \$908,961 per month in July 2023. On September 11, 2023, the Trust reviewed renewal rates with our health insurance broker and voted to increase rates by 15% effective November 1, 2023. The goal is to have the Trust fund balance between \$4.7M and \$9.4M.

Insurance rates payable by the Town and by employees were set in FY23 with a 4.0% increase over FY22. Claims data was reviewed by HUB and the Trustees looking back over a 5-year period to determine average claims experience. The trustees set the rates anticipating average claims experience with a modest amount built into rates to help build the fund balance. Unfortunately, in FY23 our claims experience was considerably higher than average. Our cash balance on June 30, 2023 was \$2,255,112. FY 2023 related expenses paid in July must be accounted for on the book in FY23 this is known as a “warrants payable” entry. There is another accounting entry that must be made at year end to account for the IBNR – claims Incurred but Not Recorded. These are claims that the Town has not been billed for yet but have been incurred and will be billed in the near term. Once the entry for IBNR and warrants payable were recorded against the fund balance, a \$387,079 deficit was present that will need to be raised to balance the FY24 budget.

Our reasons for going to a partially self-funded insurance plan have not changed. Our FY23 claims experience would lead to higher insurance costs whether the Town was self-funded or in a premium based plan. Patience and persistence over time will provide an overall better condition for the town. The following table shows the Town and Employee contributions, and expenses:

Health Insurance Trust Activity	Mar 22 - June 22	FY 2023
Balance Carried Forward	0	2,035,666
Transfers to Fund Balance	1,328,851	19,528
Town Share (Rates)	3,356,952	10,277,400
Employee and Retiree Contributions	2,533,299	5,419,118
Rebates and Stop Loss Reimbursement	-	1,722,066
Investment Income	4,116	93,431
Expenses thru June 30th	(5,187,551)	(17,312,097)
End of Year Cash Balance	2,035,666	2,255,112
Rev or Exp paid in Jul for Jun period	404,224	(1,043,025)
IBNR Book Adjustment	(1,347,126)	(1,599,166)
Fiscal Year Ending Book Value	1,092,763	(387,079)

Estimated Cost Increase by Fiscal Year			
Health Insurance Trust	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY24	1,039,813.00	1,116,769.00	2,078,712.00
FY25	1,394,811.00	1,476,864.00	2,502,519.00
FY26	1,034,646.00	1,877,000.00	2,150,492.00
FY27	2,321,381.00	2,858,325.00	3,488,650.00
FY28	2,714,546.00	2,814,223.00	4,060,182.00

Bus Contract

The Westford Public School District issued a transportation contract bid in March of 2019. The base bid covered fiscal years FY20 through FY22, with the additional extension years for FY23 and FY24. Dee Transport was the lowest bidder. The district successfully negotiated prices lower than the original bid amounts with Dee throughout the base contract years. FY23 marks the first year of the extension; FY24 represents the second year of the extension. The current cost for regular transportation stands at \$445 per bus for regular transportation, with an additional \$135 per bus for after-school activities. The School Finance office is working in conjunction with the Town Manager’s office on the Request for Proposal (RFP).

In order to forecast for FY25 when Westford would be due for a new transportation contract, Westford looked at recent transportation contract bids done by surrounding towns who were issuing new contracts in FY23. The cost they received for regular transportation is \$495 per bus, which is 11% higher than our current cost. The Town is projecting future costs for FY25 based on this estimated percentage increase.

Estimated Cost Increase by Fiscal Year			
School Bus Contract	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	399,600.00	444,000.00	488,400.00
FY26	225,000.00	250,000.00	275,000.00

Special Education Fleet Leases

Westford School administration manages some of the Special Education transportation fleet in-house; additional routes are serviced by the general transportation vendor. Currently, WPS is leasing 18 special education vans. All of these leases were originally signed 15 years ago and have now expired. Furthermore, some of the Special Education vans have accumulated very high mileage (close to 100,000 miles), resulting in high repair and maintenance costs every year. Therefore, it is imperative to renew the entire special education van leases as soon as possible. The schools are working on procuring bids to replace a portion of the fleet in FY25.

Estimated Cost Increase by Fiscal Year			
Special Education Fleet Leases	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	23,000.00	76,500.00	130,000.00
FY26	23,000.00	76,500.00	130,000.00

Special Education Tuitions

The Operational Services Division (OSD) of the State’s Executive Office of Administration and Finance determined that current Massachusetts special education private school tuition rates should increase by 14% in FY24. Over the last 13 years, the OSD rate increase averaged under 2% annually. This rate increase of 14% for the FY24 school year will significantly and negatively impact all Massachusetts public school districts which send students to out of district placements in approved special education schools both in and out of state. The rate went into effect July 1, 2023.

Currently, WPS is planning to utilize one-time funds, such as the Special Education Stabilization Fund or the School Choice Fund, to cover the 14% increase in special education tuition for FY24. Districts were notified that the inflation cost increase for FY25 will be 4.69% instead of the historical 3.3% increase.

The Special Education Stabilization Fund was created in 2018. Authorized under the Municipal Modernization Act of 2016, it allows school districts to establish a reserve fund that can be used in future years without further appropriation for unanticipated or unbudgeted costs of special education, out-of-district tuition, or special education transportation. The School Committee may vote at the end of each year to transfer a certain amount of remaining funds in the fund. Both the School Committee and Select Board must vote to authorize the expenditure of the funds.

Estimated Cost Increase by Fiscal Year			
Special Education Tuition	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	1,084,365.00	1,204,850.00	1,325,335.00
FY26	199,421.00	221,579.00	243,737.00

Summary of Budget Challenges

Below is a summary of the Budget Challenges discussed that shows the *incremental price increase* for each year. For example, the Solid Waste and Recycling Contract is expected to increase by \$500,000 in FY25, followed by an additional increase of \$75,000 in FY26. The budget for FY26 is expected to be \$575,000 higher than our FY24 budget.

Estimated Cost Increase by Fiscal Year			
Solid Waste/Recycling	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	425,000.00	500,000.00	575,000.00
FY26	55,000.00	75,000.00	95,000.00
FY27	55,000.00	75,000.00	95,000.00
FY28	55,000.00	75,000.00	95,000.00
FY29	55,000.00	75,000.00	95,000.00

Estimated Cost Increase by Fiscal Year			
Electricity	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	134,097.00	148,997.00	163,897.00
FY26	134,097.00	148,997.00	163,897.00

Estimated Cost Increase by Fiscal Year			
Natural Gas	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	214,778.00	238,642.00	262,506.00

Estimated Cost Increase by Fiscal Year			
Employee Nonunion Salaries	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	144,900.00	193,900.00	242,900.00
FY26	150,800.00	201,700.00	253,000.00
FY27	156,900.00	208,900.00	262,900.00
FY28	163,200.00	218,400.00	273,500.00
FY29	170,000.00	227,000.00	285,000.00

Estimated Cost Increase by Fiscal Year			
Town Collectively Bargained Union Contracts	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	635,000.00	831,400.00	881,000.00
FY26	628,000.00	808,400.00	995,600.00
FY27	554,000.00	744,800.00	933,700.00
FY28	603,500.00	798,400.00	994,100.00
FY29	548,800.00	747,100.00	946,900.00

Estimated Cost Increase by Fiscal Year			
School Collectively Bargained Union Contracts	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	2,546,270.00	3,326,392.00	3,426,184.00
FY26	3,281,843.00	3,464,062.00	3,567,984.00

Estimated Cost Increase by Fiscal Year			
Health Insurance Trust	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY24	1,039,813.00	1,116,769.00	2,078,712.00
FY25	1,394,811.00	1,476,864.00	2,502,519.00
FY26	1,034,646.00	1,877,000.00	2,150,492.00
FY27	2,321,381.00	2,858,325.00	3,488,650.00
FY28	2,714,546.00	2,814,223.00	4,060,182.00

Estimated Cost Increase by Fiscal Year			
School Bus Contract	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	399,600.00	444,000.00	488,400.00
FY26	225,000.00	250,000.00	275,000.00

Estimated Cost Increase by Fiscal Year			
Special Education Fleet Leases	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	23,000.00	76,500.00	130,000.00
FY26	23,000.00	76,500.00	130,000.00

Estimated Cost Increase by Fiscal Year			
Special Education Tuition	Min Impact (10% Probability)	Most Likely Impact (50% Probability)	Max Impact (90% Probability)
FY25	1,084,365.00	1,204,850.00	1,325,335.00
FY26	199,421.00	221,579.00	243,737.00

Estimated Cost Increase by Fiscal Year			
All Budget Challenges	Sum of Min Impact	Sum of Most Likely Impact	Sum of Max Impact
FY24	1,039,813.00	1,116,769.00	2,078,712.00
FY25	7,001,821.00	8,441,545.00	9,997,741.00
FY26	5,731,807.00	7,123,238.00	7,874,710.00

Key Takeaways from this Section:

- Renewal of several major contracts (trash, electricity, natural gas) during a high inflationary period has resulted in a higher expense than was previously anticipated.
- The total incremental increase of these expenses could range from \$7M to \$10M in FY25, and \$5.7M to \$7.9M in FY26.

VI. POTENTIAL REVENUE OPPORTUNITIES

In this section: One way to approach budget challenges is by generating additional revenue. The Task Force investigated a wide range of ideas, their process and timeline to implement, and made a recommendation on whether to further pursue each idea

The Task Force has focused on researching all viable revenue opportunities for the Select Board and Town to consider. The possible revenue sources are listed in the chart below for quick reference. The research included both potential new sources of revenue that Westford is not currently pursuing and considering changes to current revenue sources that could increase dollar amounts.

The chart below includes an estimated revenue impact of the source, an overview of the process to initiate, timeline for revenue generation, and a recommendation for further investigation. (*Note the recommendation is not necessary to implement, but for the Select Board to do further due diligence on whether it should be pursued or not).

Each topic was rated according to an estimated annual impact. None = no additional revenue opportunity (n/a); Low = \$250,000 or less (\$); Medium = \$250,000 to \$1 Million (\$\$); High = \$1 Million or higher (\$\$\$).

An explanation and further details for each revenue opportunity is found below the chart.

Potential Revenue Source	Est. Revenue Impact	Process to Initiate	Timeline	Recommend Pursuing?
MBTA Multi-Family Zoning Requirement	\$\$\$	Town Meeting must change zoning bylaws	FY26 and beyond	Yes
Proposition 2 ½ override	\$\$\$	Town Meeting approval plus majority ballot vote	FY25	Yes
Cannabis Excise Tax	\$\$	Change to zoning bylaw and general bylaw amendment would require Town Meeting approval plus majority ballot vote	Near Term	Yes
Economic Development	\$\$	Select Board to consider recommendations from pending study	Long Term	Yes
Solar Installations	\$\$	Town Meeting and Select Board approval of any lease agreements	FY26	Yes
Town Facility Rentals	\$	Create policy surrounding rentals (like school policy) and fees which would need Select Board approval	Immediate	Yes
Composting Program	\$	Contract with a company and educate the community	Long Term	Yes
Pay as You Throw Trash Fees	\$	Requires Select Board vote	FY25	Yes
Ambulance Fees	\$	Fire Department can request Select Board approval	Ongoing	Yes
Cell Tower Rentals	\$	Town Meeting vote to authorize lease; Board who owns the land to approve	Ad hoc	Yes

Potential Revenue Source	Est. Revenue Impact	Process to Initiate	Timeline	Recommend Pursuing?
Fee Increases (Licenses/Permits)	\$	Monitor fee levels in peer communities Fees are set by many different boards	Immediate	Yes
Short-Term Rental Fees	\$	Requires Select Board vote	Next FY	No
School Activity Fees	\$	Requires School Committee approval to modify	Next FY	No
School Bus Transportation fees	\$	Requires School Committee approval to modify	Next FY	No
Naming By-Law Fees	\$	Next steps would need further investigation	Near Term	No
Expand Property Tax Work Off program	\$	Select Board vote and additional funds appropriated	Near Term	No
Real Estate Transfer Fees	n/a	Would require the State legislation to change then Westford adoption	Next FY	No
Room Occupancy Fee	n/a	Already at maximum value	n/a	No
Sale of Town Owned Real Estate	n/a	Town meeting would approve sale of property	Immediate	No
Split Tax Rate	n/a	Select Board vote	Next FY	No
Meals Tax Increase	n/a	Already at maximum value	n/a	No

MBTA Multi-Family Zoning Requirement

Description

In 2020, the Commonwealth of Massachusetts adopted the Multi-Family Zoning Requirement for MBTA communities, which requires cities and towns served by the MBTA (outside of Boston) shall have at least one zoning district of “reasonable size” for where multi-family housing may proceed under zoning bylaw without the need for a special permit, zoning changes, etc. The law also defines an “MBTA community” to include other “served communities” which are communities that abut a city or town that hosts MBTA services. The zoning bylaw adopted must allow for at least 15 units per acre, cannot impose age restrictions, and must be suitable for families with children. There are no requirements on a timeline for the potential units to be built, just a deadline for the zoning approvals to be in place and no longer be a barrier for development.

