



TOWN OF WESTPORT
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 The Coastal Agricultural Resource of New England
Office of the Select Board

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Town Administrator
 James K. Hartnett

PROPOSED BUDGET FISCAL YEAR 2025

Prepared by:

Jim Hartnett, Town Administrator
 February 12, 2024

Amended Free Cash Allocation 2/13/24
Amended Chapter 70 Allocation 2/19/24
Amended Chapter 70 & School Percentage, Free Cash 2/20/24

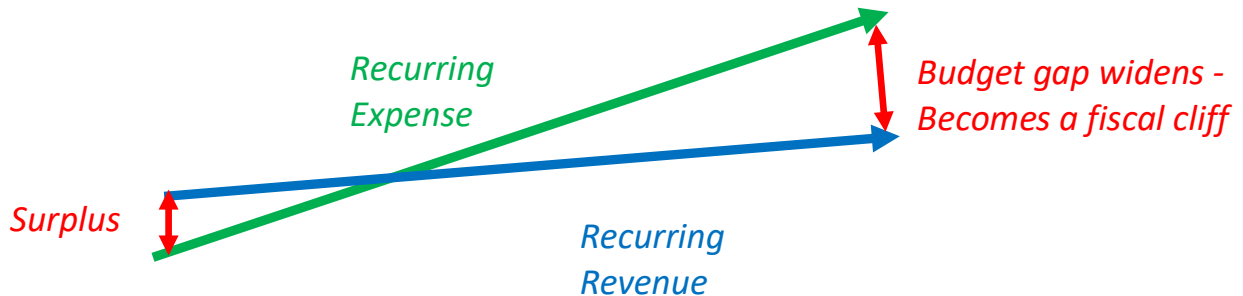
Process

In accordance with Section 6405.2 of the Town’s Bylaws and Regulations, the Town Administrator is required to prepare a balanced budget for the Select Board. The Select Board reviews and amends the proposed budget as needed and forwards to the Finance Committee no later than, February 20, 2024.

In preparing the budget departments were instructed to assume level service budgets with contract approved salary increases. A salary increase of 2% was used for employees without an approved contract. Departments were instructed not to include any new positions.

Overview

As detailed in the Five Year Plan, the Town of Westport faces significant challenges as the gap between revenue and expense growth continues to widen. Whereas many communities remedy budget problems by passing Proposition 2 1/2 overrides, Westport voters have been reluctant to do so, thus putting added financial pressure on the town budget.



Without an override Westport must rely on its limited revenue sources, which include a 2 1/2 percent yearly increase in the Tax Levy, new growth, state aid and local receipts. These revenue sources do not meet the yearly needs of the Town.

Revenue

Net new revenue is calculated using the following formula:

New Revenue (increase from previous year)	\$2,252,498
Subtract	
Debt Service (non excluded)	(\$ 191,581)
Change in Pension Assessment	\$ 195,555
Change in Health and Life Insurance	\$ 335,000
Change in Regional School Assessments	\$ 123,878
Change in State Assessments	(\$ 181,043)
Total Deducts	\$ 281,809
Net Revenue	\$1,970,689
54% Schools	\$1,064,172
46% Town	\$ 906,517

For years, new revenue has been split between the School budget and the General Government Budget 54%-46%.

