



**TOWN OF WESTFORD
FINANCE DEPARTMENT**

TOWN HALL
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MEMORANDUM

To: Select Board
Finance Committee
Kristen Las, Town Manager

From: Dan O'Donnell, Finance Director

Subject: Article 2, Fiscal Year 2026 Budget Adjustments
March 28, 2026 Annual Town Meeting

Date: February 23, 2026

Members of the Select Board and Finance Committee:

The first motion under Article 2 is requesting the town to appropriate \$990,000 in free cash to supplement FY26 budgets.

After consulting with the DPW Director, we are requesting an additional appropriation of \$550,000 for snow and ice operations. This represents an increase of \$150,000 over the \$400,000 included in the original financial model. Given that the Annual Town Meeting will occur in March, there is a risk of additional snow events occurring after the appropriation is set. Conversely, if winter conditions are more severe than anticipated, we may need to revisit the appropriation, as in prior years, to avoid carrying a deficit into FY27.

The Town will implement a Pay-As-You-Throw (PAYT) program effective July 1, 2026. To provide 35-gallon carts to residents and purchase the initial supply of PAYT overflow bags for retail distribution, we are requesting a supplemental appropriation of \$150,000 for program start-up costs. The Town intends to apply for a MassDEP Pay-As-You-Throw Implementation Grant in the approximate amount of \$246,000, which would fund roughly 70% of the total initial investment. To ensure there is no delay in cart delivery to residents and bags are available for purchase prior to program launch, this supplemental appropriation is required. For more information regarding the PAYT program, please visit the Town's [website](#).

We are also seeking a \$290,000 supplemental appropriation to our Health Insurance Medicare Supplemental plan. The premium rate increased by 14.5% on January 1, 2026 after experiencing a 13.8% increase the previous year. We originally budgeted \$1,813,088. The higher than anticipated rate increase along with retirees turning 65 and moving over to the Town's Medicare

supplemental plan requires us to supplement the budget in order to pay for May and June expenses. The projected final expense is currently \$2,100,000.

The second motion under the first article is requesting to supplement the Recreation Enterprise expense budget by \$90,000. Under Youth Programs, the Recreation Enterprise offers a class called “Speed and Agility” that has been very popular over the years. The Recreation Enterprise handles the administration of the program and receives 20% of the revenue. The more the program earns, the more the Recreation Enterprise earns on a straight-line basis. In order to keep running more sessions of the program, we must allocate additional funds to be able to pay the vendor’s share of the program.

The third motion requests \$180,000 to pay off the capital project balances for the Plain Road Sidewalk and Carlisle Road Sidewalk projects. Town Meeting originally authorized the Town to borrow \$600,000 on April 27, 2024, for the Plain Road Sidewalk; however, due to the use of mitigation funds from Newport Materials, the Town only spent \$95,000. We recommend paying off this remaining balance rather than permanently bonding the project.

A similar situation occurred with the Carlisle Road Sidewalk project, which was originally authorized on October 27, 2020. The Town incurred only \$85,000 in expenses due to the Newport Materials mitigation funding.

To fund these projects, we recommend using \$166,289.88 in free cash and transferring the remaining balances from the Engineering Master Plan (\$10,497.11) and the Oak Hill Road, Plain Road, and Moore Road Infrastructure Improvement Project (\$3,213.01). These two projects have already been permanently borrowed and have remaining balances that must be transferred to another capital project. These balances cannot be closed out to free cash at year end.

Lastly, the fourth motion requests an appropriation of \$248,276.01 in stormwater enterprise retained earnings to pay for the Pond Brook and Blue Brook Culvert Design. The Town originally authorized a \$500,000 bond at the June 12, 2021, Annual Town Meeting. The project balance is only half of the authorized amount, so we recommend paying off the balance rather than incurring additional expenses to bond the project. Moving forward, culvert construction will be bonded, and design will be funded through stormwater retained earnings.