This new law is to help with the housing crisis in Massachusetts by creating a required zoning area that will promote multi-family housing close to public transportation. This type of zoning could also increase the number of residents that may be living close to local shops and restaurants and allow for better access to workplaces. This type of housing also promotes mass transit, which can reduce vehicles on roads and help with climate concerns.

History

Westford is considered an Adjacent Community due to Commuter Rail stations in our neighboring towns of Acton and Littleton. Westford is required to zone for a minimum of 924 multi-family units and 50 acres. Westford must be compliant by 12/31/2024.

The town has created a committee to advise on how Westford can implement this new zoning law in the most meaningful way, the MBTA Communities Multi-Family Housing Advisory Committee (MCMAC). MCMAC has been working with consultants to review the new law and to identify possible areas of Westford for this updated zoning. At the time of this report publication, they had identified 7 possible target areas along or near Littleton Rd as the most viable locations, this includes the Nashoba Valley Ski Area, Powers Rd and Robbins Road, Littleton Rd North, Littleton Rd South, Balsam Circle and Carlisle Rd, Westford Valley Market Place and Plaza, and Technology Park Drive. Zoning can also require or encourage developers to include community benefits, such as affordable housing, senior housing, trail connections on the property, providing public open space, etc.

Westford can choose multiple locations to re-zone. The town should consider any or all areas that could provide a meaningful benefit to the community and in which voters agree make sense. For more information on the work that the MCMAC team is doing, please see their web page: <https://westfordma.gov/1593/MBTA-Communities-Multi-Family-Housing-Ad>

Revenue Impact

At the time of this report, the MCMAC team was still early in their discovery, research, and planning. Until there is a narrowing of the potential locations for the re-zoning, MCMAC is not yet able to generate revenue predictions as this will vary by location choice. It is expected that this initiative could produce significant new economic growth and tax revenue.

Depending on the areas that are rezoned and when Westford votes on the changes, revenue generation from this opportunity will likely begin to positively impact Westford in FY26 and onwards.

Process to Implement

A Town Meeting vote will be required to establish the new zones for this MBTA Multi-Family Zoning requirement.

Community Impact (Positive and/or Negative)

These new zoning bylaws will allow for more multi-family housing. This creates more housing in Westford that could be used for multiple purposes, such as allowing seniors in town property to downsize and sell current single family homes. If the town decided to zone this as mixed use, there could be more opportunity for restaurants and/or retail to be included in the development.

This type of housing could increase our student population and put some additional burden on our schools. The timing of the development may be fortunate though as WPS is currently seeing decreased enrollment numbers.

The overall impact of this initiative should be that the development will increase our tax base and generate new tax revenue to help offset some of our budget challenges. Some sort of mixed use housing could allow for increased revenue both from commercial taxes and residential, i.e. a restaurant would bring in additional meals tax revenue. The town would also see an increase in vehicle excise tax revenue from new residents.

Recommendation

This opportunity is a strong revenue source over the next few years that could have a fairly sizable impact. The Select Board should help support MCMAC in their efforts to determine the best possible zoning changes that will have the most benefits for Westford as a town and for its current (and future) residents.

Proposition 2 ½ Override

Description

As described earlier in this report, one option towns have to increase revenue is to pass a Proposition 2 ½ override. This permanently adds to the tax base and will increase taxes to all taxpayers. For reference, a \$1 million override would add \$107.19 to the average residential tax bill (based on a projected average home assessment of \$720,500 for FY24.)

Revenue Impact

This depends on the amount that the voters approve.

Process to Implement

There are several steps involved, including a Select Board majority vote to put forward an override on the Town Meeting warrant and ballot, a majority vote at town meeting and a majority vote at a local election.

Community Impact (Positive and/or Negative)

The benefit to an override is that the town and schools are able to preserve valued service levels in education, first response to emergencies and community wellness services and elder services support. The negative is that residents pay higher taxes, which can be a hardship to community members under financial stress. There are programs that could be used or extended to lessen the impact for those facing financial challenges.

Recommendation

This is a policy decision for the elected town boards to evaluate.

Cannabis/Marijuana Excise Tax

Description

Massachusetts voters passed a ballot initiative in November 2016 legalizing adult use of recreational marijuana. The Massachusetts Department of Revenue began collecting tax on the sale of adult-use marijuana by licensed facilities as of July 1, 2018. Adult use marijuana is subject to a state sales tax of 6.25% and a state excise tax of 10.75%. There is a local option for cities and towns to add up to an additional 3% tax on the sales of recreational marijuana. Cities and Towns may charge an additional community impact fee for no longer than 8 years of operation for a specific marijuana retailer. The impact fee costs are to be appropriated to cover costs imposed upon the municipality by the operation of the marijuana establishment, such as: municipal inspection costs, traffic intersection design studies, public safety personnel overtime costs, substance abuse prevention programming, and environmental impact studies. They must be based on actual costs but must not exceed 3% of the business' gross sales.

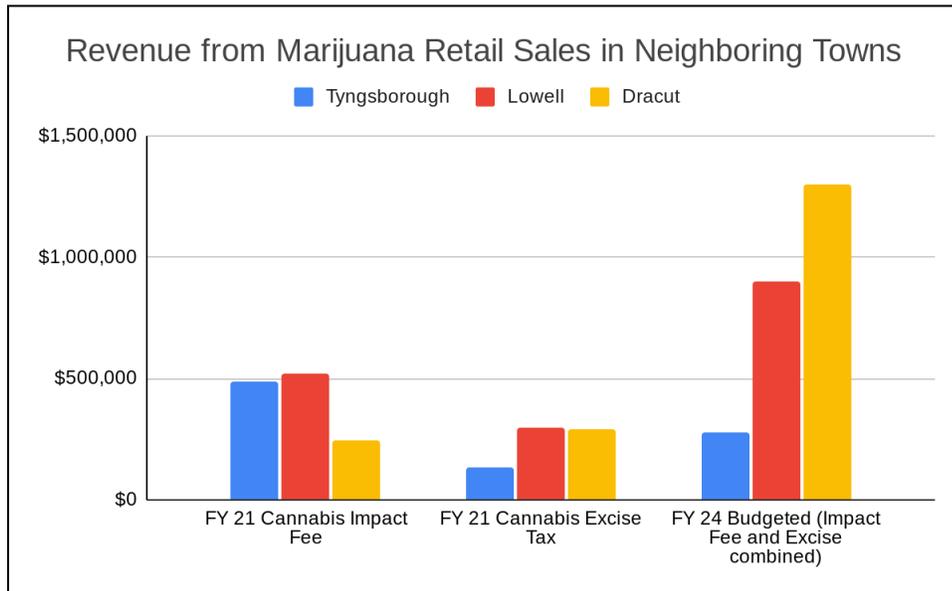
History

At the Special Town Meeting in October 2017, residents of Westford voted to ban recreational marijuana businesses from opening in Westford. 184 Massachusetts communities (out of 352) have adopted a local option marijuana tax and the required bylaws to allow for recreational marijuana businesses, including surrounding communities such as Ayer, Billerica, Concord, Dracut, Groton, Harvard, Leominster, Littleton, Lowell, Pepperell and Tyngsborough. The state Cannabis Control Commission has granted approximately 168 provisional or final licenses to marijuana retailers across the Commonwealth.

There is recent precedent for overturning a town’s 2017 vote regarding marijuana retail sales. Tewksbury also voted against allowing marijuana retail sales in their town in 2017 shortly after Massachusetts legalized marijuana. However, in October 2022, this topic came before the Special Town Meeting again and it passed. Tewksbury voted to allow the issuance of retail marijuana licenses with a cap of 20% of the number of off-premises liquor licenses. They also set the rules/regulations and appropriate zoning areas for the retail businesses. Within a few months of changing the bylaws, they had 9 applications for the 3 allotted licenses.

Revenue Impact

In 2022, Massachusetts municipalities that host marijuana retailers netted approximately \$42 million in local tax revenue. (Boston Globe, January 15, 2023). For fiscal year 2021, Tyngsborough reported \$487,006 in Cannabis Impact Fee revenue and \$134,828 in Cannabis Excise tax revenue. Tyngsborough has projected revenue of \$275,000 in FY 24. In the same fiscal year, Lowell reported \$518,159 in Cannabis Impact fees and \$296,188 in Cannabis Excise tax revenue. Lowell has projected Cannabis revenue of \$900,000 for FY24. For fiscal year 2021, Dracut reported \$242,623 in Cannabis Impact Fees and \$291,299 in Cannabis Excise tax. Dracut’s projected \$1.3 million into their FY24 budget for these 2 revenues combined.



Potential revenue impact would be medium to high depending on the number of establishments that could potentially open in Westford and the volume of sales. It is difficult to approximate the amounts but could anticipate that some sales in surrounding communities are attributed to Westford residents making purchases in towns that allow for recreational marijuana sales.

Process to implement

Since Westford voted 6,645 in favor to 7,232 opposed at the November 8, 2016 Presidential Election Ballot, the town will require a majority ballot vote in favor of recreational marijuana sales during an election. Westford would need to vote at Town Meeting to change general and zoning bylaws to include marijuana retailers. Westford would also need to vote on the tax rate for the local option tax (up to 3%).

Once the appropriate town allowances were in place, there would need to be interest for someone to set up a retail shop, negotiate a Host Community Agreement with the Town, acquire the necessary state licenses, go through local permitting, and open for business before the Town would begin to see any revenue generation.

