



Town of
Westport
MASSACHUSETTS

The Coastal Agricultural Resource Community of New England



FY2024

**GENERAL FUND
ANNUAL BUDGET (Article 5)**

**Recommended by the Finance Committee
Annual Town Meeting May 2, 2023**

EXECUTIVE SUMMARY

Westport has been operating with a Chronic Structural Deficit for years.

Expenses outpacing revenues is a structural deficit, and Westport has been in this chronic situation for many years. To balance the budget, the Town has adopted short-term solutions which simply "kick the can down the road." The Town has cut personnel and increased responsibilities, postponed maintenance, cut back on services, postponed adopting necessary technology upgrades, and not maintained stabilization funding. The Town has not addressed many of its long-term capital needs: including Town properties and building maintenance, and replacing worn-out equipment.

All major Revenue components are not keeping up with the demands for Town services.

- Property Taxes are constrained due to Proposition 2 ½, and previous attempts to pass overrides have not been successful.
- State Aid Receipts (Local Aid) have not grown with inflation or to help fund additional required expenses as a result of state-mandated compliance.
- Local Receipts are tied to economic conditions with limited ability to grow.
- There are few new sustainable revenue sources, and opportunities are limited.

Required Expenses and Assessments are increasing

Westport faces growing demands to increase expenditures in all its municipal services. The Town must also comply with additional required unfunded state and federal mandates. Inflation has also been increasing the costs of goods and services across the board, and salary levels are also facing external pressure to increase to be competitive with neighboring towns.

Departments are lacking resources to continue vital services

Virtually every department in Westport's General Government, Public Safety, Schools, Public Works and Facilities, Human Services, and Culture and Recreation are lacking the financial and human resources to adequately provide needed services our Town residents require.

Chronic Deficit will continue in future years

As we look ahead to FY2025, the fiscal outlook does not get any better. In fact, the structural deficit will keep getting worse each year. Revenue growth continues to be limited, and expense increases are dictated by legislation, regulation, mandates, inflation and other costs that outpace the Town's available revenue.

Faced with this reality, every year the School District and all Town Departments have to make cuts in their budgets to just stay afloat - cuts that mean reductions in staff, and reductions in services being available and services being delivered. This means fewer teachers and programs for our children and grandchildren, fewer police and firefighters to provide public safety, less frequent and less extensive road and infrastructure maintenance, delayed IT upgrades and other capital improvements that would improve efficiencies, and so on...

Due to this chronic structural deficit problem, the Town is also not able to address long-term needs, such as adequately addressing liabilities and upkeep of Town Properties, nor is it able to bring the Stabilization Fund up to its recommended levels in order to provide better financial security and fiscal management. As a result, the Town has to continue to rely on using free cash (one-time funds) to plug the holes in the operating budget.

Proposition 2 ½ Override – Refer to Article 6

The Finance Committee is therefore in support of a Proposition 2 ½ override which will provide Westport with much needed revenue support so that the Town will be able to fund the most critical departmental budget needs. An override requires a budget appropriation at town meeting. Such an override budget appropriation would be expressly contingent upon approval by the voters of a Proposition 2 ½ override question at a future election.

FINANCE COMMITTEE

Karen Raus, Chair

Cynthia Brown, Vice-Chair

Charles (Buzzy) Baron

Gary Carreiro

Lawrence Holsworth

Zachary Lebreux

Hugh Morton

FY24 Budget (Article 5)

Structural Deficit

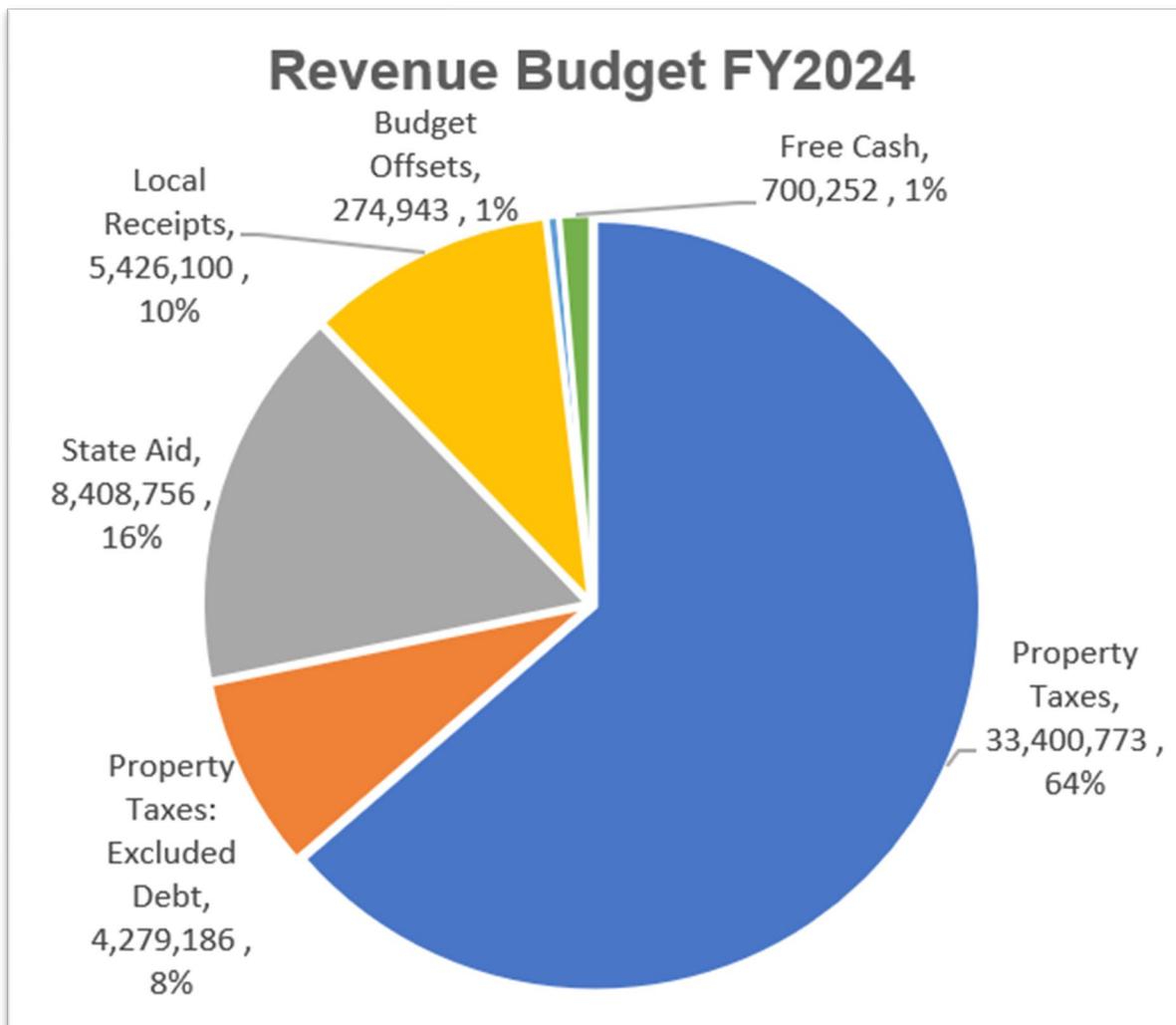
The following report discusses the limitations placed on revenue, and additional required expenditures/assessments that are incurred. More than \$1M of operating expenses have been eliminated from this budget in order to present a “balanced budget”, *i.e. the structural deficit*.