Community Impact (Positive and/or Negative)

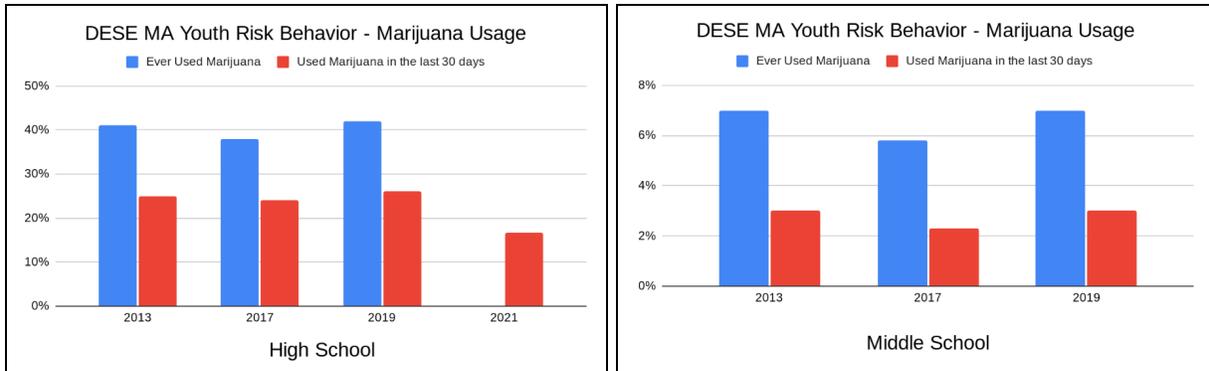
There have been community concerns surrounding increased crime rates and an increase to youth usage of marijuana in cities and towns with dispensaries. Since Westford does not have one currently, there is no direct data for Westford in these areas. However, Chief of Police Mark Chambers reported that there has been no increase in marijuana related crimes in Westford since recreational marijuana use was legalized in Massachusetts.

Through outreach to both the Littleton and Tyngsborough Chiefs of Police, both reported no increase in marijuana related crime rates since their respective towns allowed retail marijuana shops to open. Tyngsborough has one of the Top 5 busiest dispensaries in the State of Massachusetts, and Chief Howe reported no negative impacts to the community in terms of crime rates or traffic issues. Both towns also indicated that they have not seen any significant increase in youth usage of marijuana since the dispensaries opened.

A look at the MA Department of Elementary and Secondary Education’s Youth Risk Behavior Survey does not appear to show a large shift in youth marijuana usage after the legalization of recreational marijuana.

Year/Grade Level	Ever Used Marijuana	Used marijuana in the last 30 days
2013 High School	41%	25%
2013 Middle School	7%	3%
2017 High School	37.9%	24.1%
2017 Middle School	5.8%	2.3%
2019 High School	41.9%	26%
2019 Middle School	7%	3%
2021 High School	n/a	16.6%
2021 Middle School	n/a	n/a

*Full 2021 data is not yet published



*Full 2021 data is not yet published

Recommendation

The Task Force recommends that the Select Board look into this further. In terms of potential new revenue opportunities, this remains one of the opportunities with a higher area of impact in its ability to create revenue. Since a good amount of time has passed since this topic was before the town residents for consideration, there could be a different appetite for considering this revenue possibility.

Economic Development

Description

New economic growth helps increase revenues for the Town in several ways:

- Construction of a new facility in areas currently zoned for commercial development would lead to new growth revenue
- Improvement to an existing facility that results in higher market value and therefore higher assessed value for tax purposes
- Increased utilization/occupancy of an existing building, which again will lead to higher market value and higher assessment over time
- Conversion of Chapter Land properties (those with special restrictions) to developable land or conversion of tax exempt properties to taxable status (e.g. sale of a church building or property to a private owner)

Many communities have developed strategies to attract business that are a good match in terms of needs and location, which leads to new growth and market value improvements to existing buildings.

History

The Town has been working for many years to study opportunities for Economic Development. A 2015 Study by the Dukakis Center for Urban and Regional Policy showed that Westford had some strong attributes for driving increased growth including: highway access, parking in the 110 corridor, limited rush hour traffic, workforce composition, available land in industrial/commercial zones, predictable permits, proximity to commuter rail, available sites and their proximity to amenities, local tax rates, school district reputation, low crime rates, and ease of use of the Town's website.

In June of 2023, Westford's Select Board appropriated funds for an economic development consultant to perform a study of Westford's further economic development potential and make recommendations to the Select Board regarding economic development. This could include

further development or redevelopment of the areas of Westford zoned for business. An example of potential new economic development currently being discussed in Westford is the redevelopment of 12 North Main Street.

Revenue Impact

Our research suggests that Westford does have an opportunity for new revenue growth through economic development, but it would take time to develop and could not be relied on for near term fiscal contribution.

Process to Implement

Westford needs to have proper zoning in place, adequate utilities, and favorable economic conditions for contractors and developers to want to develop and redevelop in Westford.

Community Impact (Positive and/or Negative)

The community impact would be positive in the sense that there may be increased retail, increased job opportunities with new commercial properties. As the development is in industrial and commercial zones, there should be limited impact to residential areas unless zoning bylaws are altered. Economic development also brings in more revenue, which helps Westford as a whole meet our budgetary needs.

Recommendation

This opportunity does not have an immediate budget impact for the upcoming budget years. This is however a critical component of a long-term plan for Westford to increase revenue opportunities and should be pursued by the Select Board and appropriate committees on an ongoing basis.

Solar Installations

Description

Westford can stabilize and reduce energy costs through solar projects. Solar Projects come in many varieties but involve either the purchased use of power owned by external entities, or the use of power created by town-owned solar systems directly. Below is a table describing the Pros and Cons of these two types of investments.

Option	Pros	Cons
Power Purchase Agreement or Leasing Solar System	<ul style="list-style-type: none"> -No upfront costs -No siting issues -Power costs less than prevailing utility rate 	<ul style="list-style-type: none"> -Power is not free after payoff period, so this option costs more over the long term -Obligates town to acquire power from firm for duration of contract
Owning Solar System	<ul style="list-style-type: none"> -After Payoff Period, Energy is essentially free -Any applicable grant dollars go to Westford, not a company -Minimum power loss to deliver power to destination 	<ul style="list-style-type: none"> -Agreement on where to site solar system -Town bears purchase and installation costs -Town maintains system (typically low maintenance)

History

Westford engaged in a Net Metering Project, or Power Purchase Agreement, in 2013. The project involved a contractual commitment by the town to purchase at least 65% to 70% of its power from the solar field built at that time (outside of Westford). In return, Westford has enjoyed lower rates for its municipal electrical power than was available from the utilities. This arrangement will continue until 2033.

Revenue Impact

Since Westford currently spends over \$1M on its municipal electricity, it must purchase at least \$650,000 worth of its electricity through its Net Metering arrangement. This leaves approximately \$350,000 worth of electricity which could be purchased elsewhere if lower rates were found. If 35% of our municipal electricity were consumed from local solar grid(s), then the cost of that power would initially be the debt service associated with the purchase and installation of a solar system, less any grants which could be found to defray the costs of such a project (many state and federal incentives currently exist for green projects, so optimism is warranted). Since electricity is available immediately upon installation, the cost savings in Westford's municipal electricity bill would be immediate. Depending on how the Town implemented solar, the savings would either allow funds allocated in the operating budget for electricity payments to be available for other expenses or the savings would be re-invested into other energy efficient initiatives.

Once the debt is paid, the only costs would be those associated with maintenance. Maintenance of solar systems is generally small (especially relative to the savings of not paying a utility company for power).

Process to Implement

The town has employed a contractor to assess the possibilities of facility investments in town that would yield reductions in energy bills. The contractor has audited Westford's town-owned facilities and will be providing an initial report in December 2023. This report is likely to include a description of candidate location(s) for solar project(s), as well as the likely savings and payback period. The contractor will seek to be the party that implements any solar project(s) identified, but the town is not obligated to engage this particular contractor. If the contractor is not selected to implement the solar system, then the cost of audit (\$58,000) will be due.

The timing of installation of solar system(s) on the roofs of municipal buildings would likely coincide with the replacement of roofs on those facilities. Timing for the implementation of any solar canopies would not have such a restriction.

Given the noticeable availability of grants for implementation of green energy projects, the town should also seek and apply for grants that would defray the costs of implementing any proposed projects.

Community Impact (Positive and/or Negative)

Since electricity is immediately available after installation, the town will have available in its operating budget those funds which would have been otherwise allocated to paying for its electricity. Any canopies created for the purpose of housing solar panels would also serve the purpose of protecting the cars and pedestrians beneath them from inclement weather and from the

harsh impacts of sun on paint. Using solar panels to generate municipal power would further Westford's effort to be NetZero by 2050.

The cost of purchase and installation would require a capital investment whose payback period would depend upon the cost of the system and the receipt of grants. The town would be responsible for maintenance of the solar system(s).

Recommendation

The Select Board will review the proposal from our contractor (Ameresco) and will decide whether to bring this to Annual Town Meeting in March 2024. The town will continue to pursue available grant funding for future energy improvement projects.

Town Facility Rentals

Description

It is common for Towns to rent/lease Town-owned facilities, land and athletic fields when viable opportunities exist. The town can rent/lease open spaces to generate revenue.

History

The primary lease/rental income from town owned buildings is the lease agreement with The Roudenbush Community Center, Inc (TRCCI). The lease with this organization includes: the Roudenbush building (65 Main Street), the Frost Building (73 Main St) and the "Old Nab" building on 170 Plain Rd.

There is a permit/license fee for use of certain parcels of land, such as the Town Common.

There is a policy for using Meeting Rooms at the J.V. Fletcher library. The library is considered a public space, so there is no charge for using these rooms, and thus no revenue generated.

The schools have a Lease and Rental policy outlined in the Westford Public School Policy document, P1201 - Use of Facilities and P1202 - Rental Process. This is in compliance with Massachusetts General Law M.G.L. 71:71 - Use of School Property; Purposes. A Facility Building Fee Schedule and Facilities Rental Rules and Guidelines can be found at: <https://www.westfordk12.us/district/facilities>.

Revenue Impact

The primary area of revenue opportunity would be a re-evaluation of the TRCCI lease which is up for renewal on July 1, 2025.

In this current FY, TRCCI pays a base rent amount and a debt service payment, plus repayment of waived rent from 2020, and payment for services and utilities. Note: the amount of base rent and % of utilities paid was modified/re-negotiated when the Recreation Department began to use space on the third floor of the main Roudenbush building for their offices.

For FY25, the last year of the current lease, the base pay and debt service payment equals \$56,866.98/year. These proceeds are added to the town owned buildings revolving fund. Prior to negotiations of the lease renewal in 2025, the Town could do an assessment of the average market

rental cost for commercial space of a similar size and determine if the rental cost of these three buildings could or should be increased.

Outside of these three leased buildings, there is not a lot of viable available rental space in town owned buildings that could generate any significant rental income.

In FY23, school building rentals only generated a positive cash flow amount of \$11,709.61 (\$96,206 in revenue minus \$84,496 in expenditures). This was lower than our FY22 amount of \$21,182. The current rental income is netting enough funds to pay for an individual to oversee the process, manage the paperwork, and the logistics. The revenue derived from the rentals is used to offset expenses in the general fund facility's operating budget. There could be an evaluation and an increase to the fees for the rentals to generate more revenue along with a potential "campaign" of sorts to ensure that the community has awareness that there are rental options within our schools that could be utilized for community and private events.

Process to Implement

The Town could reassess the ability to rent any additional space. The Town would need to set fees associated with the rental spaces (where they do not exist already) taking into consideration any associated cost (custodial work, utilities utilized, etc).

For the TRCCI lease, the town would need to do a market evaluation of the rental market for similar space.

For school spaces, rentals are already implemented. In accordance with the policies noted above, the Superintendent of Schools or designees is authorized to approve and arrange for scheduling applicants' use of school facilities.

Community Impact (Positive and/or Negative)

A change in rental cost to Roudenbush/Frost/Old Nab could impact TRCCI and their desire or ability to renew their lease. On the flip side, if TRCCI did not renew, there could also be the possibility of a new business that may be interested in renting those spaces, which could potentially offer something different to the community and offer additional income with a higher rental payment.

Recommendation

The Select Board should do market research to determine if the rental cost of Roudenbush, Frost and Old Nab are being rented at a fair market value and take that information into consideration when the lease on these properties is re-negotiated in 2025.

The Select Board should consider if continuing to lease all three buildings to TRCCI is the best path moving forward. Perhaps a modified lease of just Frost and Old Nab (at a rate closer to market) would be appropriate so that the Town can use the primary Roudenbush offices for town offices and spaces. Many of the programs run in this building are by independent business owners that are renting the space from TRCCI, so many of those could still occur in the spaces the town is not using.

The schools should look at potentially increasing the school rental fees and also initiate school level campaigns to advertise the usage of school space, via principal updates or the WPS Bulletin.

Composting Program

Description

According to the Massachusetts Department of Environmental Protection, 25% of all waste disposed of in the Commonwealth (post recycling) is food waste and could be diverted from the waste stream through composting. In Westford that would generate a reduction in waste disposal (tipping fees) of between \$150,000 and \$200,000.

History

Westford does not have a formalized composting program, but there are several resources for the residents of Westford to get more information. There is a section on the town website dedicated to composting. The Recycling Commission facilitates the purchase of discounted composting bins.

Revenue Impact

If more residents were participating in composting, there would be less trash waste to be picked up through the trash pick-up. This would in turn reduce some of the cost that Westford is paying to dispose of trash. However, how much the impact would be is hard to quantify as it is dependent on resident participation and the reduced quantity would be difficult to guesstimate.

Chelmsford just recently signed an agreement with Black Earth Compost to deliver a resident curbside organics program. The curbside service can be weekly or bi-weekly pickup. The resident does pay for the program at \$19.16/mo for weekly pickup and \$14.99 for bi-weekly pickup. The Chelmsford DPW will be providing a compost starter kit to residents that includes either a 4- or 13-gallon bucket. If there are enough subscribers, the subscription price will reduce. This type of service availability may assist Westford resident's in reducing their waste.

Process to Implement

Increasing composting is mostly about increased education to the community and having residents participate.

Community Impact (Positive and/or Negative)

Composting does put more responsibility on the residents as they will have to change how they are disposing of their trash to be more purposeful about composting. However, reducing waste is beneficial to the environment as a whole so the upside is impactful.

Recommendation

The Select Board can work with the Recycling Commission to promote composting as a dual win - both a reduction in waste that is collected and incinerated and a reduction in waste disposal expense. Because this will require education and broad participation, this cannot be counted on for a near-term budget reduction. The Recycling Commission and/or Select Board could work with a local curbside compost pickup company to negotiate a reduced rate for residents like Chelmsford recently did. These types of programs can accept a wider array of food waste and eliminate the ick-factor that a lot of people have toward backyard composting.

Pay As You Throw Trash Fees

Description

A “pay as you throw” or “pay as you use” trash system is a waste collection strategy in which the residents pay for some or for all of their trash waste expense. This has been a practice in other communities in the Commonwealth of Massachusetts for over 20 years. This type of strategy helps towns better manage solid waste in a more cost-effective manner by working with residents to increase recycling and composting, while reducing waste. Westford residents generate 17.8% more solid waste than the Commonwealth average for towns with curbside pick up.

History

The Town of Westford has used ACME Waste Systems for many years to collect Westford’s trash. Westford’s contract with ACME is coming to an end and they are not planning to re-bid. Westford is currently sourcing for a new waste collection vendor as described above.

Revenue Impact

Other communities charge for the trash bags approved for collection, and the accumulated revenue from these bags transfer part or all of waste collection expense to residents. Concord has a full pay as you through system – residents pay for special bags that will be collected and bear most or all of the total collection expense. If Westford were to implement a similar system or an annual permit system for approved totes, up to the full expense (\$1,897,784 for FY25) could be removed from our budget and transferred to residents.

Community Impact

Communities who have adopted pay as you throw systems generate less overall waste than communities without this system, which has important sustainability and environmental benefits.

Recommendation

The Select Board has the authority to approve fees related to trash collection and should consider implementing a program that will pass cost increases to residents and provide an incentive for curbside waste reduction.

Ambulance Fees Analysis

Description

Many cities/towns operate their own independent ambulance services. These municipalities have set ambulance fees that are charged to the individual who receives care and/or their insurance company (as appropriate). These fees can create additional revenue for municipalities.

History

Westford has owned and operated its own ambulance fleet since 1947. In 2010, Westford upgraded its services from EMT services (basic life support care such as bandaging, splinting, administering basic medications, etc.) to Advance Life Support care.

Westford did a comparison of our rates vs area towns in 2019 and determined that our rates were in line with the communities that were compared against: Bedford, Andover (raised their rates in 2023), Belmont, Billerica, Burlington, Concord, Lexington, North Reading, Reading, and Wilmington.

Revenue Impact

In reviewing the FY24 budget information for the Town’s comparable communities, the Task Force noticed that several communities were reporting/budgeting higher ambulance revenues than Westford. The Task Force looked into these communities further to see if there might be an opportunity for Westford to increase our ambulance revenues. Some of the comparable communities have a higher call volume than Westford, but others do have higher ambulance fees than Westford (or in some cases, both). The below chart shows ambulance rates for both communities with higher revenues (Franklin, Andover, North Andover, Lexington, Tewksbury, and Westborough) as well as the communities directly surrounding Westford.

Town	ALS Base Rate 1	ALS Base Rate 2	BLS Rate	Mileage	# of calls	FY24 Budgeted Revenue
<i>State Average (2022)</i>	\$1,875.95	\$2,634.93	\$1,374.17	\$32.67	n/a	n/a
Westford (2023)	\$1,818.32	\$2,568.41	\$1,421.84	\$32.00	2,288	\$900k
Franklin (2023)	\$2,420.00	\$3,571.00	\$1,619.00	\$38.00	3,489	\$2.2M
Andover (2023)	\$2,179.03	\$3,099.44	\$1,487.30	\$40.42	4,588	\$1.75M
Lexington (2023)	\$2,200.00	\$3,000.00	\$1,700.00	\$36.00	2,376	\$1.6M
North Andover (2022)	\$2,358.00	\$3,198.00	\$1,414.00	\$32.73	4,009	\$1.2M
Tewksbury (2023)	\$2,012.06	\$2,913.65	\$1,477.81	\$34.16	4,586	\$1.7
Westborough (2023)	\$2,528.85	\$3,781.48	\$1,532.41	\$49.32	3,517	\$1.6M
Littleton (2023)	\$1,925.00	\$2,750.00	\$1,450.00	\$35.00	1,284	Not Avail
Ayer (2022)	\$1,205.90	\$1,745.40	\$1,015.50	\$33.75	2,076	Not Avail
Groton (2022)	\$1,628	\$2,334.70	\$1,329.27	\$40.00	837	Not Avail
Billerica (2022)	\$2,185.17	\$3,564.71	\$1,688.92	\$40.18	n/a	Not Avail
Tyngsborough (2023)	\$2,419.00	\$3,551.00	\$1,619.00	\$38.00	1,334	Not Avail
<i>Average</i>	\$2,083.81	\$3,003.55	\$1,526.27	\$36.84	2,762	n/a

Westford’s ambulance rates are lower than the averages across all categories. While the Town does have a lower amount of calls in some of the communities with higher revenue, it does seem that Westford could increase ambulance rates to be in line with our comparable and neighboring communities.

Process to Implement

The Fire Department has the ability to recommend changes to ambulance rates as needed. For a large-scale update, the Fire Chief would bring the information in front of the Select Board to ensure their approval.

Community Impact (Positive and/or Negative)

Community impact of a fee increase could be low, as health insurance predominately covers ambulance fees. An increase in ambulance fees could discourage calling 911 if the fees were a concern.

Per the current Ambulance Billing Collection Policy, the Town of Westford only collects monies owed (after insurance payments) directly for non-Westford residents. For Westford Residents, if they do not have health insurance or their insurance only covers a portion of the amount billed, the remaining balance will be written off as this care is provided as a municipal service to benefit town residents. The town only collects monies owed for Westford residents if the patient is reimbursed directly from their health insurance company for the cost of the service or if the patient's health insurance plan has a health insurance deductible that needs to be met prior to the health insurance covering the cost of the ambulance services.

Recommendation

The Task Force would recommend raising ambulance rates to both match neighboring communities and to increase revenue. The revenue raised in this bucket would help offset any potential increases that the Fire Department would be requesting and/or reduce the need to make any cuts to the Fire Department budget in order to bridge the town's sizable budget gap. However, it is unlikely that this modification to rates would raise enough revenue to make a difference in the town's overall operating budget.

It is also recommended that the Fire Department and Select Board review ambulance rates on an annual basis and adjust as needed.

*Note: Since the initial discussions on this topic with Chief Targ, the Fire Department has since determined that raising ambulance rates would be beneficial and presented updated rates to the Select Board, which were approved in September 2023. The anticipated additional revenue is between \$50,000 to \$70,000.

Cell Tower Rentals

Description

When a cellular service provider determines that they need additional coverage in a given area, the provider will contact suitable site owners to see about an interest in leasing space for a cell tower. If amenable to the site owner, the site owner and the cellular service provider will establish a lease for placement of an antenna and accompanying infrastructure. Typical leases have been in the range of \$25,000/year.

History

The town of Westford currently hosts one antenna located at a water storage tank. The Westford Water Department received \$62,883.75 in fiscal year 2023. These funds were received by the Water Department Enterprise Fund (rather than the General Fund.)

Revenue Impact

The impact would be dependent on the amount of the lease and how many sites were leased. Westford has available space for cell tower rentals, but it is highly uncertain when additional sites will be required and if the appropriate placement would be on town owned land.

Process to Implement

Town Meeting would have to authorize a lease of town owned land for a cell tower placement. Then the lease agreement would have to be reviewed and approved by the appropriate board.

Community Impact

If additional cellular antennas were placed on land in Westford, there could be an improvement in cell service for residents that have that specific carrier. Depending on the location, the antenna and infrastructure could have an aesthetic impact on the area in which it is placed.

Recommendation

Due to the unpredictable nature of the availability for leases, the Task Force does not believe that cell tower rentals can be expected to make a meaningful impact on addressing our financial needs. However, it may be beneficial for the Select Board to assess any town owned properties that may be strong options for this type of lease and engage in conversations with providers over our interest in being considered should a need for an additional tower arise.

Fee Increases (Licenses/Permits etc.)

Description

Westford collects fees for a variety of licenses and permits through the Planning Board, Zoning Board of Appeals, Board of Health, Town Clerk, and other departments. Some of the services include site plan review, building permits, septic plan reviews, etc. These fees collected a total of \$1,523,504 in FY23.

Revenue Impact

The potential revenue benefit of increasing our fee levels is moderate.

Process to Implement

Depending on the area, fees are established by the Select Board, Planning Board or Zoning Board of Appeals and amounts can be changed at any time by the appropriate board.

Community Impact (Positive and/or Negative)

It is in Westford's collective interest to have fees that are competitive with surrounding towns. The benefits to new growth revenue far outweigh any short-term benefits to higher fees, and higher fees would make Westford somewhat less attractive than surrounding communities. For our residents, it is reasonable to have our fees at a similar level to peer communities.

Recommendation

Given that our fees are currently similar to peer communities, the Budget Task Force does not recommend any action at this time; however, fees should be reviewed periodically to ensure WFD is charging market rates.

Short-Term Rental Fees

Description

The State of Massachusetts allows cities and towns to charge a community impact fee of up to 3% on short-term rentals. This includes professionally managed units and/or 2-family and 3-family dwellings.