	Approved Budget FY23	Fincom Recommended Budget FY24	Inc (Dec) %
Revenue			
Property Taxes	31,748,806	33,400,773	5%
Property Taxes: Excluded Debt	4,654,555	4,279,186	-8%
State Aid	7,365,435	8,408,756	14%
Local Receipts	5,255,100	5,426,100	3%
Budget Offsets	284,026	274,943	-3%
Free Cash	389,260	700,252	80%
Total Revenue	49,697,182	52,490,010	6%
Expenses & Assessments			
General Government	3,140,441	3,497,094	11%
Public Safety	6,712,977	7,063,482	5%
Schools	22,170,763	23,456,284	6%
Public Works & Facilities	1,532,846	1,632,716	7%
Human Services	1,091,890	1,107,569	1%
Culture & Recreation	355,490	395,918	11%
Debt Service	5,169,921	5,021,914	-3%
Assessments	3,295	3,500	6%
Pension & Insurance	7,416,146	7,911,839	7%
Total Expenses	47,593,769	50,090,315	5%
Other Amounts to be raised			
Overlay	280,000	451,594	61%
State Assessments	1,823,413	1,948,101	7%
Total Other	2,103,413	2,399,695	14%
Total Expenses & Other	49,697,182	52,490,010	6%
Surplus	(0)	(0)	0%

Revenue

Total Revenue

The FY2024 budget for Total Revenues is \$52,490,010.



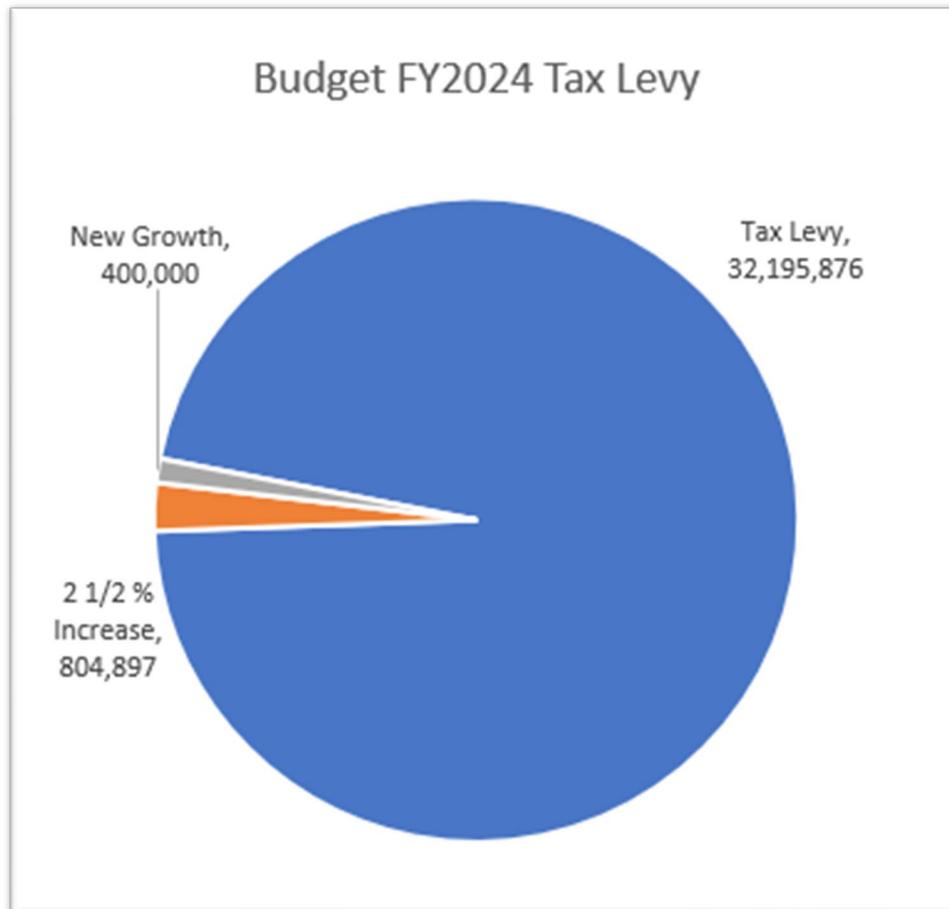
Revenue

Property Tax: Tax Levy

The property tax Levy is projected revenue from the residential, commercial, industrial and personal property taxes. Westport has the same rate tax rate for all real properties. The property tax levy is the largest source of revenue for most cities and towns.

The FY2024 budget for property taxes is \$33,400,773.

Proposition 2 ½ places constraints on the amount of the property tax levy raised by a city or town and on how much the levy can be increased from year to year.



Revenue

Property Tax: Tax Levy (continued)

The *levy limit* can increase from year to year in these ways: state allowed 2.5% increase, new growth, and overrides. Once the levy limit is increased in any of these ways, the increased levy limit amount becomes the base upon which levy limits are calculated for future years.

	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024 Budget</u>
Tax Levy	29,163,246	30,584,201	32,195,876
2 ½ Increase	729,081	764,605	804,897
New Growth	691,874	847,070	400,000
Override	0	0	0
Total	<u>30,584,201</u>	<u>32,195,876</u>	<u>33,400,773</u>

Under Proposition 2 ½, the levy limit is budgeted to increase as follows:

1. The FY2023 Levy of \$32,195,876 is to be increased by 2 ½% (*maximum allowed by law*).

The FY2024 budget for the 2 ½% increase is \$804,897.

2. Each year, the levy can be increased by the value of new construction and newly taxable parcels of land. This is referred to as New Growth. Westport forecasts new growth based on building permit activity.

The FY2024 budget projections for new growth is \$400,000.

3. Voters can authorize an override, which is a permanent increase in the levy. Once approved, an override becomes part of the base for calculating future years' levy limits. An override requires a majority ballot vote at an annual or special election. The legal authority to place a question on the ballot rests with the Select Board.

The FY2024 budget for an override is \$0 (under Article 5 of the May 2, 2023 Town Meeting Warrant).

Revenue

Property Tax: Tax Levy (continued)

Since the enactment of Proposition 2 ½ in 1982, Westport has been unsuccessful *in 17 override attempts*. The Town's inability to successfully pass an override and increase its Property Tax Levy continues to have a detrimental impact on the Town's ability to appropriately fund the demand for its Town services. The Town has not had an override ballot since April 2014.

That most recent override attempt was in FY2015 for \$949,465 to support the Town and School operating budgets. If the FY2015 override had been successful, over the course of the 8-year period, these additional proforma property tax revenue would have allowed for \$8M in budgetary revenues over the period.

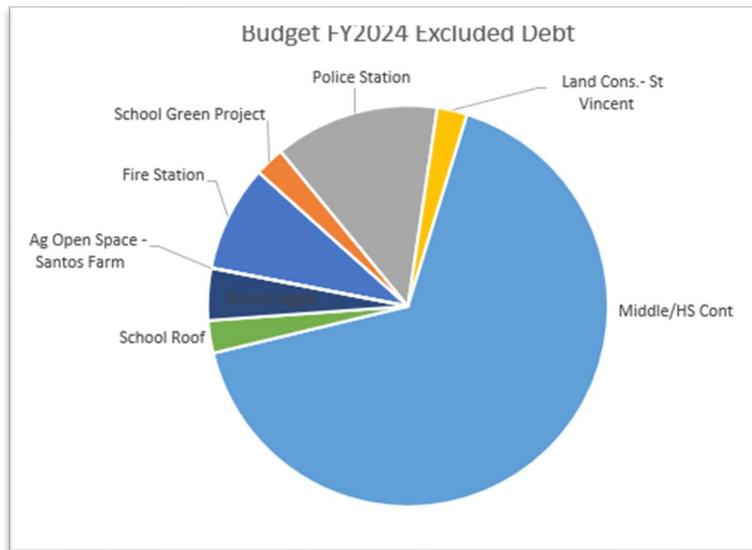
If the override had been successful, it would have allowed for more than \$1M in additional revenues for the FY2024 budget.

Revenue

Property Tax: Excluded Debt

Excluded debt is a temporary tax increase - 'excluded' from the limits of Proposition 2 ½ - that is used to pay debt service costs (principal plus interest) on money borrowed to finance a specific project. Debt exclusions require a 2/3 affirmative vote from Town Meeting and a subsequent majority ballot vote. The amount of excluded debt revenue is equal to the debt service payment in the FY2024 budget.

The FY2024 budget for Excluded Debt is \$4,279,186.



Project	FY23 BUDGET Debt Service	FY24 BUDGET Debt Service
Fire Station	375,963	366,475
School Green Project	105,000	103,000
Police Station	585,000	569,000
Land Cons.- St Vincent	102,264	103,740
Middle/HS Contstruction	2,570,863	2,841,263
Elementary School Roof	36,609	112,075
Bristol Aggie	167,431	183,633
Ag Open Space -Santos Farm	402,075	-
Total Excluded Debt Service	4,345,205	4,279,186

Revenue

General Fund State Aid – Local Aid

General Fund State Aid – Local Aid (State Aid) is also referred to as cherry sheet receipts, or local aid and is for education and general government. These funds are received from the State budget to help cities and towns provide local services and are part of the FY24 General Fund operating budget discussed in this presentation.

State Aid amounts are set as part of the state budget process, which is not finalized until late June after Westport approves its own budget. Therefore the numbers for FY2024 are preliminary estimates from the State.

The FY2024 budget for State Aid Receipts is \$8,408,756.

	FY2023 Budget	FY2024 Budget
Education		
Chapter 70	4,649,882	5,249,170
Charter Tuition Reimbursement	140,825	209,152
School Choice Receiving Tuition	21,576	-
Sub-Total, All Education Programs	4,812,283	5,458,322
General Government		
Unrestricted General Government Aid	1,373,239	1,437,528
Veterans Benefits	316,080	216,584
Exemp: VBS and Elderly	92,647	89,482
State Owned Land	771,186	1,173,001
Public Libraries	24,578	33,839
Sub-Total, All General Government	2,577,730	2,950,434
Total Estimated Receipts	7,390,013	8,408,756

Revenue

General Fund State Aid - Local Aid (continued)

Source (excerpts in italics): *The Beacon April 2023-article By John Ouellette*

Full article here: [MMA-Beacon-April-2023.pdf](#)

At a major legislative budget hearing on education and local aid on March 13, the Massachusetts Municipal Association (MMA) and local officials called for a new state revenue-sharing plan that would better reflect the state's robust revenue collections of recent years and help cash-strapped cities and towns provide essential local services.

MMA Executive Director Geoff Beckwith said the 2% increase in unrestricted local aid proposed in the governor's fiscal 2024 budget is "too low" given that cities and towns face escalating costs and a tight cap on local revenues.

"It is so far below inflation and the general costs that communities are struggling with, that it would backslide communities' ability to support essential municipal services," he told members of the House and Senate Ways and Means committees during the hearing, held at UMass Amherst.

Since fiscal 2021, he said, state revenues have grown by 18.38%, far surpassing expectations, but Unrestricted General Government Aid (UGGA), the state's main revenue-sharing mechanism, would grow by just 11.3% over that period if the Legislature goes along with the governor's UGGA proposal for fiscal 2024.

Beckwith proposed that legislators use a three-year rolling average of state tax revenue growth, rather than the projected growth for a single year, as a baseline for setting UGGA increases, which he said would smooth out peaks and valleys in UGGA proposals and provide more predictability for cities and towns. Using this method would increase UGGA by 6.13% (\$75.5 million) for fiscal 2024, he said.

The proposed increase, he said, would still leave UGGA funding slightly below where it was 16 years ago, in fiscal 2008, and "that's not even figuring in the impacts of inflation, which is about 40% during that time."

The governor's budget proposes a significant increase (in Chapter 70), but it doesn't benefit us," Griesemer said. "With regard to school aid, like every other community, we are not keeping up."

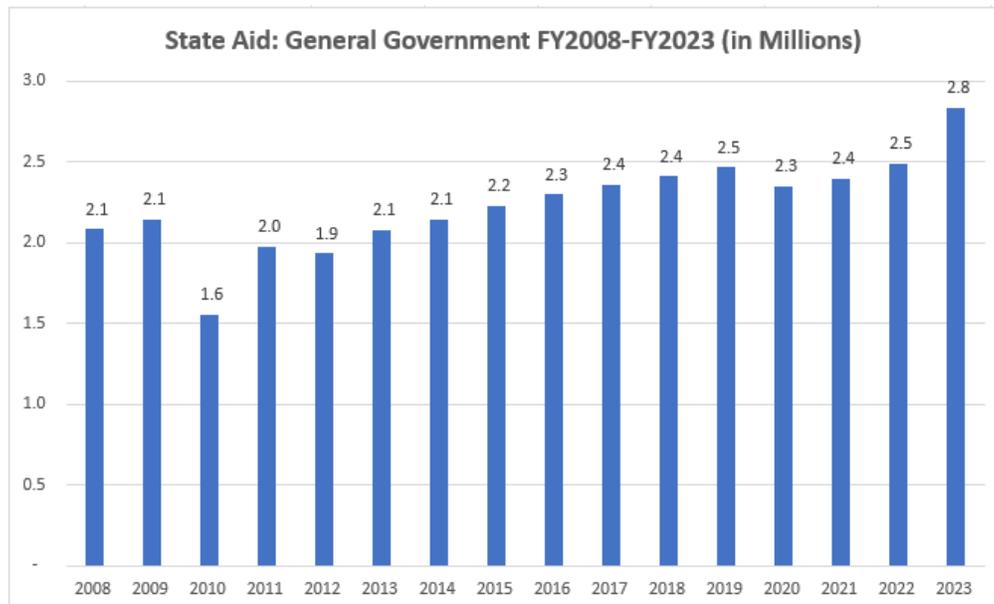
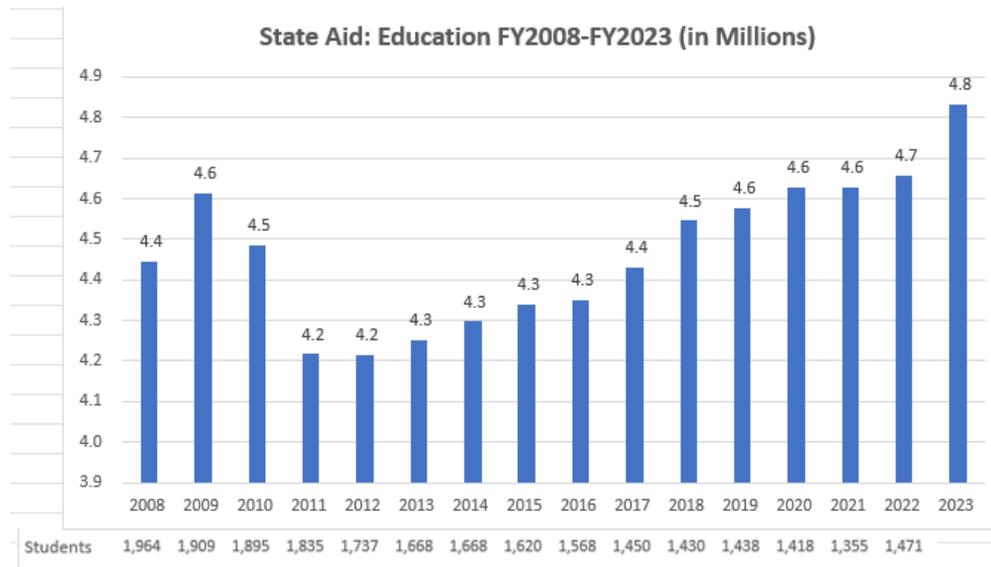
The MMA also asked the Ways and Means committee members to consider another aspect of Chapter 70: the very high increase in mandated local contributions in the foundation budget formula. Beckwith pointed out that state-mandated increases in local education spending far outpace the growth in local revenues in recent years, which is putting a major strain on all municipal budgets.