History

In Westford Bylaws, short-term rental is defined as follows: *Rental of any dwelling unit, or portion thereof, to be occupied for no more than 27 consecutive calendar days, excluding hotels and motels; short-term rentals may be owner-occupied, tenant-occupied, non-owner occupied, or professionally managed properties.* Town meeting only approved short term rentals in the Summer Village Short-Term Rental Overlay district. Short-term rentals are prohibited in all other parts of town. However, other short-term rental opportunities may become available in the commercial recreation zone if the Attorney General's office approves the zoning bylaw amendment that recently passed at the March 2023 Town Meeting.

Revenue Impact

There would be an opportunity to impose a short-term rental fee for owners that are renting Summer Village properties. Currently, Summer Village only pays property taxes and is not subject to any other fees/taxes.

Revenue impact would be low. The Town of Westford does not currently have any data on the frequency, duration, or volume of rentals happening at Summer Village. However, since Summer Village is only open from mid-April to mid-October. However, a quick look at the Summer Village website does show 19 properties listed for rentals as of 6/25/23, though it does not indicate how many weeks are for rent.

Process to Implement

Some towns or cities require the owner of a short term rental property to submit an application and pay a fee to use their property as a short term rental property. There is also an additional optional community impact fee of up to 3% of some short term rentals.

Community Impact (Positive and/or Negative)

It is possible that property owners at Summer Village may have difficulty renting their properties if the cost were to increase.

Recommendation

Since revenue impact would be low if the Town imposed a short-term rental tax, no further actions are recommended on this revenue opportunity.

School Activity Fees Analysis

Description

Schools may impose program fees to help subsidize or cover the costs of both athletic and non-athletic activities.

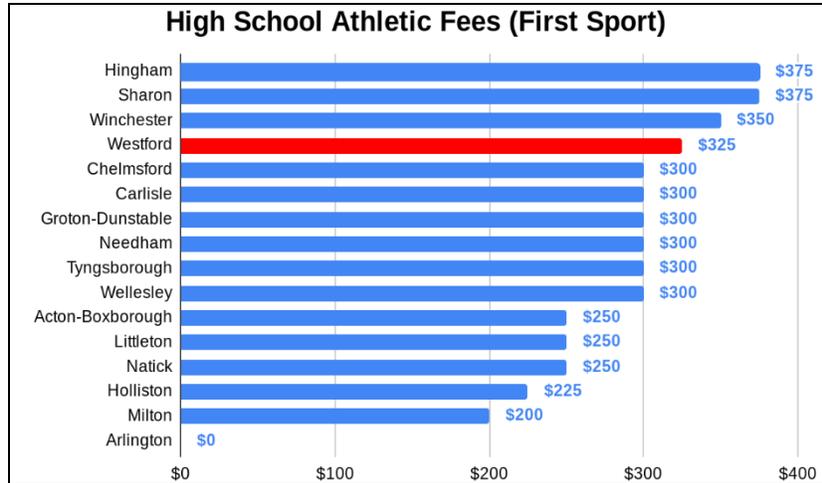
History

The list below outlines the Westford Public School fees for the 2023-2024 calendar year:

High School Athletic Fee:	\$325 per student per sport for most sports (crew, swim and golf may incur further costs)
Middle School Athletic Fee:	\$275 per student per sport
Middle School Activity Fee:	Middle School - \$80/year
High School Activity Fee:	High School - \$100/yr
Parking Fee:	\$200/yr Seniors
Instrument Fee:	\$290/yr Grades 3-5 band or string lessons

	High School Athletic Fee for First Sport	Middle School Athletic Fee for First Sport	High School Activity	Parking
Acton-Boxborough	\$250	\$250	\$50 per Academic Team	\$200
Arlington	\$0	\$0	\$0	\$0
Chelmsford	\$300		\$50/yr	\$0
Concord-Carlisle	\$300	\$225		
Groton-Dunstable	\$400	\$210	\$100/activity	\$100
Hingham	\$375	\$100		
Holliston	\$225	\$175	\$50	\$50
Littleton	\$250	\$250	\$50/yr	
Milton	\$200	\$100	\$25/club	
Natick	\$250	\$250	\$50/club	\$200
Needham	\$300	\$235		
Sharon	\$375			\$150
Tyngsborough	\$300	\$200		\$200
Wellesley	\$300	\$200		\$250
Westford	\$325	\$275	\$100/yr	\$200
Winchester	\$350			

When reviewing the data, it is clear that Westford's school activity fees are on the higher side of our comparable communities. The families enrolled in our schools are paying a higher amount for extra-curricular activities and parking versus the DART and adjacent communities. Parking fee data was not available for all comparable communities. But, in the communities present in the data set, Westford was on the higher end of the parking fees as well.



In reviewing the High School Athletic Fees specifically, Westford is in the higher quadrant; only 3 other communities in our benchmark group have High School athletic fees higher than Westford. To note: This comparison is done on the first sport and on the standard list of available sports. There are a certain subset of sports that have non-standard fees because of increased costs (such as hockey) and these were not examined. When comparing Middle School Athletic Fees, Westford has the highest fee charged across the comparable communities. Note that there were a few communities in which Middle School Athletic fees were not able to be confirmed.

Revenue Impact

The activity fees that are collected help offset the cost that incur to run the associated program or service. If the fees are increased or decreased, there would be an associated impact to the operating budget.

Type	Amount	Frequency	FY24 Projected Revenue	FY24 Projected Offsets/Usage
High School Athletic	\$325	per sport	\$690,000	\$688,000
Middle School Athletic	\$275	per sport	HS&MS combined	HS&MS combined
High School Activity	\$100	per year	\$71,000	\$65,000
Middle School Activity Fees	\$80	per year	\$45,000	\$40,000
Parking	\$200	per year	\$56,000	\$50,000
Elementary Strings	\$290	per year	\$135,000	\$120,000
Early Arrival	\$500	per year	\$98,000	\$85,000

Process to Implement

The School Committee sets these fees. A recommendation for change would be brought by the Superintendent of Schools to the School Committee for consideration and the School Committee would need to vote to implement any fee increases.

Community Impact (Positive and/or Negative)

An increase in fees could impact the number of participants in athletics and activities. Some families may not be able to afford the increased fee amounts and therefore may not be able to allow for their children to participate. School fees create an inequity for the student population.

Recommendation

Westford’s School Activity Fees are already above the majority of our comparable DART + Adjacent towns. It is not recommended for the School Committee to further increase fees at this time

School Bus Transportation Fee Analysis

Description

There are State laws that require school districts to provide transportation for all students in Kindergarten through grade 6 who live two or more miles from their school. The School Committee may assess fees to students in grades 7 through 12, and to students in any grade that live under two miles from school. This fee may not be imposed on students eligible for free or reduced lunch via the federal school lunch program. The school committee may exempt other families at their discretion.

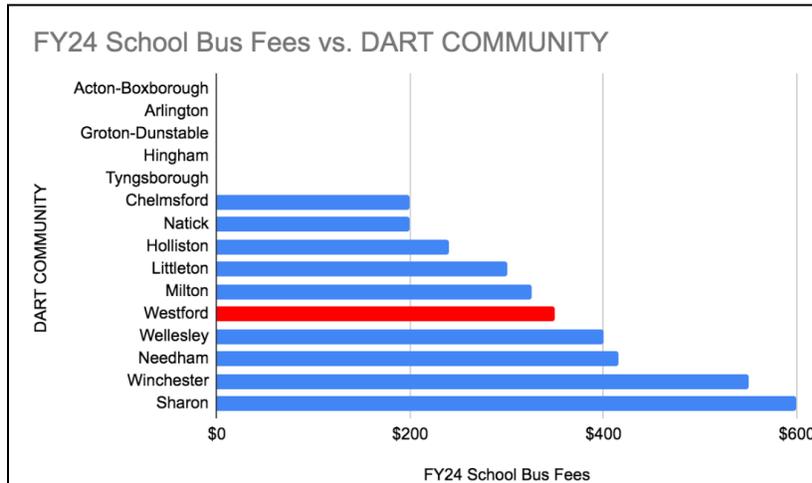
History

Westford charges a bus fee for all students in grades 7-12; and those students in grades K-6 that live within two miles from school.

Westford: \$350 for one student
 \$700 for two students
 \$850 family cap

Comparable Data to DART communities:

DART COMMUNITY	FY24 School Bus Fees	
Acton-Boxborough	Free	*Regional districts have received 65-75% reimbursement in past
Arlington	Not offered	Limited neighborhood service \$350/student, family cap \$480
Chelmsford	\$200	Family cap \$500
Groton-Dunstable	Free	*Regional districts have received 65-75% reimbursement in past
Hingham	Free	
Holliston	\$240	Family cap \$720
Littleton	\$300	Family cap \$900
Milton	\$325	Family cap \$650
Natick	\$200	Family cap \$400
Needham	\$415	Family cap \$940
Sharon	\$600	No family cap
Tyngsborough	Free	
Wellesley	\$400	Family cap \$900
Westford	\$350	Family cap \$850
Winchester	\$550	Family cap \$945; allows one-way rides, childcare service



Westford’s current bus fee of \$350 is in line with the charges for the communities that do have bus fees. There are five communities that currently have bus fees higher than Westford in the comparable communities.

Revenue Impact

The Westford Public School District and the Town Manager’s office are working on a Request for Proposal for bussing services for FY25 and beyond. The current contract with Dee Bus will expire after FY24. Westford has looked at recent bids that were conducted by surrounding districts for FY23 and have seen that bussing costs have increased by 11%. Westford should assume that our future bids will increase by at least this same amount which will increase bus costs by a little under \$500k.

Type	Amount	Frequency	FY24 projected revenue	FY24 projected offset
Bus Pass	\$350	per year	\$727,000	\$655,000

Our current bus fees are already on the higher end of our peer districts. If the projected increase of \$444,000 in transportation services was split among a typical year of paid riders (1850), each bus rider would have to pay an additional \$240.

Process to Implement

The School Committee sets these fees. A recommendation for change would be brought by the Superintendent of Schools to the School Committee for consideration and the School Committee would need to vote to implement any fee increases.

Community Impact (Positive and/or Negative)

An increase in fees could impact the number of riders on the buses. Some families may not be able to afford the increased fee amounts and therefore may not be able to allow for their children to utilize bus transportation. This could create a hardship for some families that rely heavily on bus transportation to get their children to and from school. Less bus riders also could mean additional car riders which would worsen traffic and congestion at arrival and dismissal times.

Recommendation

Westford's Bus Fees are already above the majority of our comparable DART + Adjacent towns. It is not recommended for the School Committee to further increase fees at this time.

Naming By-Law Fees

Description

Some municipalities have a Naming By-law in which there could be a financial component involved with the naming rights for a public building or land. This type of policy can help attract donations or private funds to support capital projects, which, in turn, can help defray the tax impact of debt exclusions.

History

Currently, in Westford, the Select Board has the authority to name public buildings or land.

Revenue Impact

The revenue impact would be low to medium for this initiative as it would be dependent upon the available opportunities for buildings/land to require a naming convention.

Process to Implement

Further investigation would be needed.

Community Impact (Positive and/or Negative)

New buildings or land may not continue to have the historic relevance that Westford typically uses when naming their buildings/land if a private citizen is allowed to name it.

Recommendation

There is no further action recommended on this opportunity at this time.

Expand Property Tax Work Off Program

Description

In certain circumstances, the Town of Westford will allow residents to provide work in lieu of taxes. These programs are currently available to seniors (60+) and veterans.

History

In Westford, the current program's participants work up to 100 hours for a maximum benefit of \$1,500, typically in clerical roles within the town. There are 20 slots available to seniors and 5 available to veterans. Last year, 14 eligible residents took advantage of this program.