Revenue

General Fund State Aid - Local Aid (continued)

Over the course of the state budget process, the MMA will be pressing lawmakers for increases in Unrestricted General Government Aid, Chapter 70 education aid (particularly minimum additional aid per student), the special education circuit breaker, charter school reimbursements, school transportation accounts, rural school aid, and the payments in lieu of taxes (PILOT) program.

The MMA is strongly advocating for a 6.13% increase for UGGA, tied to a proposed rolling three-year average of state revenue growth, which has been exceeding expectations in recent years while local revenues are constrained by Proposition 2½. End: Source (excerpts in italics): The Beacon April 2023-article By John Ouellette



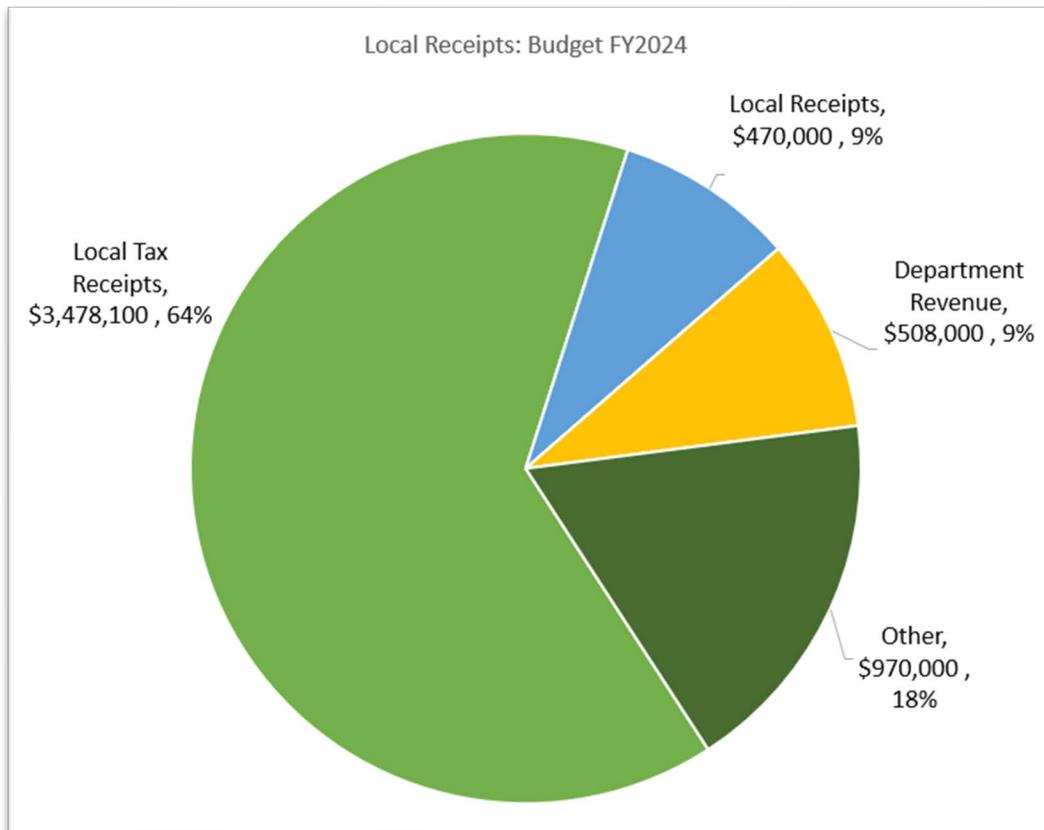
Revenue

Local Receipts

Local Tax Receipts are receipts from Motor Vehicle Excise Tax, Meals Tax, Room Tax, Boat Tax Interest and Penalties, and PILOT. **Local Receipts** are receipts from trash disposal, and other charges for services, fees, and rentals. **Department Revenue** are receipts from Cemeteries, Ambulance, and Schools. **Other Revenue** are receipts from licenses & permits, fines & forfeitures, investment income, Medicaid reimbursement, and miscellaneous recurring and non-recurring revenue.

Local Receipts are collected by the Town and include local tax receipts, local receipts, department revenue, and other revenue. Local Receipts revenue is sensitive to overall economic conditions, particularly its largest categories. While Westport has limited ability to grow these revenues, it does have the ability to generate additional revenue by continuing to raise certain of the fees and charges.

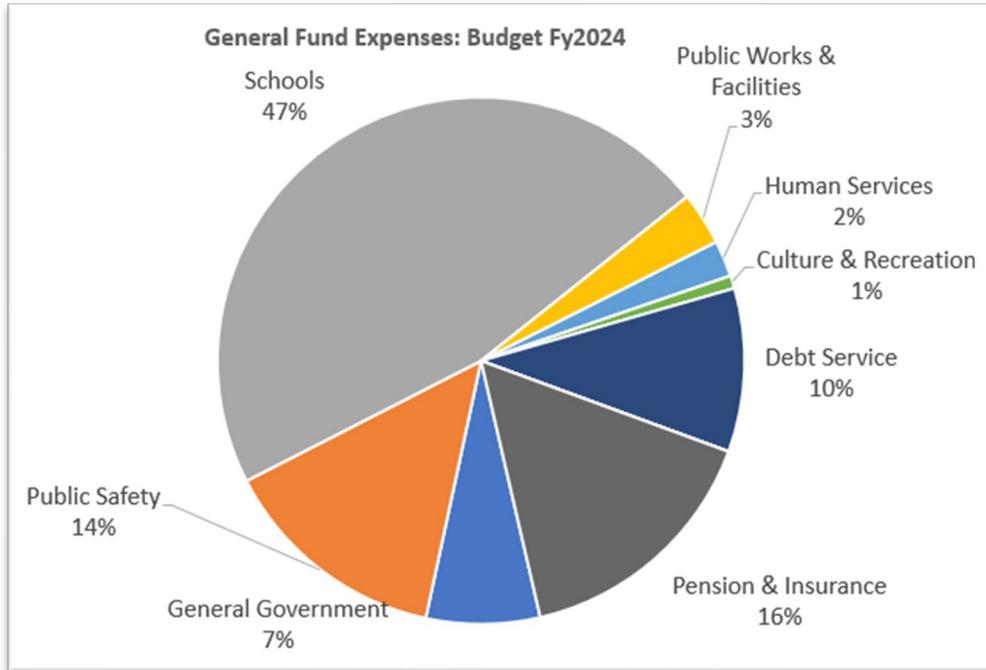
The FY2024 budget for Local Receipts is \$5,426,100.