Revenue Impact

The revenue impact is very low as the number of hours worked by the participants do not allow many adjustments to town staff hours and/or salaries. This program is generally considered to be revenue neutral to the town - the credits granted on an hourly basis are the same as minimum wage in Massachusetts, which is an appropriate wage for the kinds of clerical work performed. If more slots were added, the more hours of work are performed, but less tax revenue is collected.

Process to implement

The Select Board would approve additional slots for this program, however, not all of the existing slots were filled last year.

Community Impact (Positive or Negative)

An increased number of slots could allow more residents struggling with tax burden to participate. This can also give a sense of purpose to residents who participate.

Recommendation

There is no further action recommended on this opportunity at this time.

Real Estate Transfer Fees

Description

A Real Estate Transfer Fee is an additional fee that would be charged by a city or town upon the sale of a property. These fees are paid to the town and are typically used to supplement or create Affordable Housing Trust Funds.

History

Arlington, Boston, Brookline, Cambridge, Chatham, Concord, Martha's Vineyard, Nantucket, Provincetown, Somerville and Wellfleet have each filed home rule petitions or bills to impose the real estate transfer fees in support of affordable housing. This would allow these towns to collect up to 2% tax on sale of a home, typically with the first \$500,000-\$600,000 of value excluded from the tax. These tax collections would go to a land bank or other affordable housing trust to support further development of affordable housing.

There is currently a bill before the Massachusetts Legislature that would give cities and towns this ability more broadly. Neither this more general bill or the individual home rule petitions have been taken up for debate by either the House or Senate.

Revenue Impact

Because the existing efforts in the Commonwealth would direct any collected taxes to the support of affordable housing, there is not yet an example of a real estate transfer fee that would be able to support the general operating budget. There are no monies put aside in the general operating budget specifically for affordable housing that could be offset with this type of a fee, so there is no actual revenue benefit in terms of our operating budget.

Process to Implement

The Town would have to vote at a Town Meeting to file a home rule petition. The Massachusetts Legislature would need to approve the bill and allow cities and towns to collect this type of transfer fee in the way described. If that were to be done, in order to implement in Westford, this would require both a Town Meeting affirmative vote and an election affirmative vote to implement.

Community Impact

Generally, communities have seen a mix of support for these measures due to concerns that this increases real estate costs and could have a negative effect on home sales, affordability, and/or diversity.

Recommendation

This does not have an immediate revenue impact as there are still hurdles for implementation. The Select Board should keep an eye on the legislation though, and potentially revisit the viability in the future should the Massachusetts Legislation pass the related bill.

Room Occupancy Fee

Description

The State of Massachusetts has a room occupancy tax of 5.7% for room rentals of 90 days or less in hotels, motels, lodging houses, and bed and breakfast type establishments. The State permits cities and towns to collect a local room occupancy excise tax of up to an additional 6%.

History

As of July 2011 Westford increased our local room occupancy excise tax to the maximum 6% allowable by the State.

Revenue Impact

There is no opportunity for increased revenue beyond increased hotel occupancies, or additional new businesses of this type developed and occupied.

Community Impact (Positive and/or Negative)

None at this time.

Recommendation

There is no potential for revenue growth by changing the tax amount. There are no further actions on this item.

Sale of Town Owned Real Estate

Description

The Town of Westford owns 330 properties. Properties that are owned by the Town do not generate property tax revenue. The Town could do an analysis of these properties to determine if there were any existing town owned properties that could be sold to generate revenue. Properties considered for sale would exclude buildings being currently utilized for municipal, educational or recreation purposes, properties with conservation or wetland restrictions, or properties not deemed as buildable.

History

The Town of Westford is able to sell their town-owned properties when there is a need or desire to relinquish ownership of a property. The most notable recent example was the sale of 63 Main Street in 2021. At this time, Westford does not categorize its owned real estate in a way that allows the Select Board to determine what may be viable for resale.

Revenue Impact

The sale of town owned real estate would generate two types of revenue: 1) immediate, one-time revenue from the sale of the property and 2) long term property tax revenue moving forward. Despite the two-part revenue stream, the revenue impact for this opportunity would be low. While the one-time sale revenue would vary based on the property, the impact is low as it would not be a continuing revenue source year after year. The additional revenue from property taxes would also be low. For example, the town sold 63 Main Street in 2021 for \$425,000. The one-time revenue must go into a special account for a single use item and cannot be used to balance the budget. However, this property is now actively taxed and included in the town's property tax roll.

Process to implement

The sale of town owned property requires Town Meeting approval and must be in compliance with the competitive sale process under MGL Chapter 30B, Section 16 if the parcel value exceeds \$35,000. Additionally, depending on zoning bylaws of the property, a change to the zoning may be required to allow for future development of the property.

Community Impact (Positive and/or Negative)

If the town sold a property that was subsequently developed, there could be construction inconveniences for neighbors of the property.

Recommendation

There are no immediate recommendations for this revenue opportunity. However, the Select Board may want to task the Land Use department to categorize the Town-Owned property to better understand in the future what properties may be viable for sale. This would include categorizing properties that are able vs unable to be developed based on zoning or conservation restrictions, properties that are developed but not being utilized/are underutilized, etc.

Split Tax Rate

Description

In 1982, the Massachusetts Legislature gave cities and towns the ability to set a different property tax rate for residents and commercial/industrial properties (this latter category is called "CIP"). This was enacted during a time of rapid housing value increases and was intended to give cities and towns a relief valve to soften rising residential property taxes for residents. Creating a split tax rate does not increase revenue overall – it just changes the allocation of who bears the tax expense, residents vs commercial properties.

History

99 cities and towns in Massachusetts enacted this change in the early 1980s. Since that time, only a few additional cities have enacted this change, several have revoked it, and a few have gone back and forth. Today, there are 111 cities and towns (about one third of the cities and towns in the Commonwealth) who have adopted a split tax rate.

In 2018, Westford appointed a Tax Classification Research Group to investigate the potential advantages and disadvantages of adopting a split tax rate. This group conducted extensive research and ultimately recommended against adopting a split tax rate. Since Westford's tax base is more than 86% residential, in order to make a meaningful decrease for the residents, the

commercial rate would have to significantly increase, which the group felt would make Westford less competitive in attracting and retaining businesses.

Revenue Impact

Because a change of this type would not increase revenue overall, only the allocation of tax expense. Therefore, moving to a split tax rate would not deliver any benefits in addressing future budget challenges.

Process to implement

The Select Board has the authority to change the tax rate at the Tax Classification Hearing held every November.

Community Impact (Positive and/or Negative)

Since residential property is such a large percentage of the overall tax rate, Westford would not be able to change tax percentages between residential and commercial in a way that would meaningfully reduce the tax burden on residents without creating a large burden to commercial businesses, especially small businesses. The Tax Classification Research Group determined that the community would be at risk of losing many small businesses and the small number of commercial businesses that currently operate in Westford.

Recommendation

There is no further action recommended on this topic at this time.

Meals Tax Increase

Description

In 2009, the State of Massachusetts approved a local option tax allowing municipalities to levy up to .75% tax on the sale of restaurant meals. This local levy would be on top of the 6.25% the State already collects.

History

The Town of Westford adopted the .75% Meals Tax effective July 2011.

Revenue Impact

There is no impact to revenue for this item as Westford has imposed the maximum tax amount. Unless the State of Massachusetts amends the maximum tax amount, there is no additional revenue in this area.

One way to impact revenue would be to drive more customers to restaurants. Providing additional areas in town where restaurants are allowed, or new businesses would also increase revenue.

Process to Implement

This tax is already in place.

Community Impact (Positive and/or Negative)

None at this time.

Recommendation

There is no further action recommended on this opportunity at this time.

Key Takeaways from this Section:

- The Task Force identified lots of areas to investigate but the only opportunities recommended for follow-up that have a significant revenue impact of \$1 million or higher are the MBTA Multi-family Zoning Requirement and a Proposition 2 ½ Override.
- Other opportunities with a medium revenue impact are the Cannabis Excise Tax, Economic Development, and Solar Installations.

VII. EFFICIENCY RECOMMENDATIONS

In this section: In addition to increasing revenue, another approach to dealing with budget constraints is to lower expenses. Using information from benchmarking and interviews with other communities, the Task Force initiated a list of areas to explore for potential efficiencies.

Throughout the process of benchmarking Westford Departments to other comparable communities, the Budget Task Force was able to evaluate a number of ways our town government could operate more efficiently. Some efficiencies may be cost savings measures, while other efficiencies may just be a better way of doing business and may not realize cost savings. Similarly, to the revenue discussion above, some efficiencies may be quick to be realized, while others could take years to come to fruition. Additionally, it should be noted that some of the suggested efficiencies will need to be reviewed by others outside of the Budget Task Force.

Efficiencies Between Town and School Departments:

There are many services that are performed by multiple departments in Westford, especially between the School and other Town departments. These should be investigated to consolidate, centralize, streamline and ensure consistency in policy and practice.

Building Maintenance

- Centralize town and school building maintenance operations: As of this writing, building maintenance services are managed by the Public Buildings Department. However, the budgets and some personnel are spread across the various buildings and departments that are serviced. There could be efficiencies realized if all building maintenance funding and personnel were moved to the Public Buildings (199) department. Many other communities centralize all building maintenance (repairs, custodial and utilities) to streamline operations and put this responsibility in the hands of a Facilities expert instead of a department head.
- Pursue energy efficiency projects: As part of the Green Communities application over 10 years ago, there was a plan to achieve a 20% savings in energy. The BTF discovered that this plan was not fully acted upon. In addition to the Green Communities plan, other energy savings projects identified by the Ameresco energy audit should be examined and acted upon as applicable.

Ground Maintenance

- Investigate combining Town and School grounds maintenance into a single department. As of this writing, grounds maintenance is split across the Public Works and School departments depending on the area serviced. This work includes lawn maintenance, snow clearing and other similar grounds services. There could be efficiencies realized in the use of vehicles and personnel if these services were combined.

Procurement

- Explore possible efficiencies from centralizing procurement activities across Town and Schools. As of this writing, the Town and Schools procure their own supplies and services separately. This could include office supplies, vehicles, furniture, large-scale construction projects and other matters. In the State of Massachusetts, there are strict procurement laws for town and state government entities. The law is better known as Chapter 30B. Several of the town employees are certified Massachusetts Certified Public Purchasing Officials (MCPPO). The schools are certifying their employees as well. The Town Manager is the Chief Procurement Officer and

certified as MCPPO. There could be some efficiencies realized if the Town and School had one centralized procurement office and all purchasing went through that clearinghouse.

Human Resources and Benefits Management

- Investigate if there is capacity and any benefit to an adjustment in the Town and School HR departments. Currently, the Town and the School departments have slightly separated HR departments. The Town's HR department is serviced by an HR Director, an HR Administrative Assistant and a Benefits Coordinator. The Schools HR department is led by the Assistant Superintendent and has a staff of an HR Generalist and an HR Associate. The Benefits Coordinator, whose main base is in the Town Hall, coordinates benefits for both Town and School employees.

There is opportunity for a combined Town and School HR department that could operate under one Director or Deputy and provide Human Resources Support for all employees who are paid by the Town of Westford. It is possible this arrangement could offer some streamlined processes and opportunities for staff to be cross-trained.

Technology

- Investigate potential efficiencies that could be realized with a more integrated department. Currently the Town and School Departments share a Technology Director, however, the staff under that position are segregated into Town staff and School staff.
- Inventory existing systems and software.
 - Note where software packages are not being used to the greatest potential.
 - Note where departments can use software already owned and currently use another software for that task.
 - Implement more training to allow for employees to use software systems to the greatest extent possible.
- Explore moving from Microsoft office to Google Suite (Town only, WPS is already on Google)
- Moving towards a paperless environment – cost of paper, toner, printers, repairs, staff time
- Investigate telephone lines to ensure they are still used
- Investigate all cellular service to ensure they are needed

Town Shared Services with Other Communities:

Several communities share a variety of services, sometimes also referred to as regionalization. The following areas should be investigated.