Expenses

Summary Budget FY24 (Article 5)

The FY2024 budget for General Fund Expenses is \$50,090,315.



	Approved Budget FY23	Recommended Budget FY24
Expenses & Assessments		
General Government	3,140,365	3,497,094
Public Safety	6,712,977	7,063,482
Schools	22,170,839	23,456,284
Public Works & Facilities	1,532,846	1,632,716
Human Services	1,091,890	1,107,569
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Pension & Insurance	7,416,146	7,911,839
Total Expenses	47,593,769	50,090,315
Other Amounts to be raised		
Overlay	280,000	451,594
State Assessments	1,823,413	1,948,101
Total Other	2,103,413	2,399,695

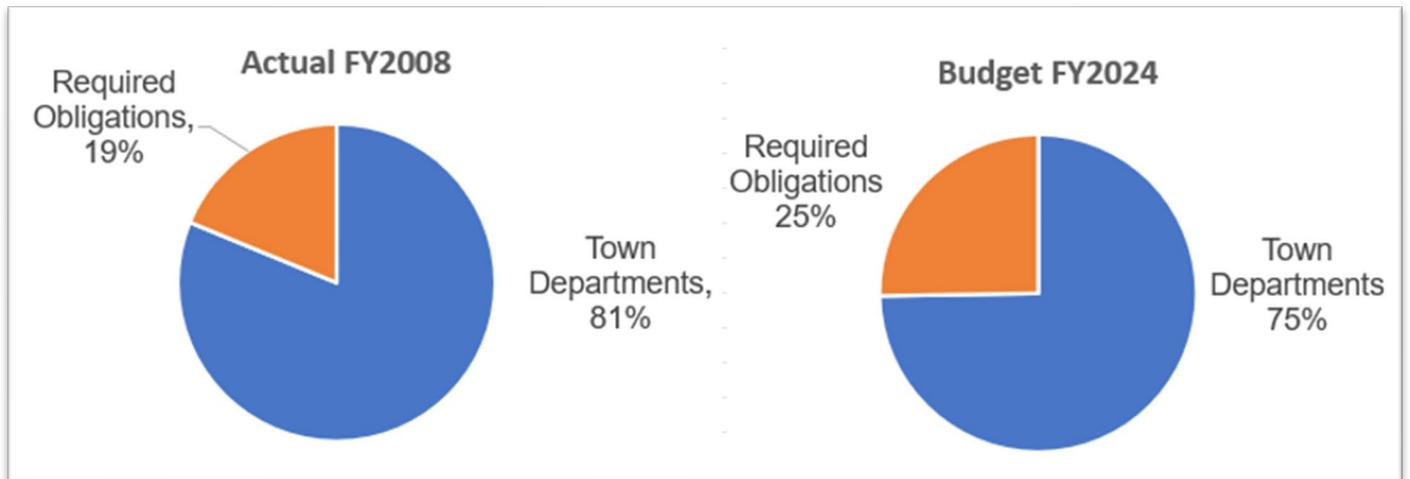
Expenses

Required Obligations

Required obligations are expenditures that are required, and the Town must prioritize funding these items. In many cases, there is limited ability to modify these expenditures. Examples of these obligations include Pension, Health/Life Insurance, Medicare, Unemployment, Workers Compensation, Town Insurance, Debt Service, Regional School Assessments, and State Assessments.

Town and School Operating Budgets increase only by the amount of available funds remaining after meeting the funding requirements of all the *required obligations*.

The next chart shows that FY2008 *Required Obligations* represented 19% of the Town's Expenses/Assessments. In the FY2024 budget, *Required Obligations* are 25% - thus taking up a much bigger piece of the pie.



Due to the continued extraordinary rise in the costs of the *required obligations*, this leaves little dollars to be able to fund the Town Departmental budgets and the school budget. Each year, the *required obligations* take a larger portion of the available budget dollars, and, in turn, departments are underfunded.

Expenses

Department Expense Growth

The FY2024 budget continues to have departments operating at minimal levels, and it is expected that the lack of funding will have a negative impact on services.

Town/School Departments expenses have increased an average of 3.5% per year over the 16-year period. Required Obligations have increased an average of 7.9% per year over the 16-year period.

General Fund Expenses & Assessments (in Thousands)					
	Actual FY2008	Budget FY2024	16-yr Inc.	Increase Ave. per Annum	Ave. per Annum
General Government	1,659	3,497	1,838	115	6.9%
Public Safety	4,641	7,063	2,422	151	3.3%
Public Works & Facilities	1,316	1,633	317	20	1.5%
Human Services	546	1,108	561	35	6.4%
Culture & Recreation	207	396	189	12	5.7%
Westport Community Schools	14,166	21,435	7,269	454	3.2%
Town Departments/School	22,537	35,132	12,595	787	3.5%
Pension Assessment	1,464	3,365	1,900	119	8.1%
Regional School Assessments	828	2,021	1,193	75	9.0%
Health/Life, Medicare, UI, WC	2,461	4,447	1,986	124	5.0%
State Assessments	460	1,948	1,488	93	20.2%
Required Obligations	5,214	11,781	6,567	410	7.9%
TOTAL	27,751	46,913	19,162	1,198	4.3%
Note: Amounts exclude debt service, overlay, and other non-departmental one-time items					

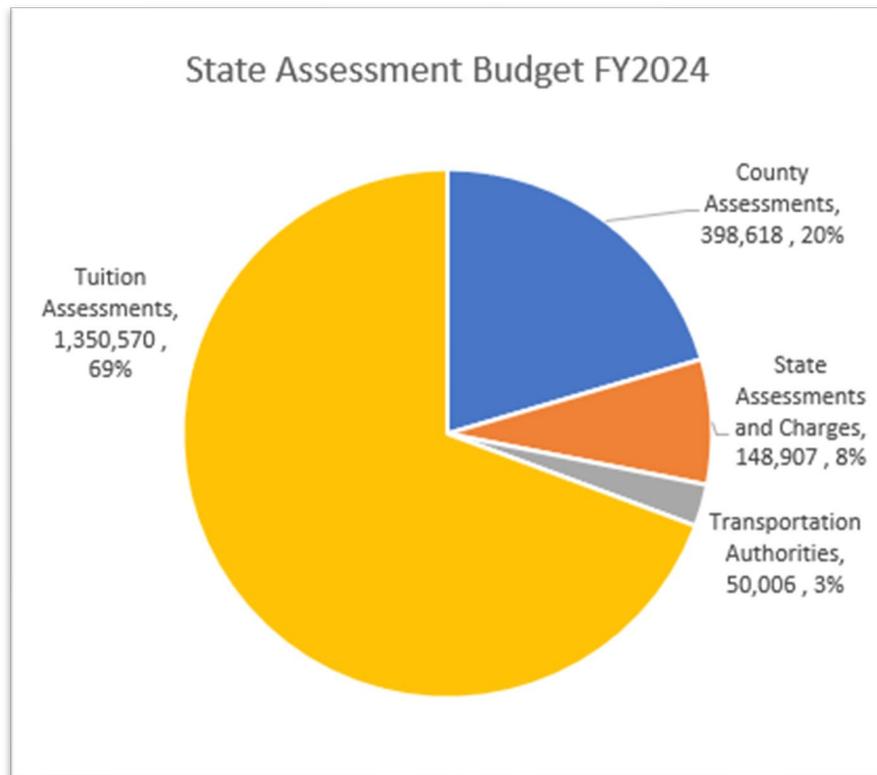
In order to help restore some of the department budgets, the override contingency budget is **Article 6** of the May 2, 2023 Town Meeting Warrant.