Veterans Services

Westford, as well as all municipalities in Massachusetts are required to have a Veteran Service Officer (VSO) to assist veterans with Chapter 115 claims. The number of claimants can fluctuate within any given year. However, at the time of this report, five (5) veterans are being assisted. The claimant participation has fluctuated between 4-13 in recent years: 10 in FY19, 13 in FY20, 10 in FY21, 7 in FY22, 4 in FY23. Acton, Bedford, Lexington, North Andover, Shrewsbury, Sudbury, Westborough, and Wellesley have regional veterans service agents. Belmont, Concord, and Westwood have part-time Veterans Service Officers (VSOs).

- *Probability of Implementation:* Based upon current information, it is highly possible to combine with another municipality to provide veterans services.
- *Cost Savings Measure:* Currently, the Veterans Department is serviced by one full-time VSO and a 4 hour a week part time administrative assistant. If Westford were to combine with another municipality to provide these services, the labor costs may be reduced.
- *Timing:* A regional veterans officer approach could be realized in 6-12 months depending on the willingness of area municipalities and an agreement signed by respective Select Boards.

Health Department

Westford employs a full-service health department under the direction of the Board of Health. Westford has been the lead municipality, administering a form of regional health services through a state grant from the Department of Public Health. One of the aspects of this grant is providing a full-time Community Wellness position that serves the towns of Westford, Tewksbury, Dracut and Acton.

- *Probability of Implementation:* Based upon current information, it is likely that after careful planning and consideration, Westford could investigate a future regional public health approach and potentially become the lead of a full service regional health department.
- *Cost Savings Measure:* The state of Massachusetts is currently offering a myriad of grants associated with regional public health operations. If Westford is the lead community, there is a possibility of revenue from other municipalities to serve the district. However, it is unknown at this time if cost savings for Westford would be realized.
- *Timing:* This process could take 1-3 years depending on willingness from the Westford Board of Health, Health Director and potential receiving municipalities.

Dispatch

Westford created a combined dispatch department (Public Communications) for Police and Fire services in 2018 when the Fire Department moved to the new station on Boston Road. The Department is housed in the Police Station on Main Street and overseen by a Communications Director. Several of our comparable communities are utilizing regional dispatch (Franklin, Dracut and Tewksbury) or studying it further (Acton).

- *Probability of Implementation:* Based upon the resources that were used to create a combined police and fire dispatch department housed within the Police Station, it is unlikely that resources would be allocated to studying regional dispatch, unless Westford would be a host community. There is also perceived knowledge that if Westford moved to a regional model, the personal touch of Westford only dispatchers, knowing the area and the culture would be lost. Westford has been approached by two nearby communities asking if they would join their regional dispatch centers.
- *Cost Savings Measure:* The state of Massachusetts is currently offering a myriad of grants associated with regional dispatch operations, similarly to Public Health. If Westford is the lead community, there is a possibility of revenue from other municipalities to serve the district. However, it is unknown at this time if cost savings for Westford would be realized.
- *Timing:* The creation of a regional dispatch approach would take a year or more to plan and implement.

Sustainability Division – Town Manager

Westford and Carlisle were sharing services from one Sustainability Coordinator, under the umbrella of the Town Manager’s office until August 2023. At the end of Fiscal Year 2023, it was determined that Westford would have their own Sustainability Coordinator. Over the course of the next six months to a

year, Westford could determine if there is enough work for a Sustainability Coordinator to serve the town or if the Town should evaluate a regional approach again. Because this was a regional position and now is solely a Westford Position, the probability of implementation, cost savings measures and timing are not discussed in this report.

Animal Control Department

Westford's Animal Control Officer is a part-time position under the direction of the Town Manager's office. Many comparable communities have the Animal Control Officer position under the Police Department. Based upon the Town's land area staffing this position as shared services may be a challenge, however, could realize savings, or at least enhanced coverage. Shrewsbury, Tyngsborough and Chelmsford have shared animal control services.

- *Probability of Implementation:* In July 2023, the Town Manager's office reached out to area municipalities to gauge interest in them hosting the Animal Control function. Several Town's were interested in continuing the discussion. Therefore, there is a high probability in implementing such an arrangement.
- *Cost Savings Measure:* The creation of a shared services Animal Control function could be a cost savings measure as it relates to paying overtime for the current Animal Control officer. The Town may also realize enhanced services with a more consistent schedule.
- *Timing:* The creation of a regional animal control approach could be implemented at the beginning of FY25 if an agreement can be reached with area municipalities.

Town Efficiencies

Financial

- Investigate moving from weekly payroll to bi-weekly payroll, which may potentially free up staff time for other duties.
- Encourage residents to receive bills from the Town electronically. This reduces the postage and paper costs by \$0.87 per real estate bill and \$0.47 per motor vehicle excise bill.

Ambulance Services

- Ensure WFD is staying on top of collections to maximize revenue.

Recreation

- The Recreation Department should conduct a financial analysis of each program offered.
- The Select Board can consider having a policy discussion regarding the cost of the recreation department to taxpayers.

Community Wellness

- Investigate the role of the Health Department in social and mental health services given the fact that most communities make a clear distinction between public health and mental health services. Westford employs a Community Wellness Coordinator, a Town Social Worker and a Regional Community Wellness Coordinator out of three separate departments at the time of this writing. Investigate various social services across town departments. Consider combining into one department to centralize the services to be more efficient and effective.

Council On Aging

- Investigate level of services and costs given that Westford's senior population percentage is lower than other communities.
- Investigate the net cost of transportation and the possibility of instituting fees to offset costs. Westford's service is mostly funded by a LRTA grant, but the general fund accounts for \$50,639 for drivers, \$4,500 for maintenance, and \$13,000 for fuel. During the FY24 budget hearings, it was stated that fees would be instituted in January 2023. However, those fees were halted by the Council On Aging.

Dispatch

- Investigate Westford's call volume in comparison to other communities.
- Investigate Westford's high Full Time Equivalent count in comparison to other communities.

Vehicles

- Investigate DPW servicing all Town vehicles (possible exception Fire special apparatus). Most comparable communities have their DPW maintain all vehicles with 2 –3 mechanics.
- Investigate all vehicles refueling at DPW at wholesale vs retail rate - many comparable communities do this. Currently DPW fuels their fleet at their facility but other town vehicles use a state discount card at area gas stations.
- Keep vehicle fleets to a reasonable number by department.
- Properly maintain vehicles to obtain maximum usage.
- Investigate vehicle sharing to reduce the number of regular passenger vehicles needed throughout the town. Chelmsford uses a Microsoft calendar to reserve vehicles.
- Continue the practice of switching internal combustion engine (ICE) vehicles to hybrid or electric to reduce gasoline and maintenance costs.

Other

- Conduct annual reviews of all fees to ensure they are not only in line with other communities but that they are covering the cost of the service provided.
- Consider using some cemetery "sale of lots" and other fees revenue toward the operating budget.
- Pursue solar installations by others who pay the Town for the lease and power purchase agreements.
- Strive for a more systematic approach to applying for and managing grants.

Prior Town Efficiencies

Throughout the past several years, and especially during the COVID-19 pandemic, there were several management decisions made to find efficiencies within all town budgets. Examples include:

- Combining the Records Supervisor position in the Town Clerk's Office with the IT Department Office Manager to reduce 1 FTE.
- Combining most town maintenance expenses under the Public Facilities budget.
- Eliminating the Recreation Enterprise WPC After School Program for the Middle School.
- Combining the Office Manager position with the Asst. Recreation Director to eliminate 1 FTE.
- Did not backfill the Program Registrar in the Recreation Enterprise after a vacancy.
- Converting all streetlights in town to LED, drastically reducing our electricity bills.
- Reviewing the net metering credits and working with Nexamp to ensure our solar credits are being apportioned efficiently.

- Changing to a partially self-insured health insurance program. Although the claims have been high for the first two years, renewal rates on the open market would have exceeded the recommended increase from the Health Insurance Trust.
- After authorizing debt for several smaller projects during the pandemic (Pine Grove Cemetery Expansion, Portable Radios for School Staff), the Town was able to transfer remaining funds at the end of the fiscal year to pay off the projects in full without issuing debt.
- Consolidating all public works functions under one DPW Director.
- Eliminating the Zoning Enforcement position in the Building Department after a retirement.
- Eliminating the Substance Abuse Coordinator position in the Board of Health after a retirement.
- Reduced overtime in the Public Communications budget and budgeted for a full-time employee reducing the need to order in dispatchers.
- Began requesting donations for rides provided by the LRTA to our seniors and populations that need ride services.
- Used seasonal help in Parks & Grounds, Highway, and Cemetery to supplement additional work during the spring, summer, and fall.

School Efficiencies

In preparing for FY25 and discussing efficiencies, it is important to acknowledge that the WPS operating budget has been unable to sustain level services in recent years, and there have been many reductions previously made during the WPS budget process. In addition to these, incoming grade level sizes are constantly evaluated to allow for staffing and sections to be responsibly reduced for the lower enrollment.

At the elementary level, grade 1-2 general education classroom teaching assistants and reading interventionists have been reduced. Integrated arts (physical education, music, art) were streamlined to be shared between buildings. Teachers' classroom budget allowances have decreased, and math intervention hours were lowered from five to four. At all levels, digital learning specialists were reduced, and fees were increased to subsidize programs or services in the operating budget. At the high school, classes routinely use a 'directed learning time' block to reduce the use of substitute teachers.

Potential Action Items from Benchmarking Observations

- Consider matching peer district accounting practices regarding municipal chargebacks
- Identify ways to reduce heating costs and increase energy efficiency, such as investigating the recommendations from Ameresco or other similar approaches
- Monitor the savings from the updated Xerox Managed Print Services contract

Potential Opportunities that Would Require Investment

- Owning our own fleet for bus transportation would decrease the operating costs but would require significant capital investment
- Building a larger elementary school to consolidate administration and building-specific expenses as well as reduce transitions for students and families and offer greater collaboration for staff
- Expanding our post-grad program for 18+ year old Special Education students would allow potential savings in out of district tuition costs and allow more students to remain connected with our local community for a longer period of time
- Exploring an expansion of the social-emotional supported classroom at the elementary level would potentially reduce out of district tuition costs

VIII. POTENTIAL BUDGET IMPACTS

In this section: Without a substantial change in revenue, existing budget levels will need to be drastically reduced to accommodate the increased expenses from Section V. To further illustrate the scale and severity of this impact, both Town and School administrators listed potential service reductions.

Each of the elements described in this section represents a significant cost increase, reflecting higher inflation that the Town has experienced in recent years. While town budgeting under Proposition 2 ½ is already challenging in terms of maintaining services in a low inflation environment, in a period of higher inflation it is not possible to maintain steady service levels. **The increased costs described – energy costs, special education tuition costs, increased waste collection and disposal costs – all must be paid and are not discretionary. Meeting this collection of mandatory increased costs – of \$7-10M in FY25 and \$5.7-\$7.9M in FY26 – cannot be met without additional revenue or significant cuts in service levels for residents and property owners of Westford.**

Most of the costs in Westford’s budget are driven by personnel and personnel-related costs like health care. As an example, to cover \$6 million in non-discretionary costs, the town would be forced to reduce 60 to 70 positions across the town and schools. If these cuts were made proportionately based on current headcount, this would result in 35-40 fewer school personnel and 25-30 fewer first responders, public works personnel or other town functions.