Assessments

State Assessments

State Assessments are estimated municipal charges from the State budget passed on to cities and towns. While these costs are not appropriated by Town Meeting, they nonetheless must be accounted for in the Town’s Budget.

The FY2024 budget for State Assessments is \$1,948,101.

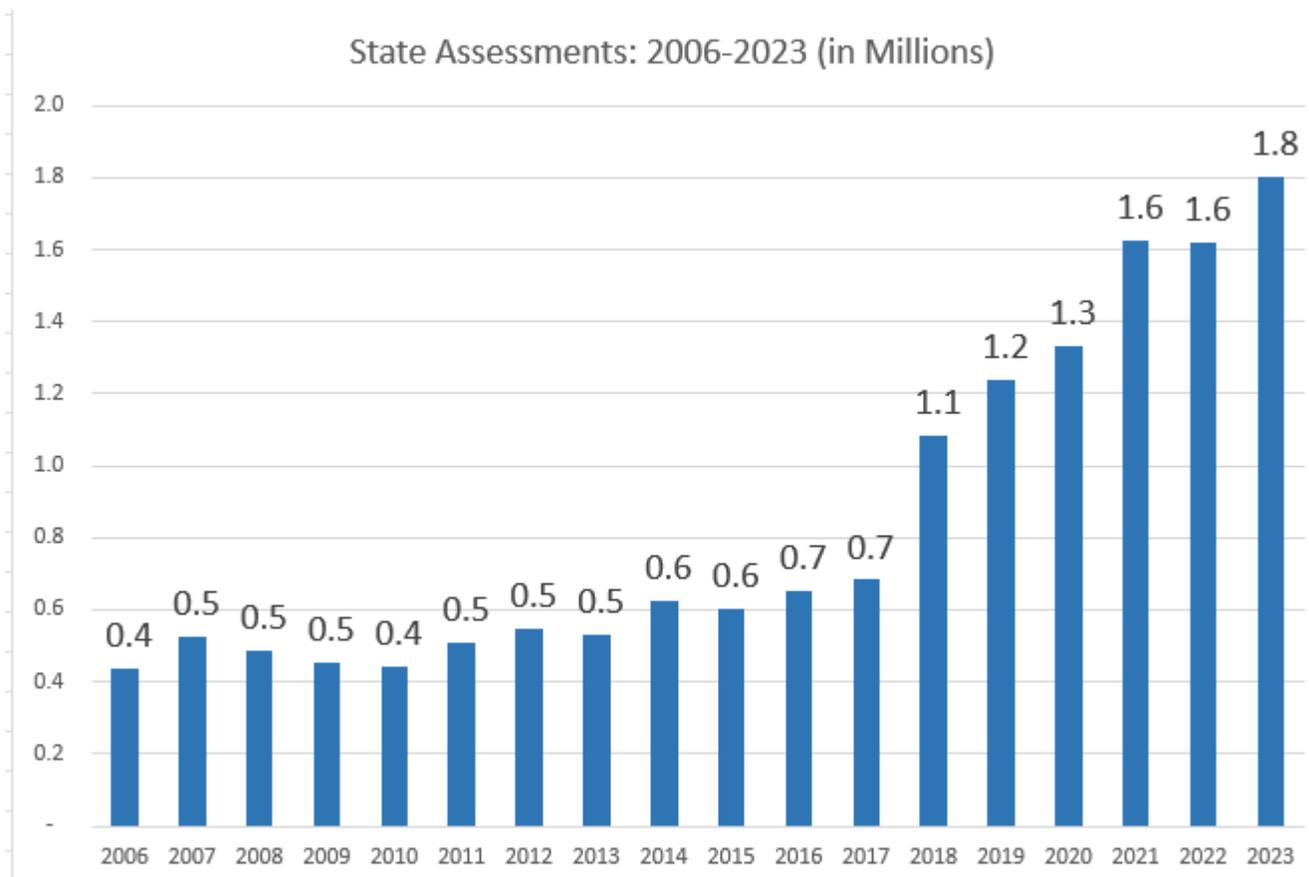


	State Aid Assessments 2017-2023 Actuals, Fy2024 Budget							FY2024 Budget
	2017	2018	2019	2020	2021	2022	2023	
County Assessments	347,034	346,155	354,809	362,317	371,374	375,604	384,995	398,618
State Assessments and Charges	131,209	127,963	132,399	134,732	143,692	146,242	150,047	148,907
Transportation Authorities	20,140	43,156	44,198	45,304	46,436	47,597	48,787	50,006
Annual Charges Against Receipts	26,590	9,561	-	515	-	-	-	-
Tuition Assessments	158,812	555,015	708,781	791,563	1,065,446	1,048,673	1,220,289	1,350,570
	683,785	1,081,850	1,240,187	1,334,431	1,626,948	1,618,116	1,804,118	1,948,101

Assessments

State Assessments (continued)

State assessments have been on the rise since 2017-- most notably, the Tuition Assessments. Tuition assessments include school choice and charter school only. Costs associated with Diman and Bristol Agricultural School are funded from the operating budget under the budget item Regional School Assessments. Tuition Assessments (school choice and charter school) are the biggest drivers of the increases from 2016 to 2023. Westport must pay certain tuition costs of students choosing to attend public schools elsewhere such as in Dartmouth and to attend charter schools, such as in Fall River. Westport is paid those tuition costs if such students remain or come to Westport. A significant number of Westport students choose to study elsewhere, including in private and religious schools.



Long Term Liabilities

Underfunded

Westport has two long-term liabilities:

Post Retirement/Pension benefits:

All permanent employees, excluding teachers and school administrators (who are part of the MA Teachers' Retirement system) are eligible to receive a pension allowance from the Town.

Other Post-Employment Benefits (OPEB):

All employees who are eligible to retire from the Town of Westport may have 50% of their health-care costs paid by the Town, if they have enrolled in a Town-sponsored health-care plan.

As of June 30, 2022, the OPEB liability was \$25,739,687. The Net Position Restricted for OPEB Plan Benefits as of June 30, 2022 is \$3,227,905, which is 12.5% funded. The OPEB report uses Market Value, the decline in value over the year was due to an unrealized (market) loss on the investment.

Each year, as part of the annual budget, long-term liabilities ***are intended to be funded*** in accordance with a multi-year funding schedule in order not to burden future generations with disproportionately large financial obligations.

The FY2024 budget for OPEB is \$100,000.

While many cities and towns in the Commonwealth are facing a similar underfunding, ours is still a liability for Westport that will need to be addressed and funded. The Town's FY2024 budget contributes significantly less than the actuary report recommends for funding this liability.

Free Cash

Nonrecurring revenue source for one-time expenditures, funding capital projects, or replenishing other reserves

Free cash is an unappropriated fund balance and is certified by the Department of Revenue once Westport's financial books are closed for the fiscal year. The free cash calculation incorporates surplus revenues (revenue collections in excess of estimated revenues), budget turn backs (unexpended appropriations), the prior year's free cash balance, and outstanding property taxes. Free cash is the funds that are unrestricted and available for appropriation.

Free Cash is a nonrecurring revenue source so it cannot be depended on from year to year. It fluctuates greatly and is not predictable. Recommended financial best practices suggest that it should be limited to paying one-time expenditures, funding capital projects, or replenishing other reserves.

Recurring expenses should only be funded by recurring/reliable revenue sources. The Department of Revenue (DOR) recommends avoiding supplementing current year departmental operations with free cash.

The amount of certified free cash this year is exceptionally larger than in previous years. This is mostly a result of larger than normal Department turn-backs from positions budgeted but remaining unfilled. While free cash is not predictable, it is not likely to be at this high an amount in the future.

As discussed earlier, the School budget has a significant structural deficit (\$771,249). The FY24 recommended budget includes \$500,252 of free cash to supplement the School budget to temporarily postpone further cuts in teachers and staff.

Use of Free Cash

Recommendations for free cash in the FY24 Budget (Article 5)

This recommended budget includes a total of \$700,252 of free cash as noted in the table below.



A total of \$500,252 of free cash is for support of ongoing/recurring operating expenses.

In order to ensure that recurring expenses are funded in a future year, all recurring expenses should be covered with a reliable and recurring funding source. Since free cash is non-recurring and may not be available in the future, expenses may not be covered in the future. A fiscal cliff is ahead.

	Certified Free Cash	2,150,487	
Article 5	Budget - School Supplement	500,252	} Free Cash 700,252
Article 5	Budget- Debt Principal paydown	150,000	
Article 5	Budget- Sick Leave/Vacation Buyout	50,000	
Article 7	Capital Improvements	761,000	
Article 9	Assessor Revaluation Program	40,000	
Article 13	Old High School	100,000	
Article 22	Local Grant Match	30,000	
Article 25	Wage Study	30,000	
Article 26	Evaluate Municipal Buildings	200,000	
Article 34	Stabilization Fund	200,000	
		<u>2,061,252</u>	
	Free cash - Balance remaining	89,235	

Stabilization Fund

Underfunded

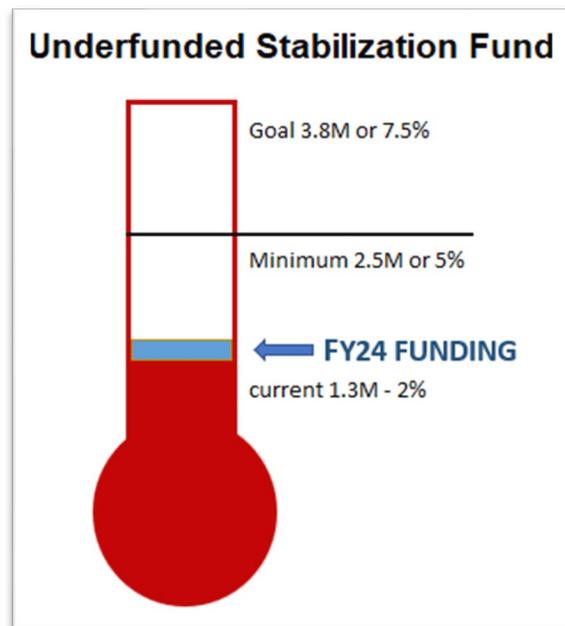
The Stabilization Fund, or rainy-day funds, allows cities and towns to set aside surplus revenue for use during unexpected deficits or volatile revenue. A stabilization fund can also be used for capital projects, according to the Division of Local Services. Such a fund is intended to spread out the effect of capital expenditures over time. A majority vote by Westport's town meeting is required to appropriate funds into the stabilization fund and two-thirds must vote to appropriate money out of the fund.

The Massachusetts Municipal Association (MMA) has indicated the Fund is also considered important for bond ratings for a community and recommends the Stabilization Fund Reserve balance to be between 5% to 7.5% of the municipal budgeted revenues, which would calculate to a minimum targeted balance for Westport of approximately \$2.5M, and a goal of \$3.8M.

Each year, due to the structural deficit, available free cash has been used to fund capital needs, and supplement the general fund operating budget.

Due to these funding limitations and competing priorities for free cash, the Town has not prioritized funding of the Stabilization Fund. As a result, the Stabilization Fund remains underfunded.

As of December 31, 2022, the Stabilization balance was \$1,291,125.



Due to the limited amount of available free cash, the Finance Committee is recommending **to add \$200,000** to the Fund at Town Meeting - **see Article 34** of the Town Meeting Warrant.

Capital Improvement Needs

Recommendations for Funding at Town Meeting

The Town has a responsibility to current and future generations to maintain, replace, and expand its property, plant, and equipment, when needed.

The Town uses a variety of funding sources to meet the needs, of which the most notable source each year is free cash. Since free cash is considered one-time funds, capital purchases are the recommended use of free cash.

The chart below shows the recommended capital purchases for FY2024 using free cash - **see Article 7** of the Town Meeting Warrant.

Project Description		Cost	Funding Source(s)
Treasurer	Financial Software	\$ 121,000	Free Cash
Town Hall	Repair Town Hall Parking Lot	20,000	Free Cash
Fire	Replace Heating System Fire Station #2	30,000	Free Cash
Town Hall	Pickup Truck	45,000	Free Cash
School	Repair Westport Elementary Parking Lot	170,000	Free Cash
Highway	Mini Excavator	235,000	Free Cash
School	Westport Elementary Master Clock Paging	80,000	Free Cash
Police	Cruiser	60,000	Free Cash
		\$ 761,000	Free Cash

Budget FY2024 Full Detail (Article 5)