Potential Impacts to the Town of Westford Government

If Westford is not able to meet the needs already being identified for our FY25 and FY26 budgets, then the consequences could result in any of the following:

General

- Increased Health Insurance costs for employees would have to pay more of the premium
- Reduced or eliminated training budgets for employees to further their professional services
- Reduction in resources to pursue our climate goals
- Reduction in the resources that have been built up to support community and employee wellness
- Delay in replacing vehicle and building equipment, which could lead to higher maintenance costs and higher replacement costs in the future
- Delay in town building maintenance and repair, which could lead to higher maintenance costs and higher replacement costs in the future

Public Safety – Police/Fire/Ambulance

- Reduced patrol coverage, delayed response during peak periods
- Reduced ability to make proactive inspections and provide training
- Reduced staffing, leading to slower response during peak periods
- Compromised safety of remaining staff due to lack of support from co-workers/trained professionals

Public Safety - Department of Public Works

- Slower response to fix potholes, plow streets, maintain playgrounds/fields, repair/build sidewalks
- Potential safety issues created for general public and public safety employees

Senior Services

- Reductions in overall programming
- Elimination of rental assistance and other support programs
- Limited social worker support for seniors in crisis

- Less programming designed to reduce isolation, neglect, grief and loss

Library

- Reduced hours and reduced funding -- if hours are reduced, then Westford will not qualify for Massachusetts Library Building Commission (MLBC) funding in annual state grants (\$53,529 in FY24) or the MLBC building grant of \$8,681,257.
- Reduced programming for children, teens and adults

Land Use Management

- Reduced responsiveness to building permits – there is a statutory minimum of inspection time.
- Delayed building permits will deter contractors/developers and reduce the amount of new growth
- Severely limited bandwidth to enforce zoning and/or general bylaws and conduct inspections

Recreation Department

- No after school program, no summer camp; currently there is an enterprise fund with supplemental appropriation from the General fund.

Potential Impacts to Westford Public Schools

If Westford is not able to meet the needs already being identified for the FY25 and FY26 budgets, than the consequences could result in any of the following:

- Reduction of staff proportionally throughout the entire district including, teachers, support staff, administrators at all levels.
 - o District wide increase in class sizes to approx. 25-30 students per class. WPS has managed to maintain appropriately smaller class sizes (approx. 22 for K-5 & 25 for 6-12) as supported by both data regarding student achievement and aligning with School Committee class size recommendations.
 - o Support for buildings would be limited as part-administrative assistant positions shared between buildings could be eliminated.
 - o Case-loads for both Special Education teachers and School Counseling could increase if teachers and school counselors were reduced
 - o Curriculum initiatives and support would suffer if curriculum coordinators were reduced creating a greater strain on classroom teachers to manage and navigate
- Class offerings would be reduced
 - o Departments would identify electives to eliminate at WA including some AP courses
 - o Integrated Arts choices at elementary and middle school would need to be reduced and class sizes in the remaining courses would increase to over 30 students in a class
- Support interventions would be reduced district wide
 - o Reading and Math Interventions in elementary and middle school would be further reduced and/or eliminated
 - o Academic Coaching to support executive functioning would be reduced
 - o Some current support programming district wide might be impacted leading ultimately to additional out of district costs
- Extra-curricular opportunities for students would be reduced at all levels which could also include some athletic programs at the middle school and high school level and/or fees might be increased significantly
 - o Late bus transportation (middle and high school) could be reduced
- Access to high quality software subscriptions and technology updates would be compromised
- Reduced custodial staffing which would impact access to buildings in off-hours and facility rentals

IX. REFLECTIONS

Throughout this work, members spent time reviewing peer communities and evaluating internal processes, often discovering ideas for best practices to consider moving forward.

- Add revenue sources and amounts in budget documents. Example: Lexington FY24 Budget: <https://www.lexingtonma.gov/DocumentCenter/View/8327/FY2024-Brown-Book-Amended-3-3-23>
- Add performance measures to each department as part of the budget document. Example: Westborough FY24 Budget: https://www.westboroughma.gov/sites/g/files/vyhlf5176/f/uploads/completefy2024budgetdocument_linked_test_final_1.pdf
- Add a joint board or chairs meeting at the beginning of the budget process - prior to the budget policy creation - so that all boards have input on the budget guidance to the Town Manager
- Change the way parts of the budget like "unclassified" and debt service are referenced. Lexington calls these "Shared expenses". It highlights that they are shared across the town, not a municipal-side specific expense.
- Routinely survey peer communities on major contracts and expenses, especially when facing a challenge or soliciting bids.
- Conduct and maintain a comprehensive inventory of town owned land; consider which parcels are in use, or able to be developed, or have land restrictions or have zoning restrictions.
- Advertise and promote rental space, especially in the schools
- Highlight the large and variable nature of special education out of district expenses. Consider allocating at the outset of the budget process in advance of departments. Continue to build the Schools Special Education Reserve Fund.
- Continue good financial practices already in place, like not using one time funds for positions
- Pursue an improved capital forecast process, to prioritize and plan for upcoming projects. This should result in a more holistic view of the long term budgeting. It is possible the recent effort to pursue a Townwide 2035 Strategic Plan will accomplish some of this.
- Consider instituting routine benchmarking with peer communities on fees and expenses

Simulated Year 1:

Waste+Electricity+Natural Gas+NonUnion+Town Union+School Union+Health
Ins+Bus+Vans+SPED

Simulated Year 2:

Waste+Electricity+Natural Gas+NonUnion+Town Union+School Union+Health
Ins+Bus+Vans+SPED

Simulated Year 3:

Waste+Electricity+Natural Gas+NonUnion+Town Union+School Union+Health
Ins+Bus+Vans+SPED

...

Simulated Year 10,000:

Waste+Electricity+Natural Gas+NonUnion+Town Union+School Union+Health
Ins+Bus+Vans+SPED

By evaluating the distribution of these 10,000 simulated years, the tool is able to provide a distribution of the most likely cost impact of these known budget challenges in each of the selected fiscal years.

APPENDIX B: PUBLIC FEEDBACK

In response to Budget Task force feedback survey August, 2023

UNDERSTANDING YOUR CONCERNS: SHAPING WESTFORD'S FUTURE TOGETHER

Dear Westford Residents,

The Budget Task Force would like to express our sincere appreciation for your participation in our recent feedback. Your invaluable input has shed light on the concerns, ideas, aspirations, and areas for improvement that are at the heart of our community. As we work together to chart the course for Westford's future, we want to assure you that your voices have been heard loud and clear. Here is the summary of inputs we have received so far from the community.

Key Challenges

1. **BALANCING PRIORITIES:** Striking a balance between education, public safety, infrastructure, and other essential services while maintaining quality and fiscal responsibility.

*"Balancing the need for quality education, public safety, and infrastructure improvements."
"Managing limited resources across various departments to meet diverse community needs."*

2. **RISING COSTS:** Navigating rising operational costs, inflationary pressures, and ensuring that services remain accessible for all residents.

*"Addressing rising operational costs while keeping services affordable for residents."
"Navigating inflationary pressures and maintaining service quality within budget constraints."*

3. **PROPERTY TAX BURDEN:** Mitigating the impact of property tax increases, particularly on fixed-income residents, while funding vital services.

*"Mitigating the impact of property tax increases on fixed-income residents."
"Ensuring property tax increases remain reasonable while adequately funding services."*

4. **EDUCATIONAL FUNDING:** Balancing the funding needs of education with other town priorities, recognizing the importance of quality schools and property tax concerns.

*"Balancing education funding with other town priorities and keeping property taxes in check."
"Ensuring that education funding remains competitive without imposing excessive tax burdens."*

5. **CHANGING DEMOGRAPHICS:** Adapting services to address the evolving needs of a growing senior population and ensuring inclusivity for all residents.

*"Adapting services to meet the changing needs of a growing senior population."
"Addressing the diverse needs of both young families and seniors in service planning."*

New Ideas and Innovation

1. **SUSTAINABLE REVENUE GENERATION:** Exploring innovative revenue sources through business parks, partnerships, and grants to support the community's growth and vitality.

*"Explore buying an electric bus fleet for the schools, leveraging grants."
"Setting up Business Parks for offices to increase revenue streams."*

2. **ENERGY EFFICIENCY AND SUSTAINABILITY:** Committing to sustainable practices, clean energy solutions, and innovative technologies to drive both environmental benefits and cost savings.
"Investing in practices that protect the community and prepare it for the future are essential."
"Consider adding EV charging stations as part of a broader energy plan."
3. **COLLABORATION AND PARTNERSHIPS:** Leveraging collaboration with neighboring communities and grants to optimize resources and enhance services for all residents.
"Regionalize some services like animal control, sustainability, conservation, and dispatch."
"Collaborate with neighboring communities to share costs and resources."
4. **FUTURE-READY INFRASTRUCTURE:** Envisioning comprehensive facilities planning to accommodate growth, enhance efficiency, and maximize the utility of town resources.
"Consider a comprehensive facilities plan to address future growth and infrastructure needs."
"Explore the potential of mini grid energy solutions to enhance energy efficiency."
5. **SMART INVESTMENTS:** Exploring dual-purpose investments, like EV charging infrastructure, that align with sustainability goals and community needs.
"Consider smart investments that serve dual purposes, like EV charging for energy and transportation needs."
"Explore partnerships with commercial entities for mutual benefit, such as shared energy projects."
6. **FUTURE-PROOFING SERVICES:** Embracing technology and digital solutions to optimize service delivery, streamline processes, and enhance resident experiences.
"Promote online transactions and payments to improve convenience and efficiency."
"Leverage technology to optimize service delivery in various departments."
7. **ALTERNATIVE REVENUE STREAMS:** Investigating non-traditional revenue sources such as user fees, commercial partnerships, and event hosting to diversify income.
"Generate revenue through events that attract visitors to Westford and support local businesses."

Areas of Improvement:

1. **COMMUNITY ENGAGEMENT:** Enhancing avenues for resident involvement through town hall meetings, digital platforms, and workshops to foster transparency and inclusive decision-making.
"Promote more town hall meetings to encourage public input on budget matters."
"Utilize digital platforms to gather community feedback and suggestions for budget priorities."
2. **BUDGET COMMUNICATION:** Improving communication strategies to provide residents with a clear understanding of budget priorities, trade-offs, and the rationale behind decisions.
"Enhance communication about the budget process to increase transparency and understanding."
"Share information on how budget decisions are made and the impact on different town services."
3. **LONG-TERM PLANNING:** Strengthening long-term planning efforts to anticipate future challenges and opportunities, ensuring that decisions align with Westford's evolving needs.
"Adopt a more proactive and strategic approach to long-term budget planning."
"Plan ahead for future town growth and service demands to avoid reactive decision-making."
4. **INCLUSIVE OUTREACH:** Ensuring that outreach efforts include diverse segments of the population to gather a comprehensive range of perspectives and ideas.

*"Reach out to a broader demographic to ensure input represents the entire community."
"Strive to include voices from all walks of life in budget-related discussions."*

5. **COLLABORATIVE WORKSHOPS:** Organizing workshops and forums that encourage collaborative problem-solving between residents, local officials, and town departments.
*"Host workshops that bring residents, officials, and experts together to brainstorm solutions."
"Foster collaboration among stakeholders to identify innovative budget solutions."*

Your perspectives have laid the foundation for our work. We are fully committed to addressing your concerns, exploring new ideas, and integrating your innovative suggestions into our decision-making process. Your engagement and insights inspire us to build a future that reflects the shared values and aspirations of Westford's vibrant community.

Thank you for your trust and partnership as we collaboratively shape Westford's path forward.

Sincerely,

The Budget Task Force