	FY23 Approved	FY24 Recommended	FY24 Increase	FY24 Increase
REVENUE				
Property Taxes	31,748,806	33,400,773	1,651,967	5.2%
Property Taxes: Excluded Debt	4,654,555	4,279,186	(375,369)	-8.1%
State Aid	7,365,435	8,408,756	1,043,321	14.2%
Local Receipts	5,255,100	5,426,100	171,000	3.3%
Free Cash - to balance budget	389,260	700,252	310,992	79.9%
Budget Offsets /Transfers In	284,026	274,943	(9,083)	-3.2%
Total Revenue	49,697,182	52,490,010	2,792,828	5.6%
EXPENSES & OTHER				
GENERAL GOVERNMENT				
Moderator	899	917	18	2.0%
Selectmen	352,245	380,914	28,669	8.1%
Finance Committee	5,247	5,250	3	0.1%
Reserve Fund	109,184	100,000	(9,184)	-8.4%
Town Accountant	210,603	217,039	6,436	3.1%
Assessors	249,227	284,169	34,942	14.0%
Treasurer/Collector	428,437	454,062	25,625	6.0%
Legal	105,000	130,000	25,000	23.8%
Personnel Board	290	1,300	1,010	348.3%
Information Technology	313,192	417,910	104,718	33.4%
Town Clerk	131,244	132,274	1,030	0.8%
Registrar of Voters	110,935	112,945	2,010	1.8%
Conservation	128,936	135,184	6,248	4.8%
Planning Board	223,751	251,180	27,429	12.3%
Appeals Board	10,400	12,300	1,900	18.3%
Old School	100,000	125,000	25,000	25.0%
Town Hall/Annex	189,175	209,250	20,075	10.6%
Property Insurance	470,000	525,000	55,000	11.7%
Town Reports	100	-	(100)	-100.0%
Town Farm	1,500	2,400	900	60.0%
General Government	3,140,365	3,497,094	356,728	11.4%
PUBLIC SAFETY				
Police Department	3,902,231	4,151,142	248,911	6.4%
Fire Department	2,480,055	2,569,432	89,377	3.6%
Building Department	138,680	145,621	6,941	5.0%
Sealer of Weights & Measures	4,200	4,984	784	18.7%
Animal Control Officer	83,788	89,236	5,448	6.5%
Shellfish - Marine Services	87,623	86,177	(1,446)	-1.7%
Parking Tickets	16,400	16,890	490	3.0%
Public Safety	6,712,977	7,063,482	350,505	5.2%
SCHOOLS				
Westport Community Schools	20,335,369	21,435,162	1,099,793	5.4%
Regional School Assessments	1,835,470	2,021,122	185,652	10.1%
Schools	22,170,839	23,456,284	1,285,445	5.8%

Budget FY2024 Full Detail (Article 5)

	FY23 Approved	FY24 Recommended	FY24 Increase	FY24 Increase
PUBLIC WORKS & FACILITIES				
Highway Dept	844,268	912,968	68,700	8.1%
Snow & Ice (Storm Account)	150,000	150,000	-	0.0%
Street Lights	9,000	11,000	2,000	22.2%
Transfer Station	335,752	339,158	3,406	1.0%
Cemetery Department	192,126	217,840	25,714	13.4%
Veteran's Graves	1,700	1,750	50	2.9%
Public Works & Facilities	1,532,846	1,632,716	99,870	6.5%
HUMAN SERVICES				
Board of Health	428,025	434,819	6,794	1.6%
Council on Aging	223,190	234,053	10,863	4.9%
Veterans Services	439,675	437,697	(1,978)	-0.4%
Commission on Disabilities	1,000	1,000	-	0.0%
Human Services	1,091,890	1,107,569	15,679	1.4%
CULTURE & RECREATION				
Library	291,872	328,843	36,971	12.7%
Recreation	62,343	65,600	3,257	5.2%
Historical Commission	1,275	1,475	200	15.7%
Culture & Recreation	355,490	395,918	40,428	11.4%
DEBT SERVICE				
Principal Payments	3,306,902	2,921,960	(384,942)	-11.6%
Interest Payments on Long Term Debt	1,863,019	2,099,954	236,935	12.7%
Debt Service	5,169,921	5,021,914	(148,007)	-2.9%
ASSESSMENTS				
SRPEDD	3,295	3,500	205	6.2%
Assessments	3,295	3,500	205	6.2%
PENSION & INSURANCE				
Pension Assessment	3,246,146	3,364,839	118,693	3.7%
OPEB	80,000	100,000	20,000	25.0%
Health/Life, Medicare, Unemploy, WC	4,090,000	4,447,000	357,000	8.7%
Pension & Insurance	7,416,146	7,911,839	495,693	6.7%
Total Operating Expenses (OE)	47,593,769	50,090,315	2,496,546	5.2%
OTHER AMOUNTS TO BE RAISED				
Overlay (reserve for abatements)	280,000	451,594	171,594	61.3%
State Assessments	1,823,413	1,948,101	124,688	6.8%
Total Other Amounts to be Raised	2,103,413	2,399,695	296,282	14.1%
NET BUDGET - Surplus (Deficit)	0	(0)	(0)	

Budget FY24 (Article 5) Recap

Support of Proposition 2 ½ - Article 6 - \$1M in FY24

Revenue sources are not keeping up with Town services.

- Property taxes are limited by Proposition 2 ½
- State Aid, inadequacy for Westport, as for many other communities in the Commonwealth, is leading to organized efforts to have the State Legislature increase local aid to assist in providing essential service.

-Expenses and Assessments are increasing.

-The current structural deficit is more than \$1M and growing.

-Free Cash of \$500K was used to balance the budget.

This is not a recommended fiscal practice, nor is it sustainable.

The Finance Committee supports a Proposition 2 ½ override that will provide Westport with much needed revenue support for at least a three-year period in which longer term solutions will be sought. This would include:

- **A fiscally responsible detailed spending plan for the full \$3M of the proposed override, with emphasis on having those funds restore positions and pay expenses in order to address the Town's existing structural needs, including known contractual commitments.**

- **Development of long-term financial operational and capital plans.**

- **Working with other towns and the Massachusetts Municipal Association to bring net state aid receipts to a level that enables the Town to fund the most critical departmental budget needs**

An override requires a budget appropriation at town meeting. Such an override budget appropriation is expressly contingent upon approval by the voters of a Proposition 2 1/2 override question at a future election. The supplemental budget appropriation is **Article 6** in the Town Meeting Warrant.

Supplemental Budget Appropriation

Article 6: \$1M supplement to FY24 budget (Article 5)

The proposed \$3 million override proposal, if passed at a future ballot, would provide for a supplemental budget appropriation for the FY24 budget presented under Article 5. While the \$3M proposed override does not meet all the stated and even urgent needs of the schools and the town departments, it would offer much needed revenue support for the Schools and Town. **The Finance Committee recommends only \$1 million in additional levy in FY24 to ease the additional financial impact for taxpayers and maintain budget restraint before a long- term plan/view can be adopted.**

Article 6	FY24
Schools	\$405,000
Town Departments	345,000
Stabilization Fund	250,000
TOTAL	\$1,000,000

Tax Impact: \$1M levy increase for FY24

The FY24 **tax bill impact** is \$22 per year per \$100,000 of Assessed Value.

Example: Assessed Value of \$550,000 estimated Tax Bill Impact is \$121 per year.

Source: Data Analytics and Resources Bureau-Estimated Impact on Property Taxes with a Prop 2 ½ Referendum Question Approval as of 04/15/23

In FY24, the \$405,000 for the Schools would fund FY24 remaining deficit of \$270K and provide an additional \$135K for other school expenses. The \$345K for the Town Departments would supplement funds to the Police Department, Fire Department, Building Department, Highway Department, and Council on Aging as set out in Article 6.

Recommendation from the Finance Committee

- Adherence to a fiscally responsible plan where the \$3M should be prioritized to address the current structural deficit and for known contractual commitments.
- Any new expense growth should be carefully reviewed in junction with a long-term spending plan.
- The overall expense run-rate should not exceed \$3M per year to ensure another structural deficit is not created.

The Finance Committee recommends Article 6 on the Town Meeting Warrant.