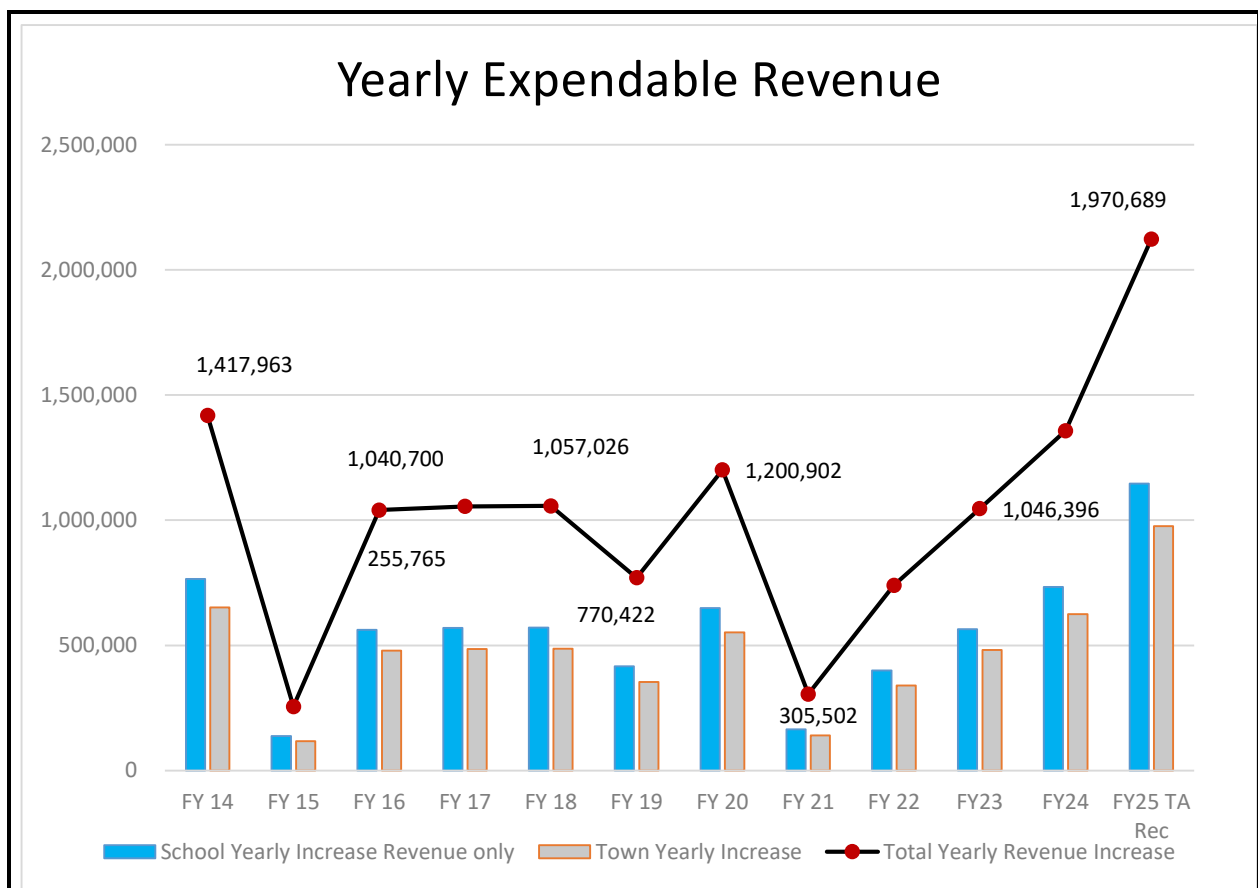


Chart 1.1

Chart 1.1 shows the yearly new revenue and the 54% - 46% revenue split between the school department and General Government. Since FY21, the Town has seen a steady increase in new revenue, this can be attributed to a number of factors including a rebound from COVID years,

Chapter 70 reclassification and reductions in the number of students leaving the district for school choice and charter schools.

As noted in the five year plan, for budgeting purposes in future years, general government and the schools should be planning for yearly increases of 3.5% or \$1.5 million in total new net revenue.

Free Cash

As a nonrecurring revenue source, free cash should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves. The Division of Local Services recommends that free cash not be used to supplement the operating budget.

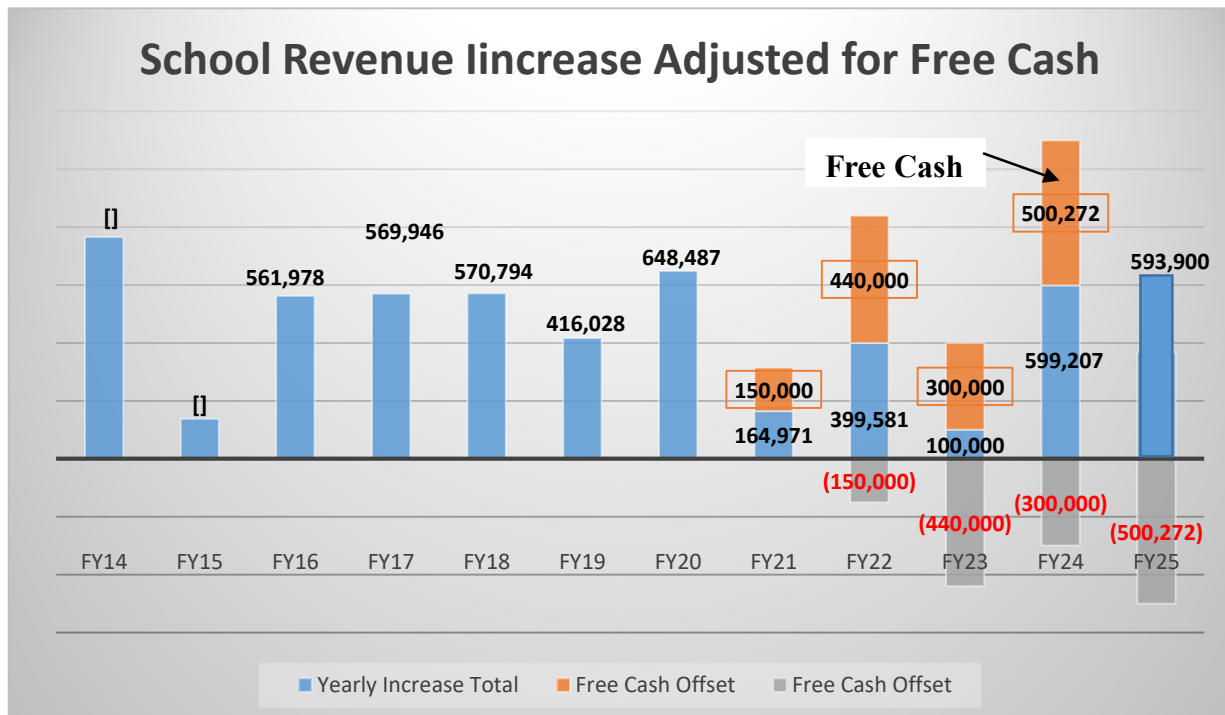


Chart 1.2

Town Meeting has approved the use of free cash to supplement the school department Budget with a smaller amount used for general government. As Chart 1.2 shows this only increases the structural deficit in the following years.

Eliminating all of the Free Cash from the School Department in one year would have a devastating effect on the services the school provides. Recommend reducing the free cash for the school department over a period of five years, eventually eliminating the use of free cash for the operating budget.

	Free Cash	New Rev	Budget Offset	Total
FY25	\$400,000	\$381,000		\$781,000
FY26	\$300,000	\$410,000	\$100,000	\$810,000
FY27	\$200,000	\$510,000	\$100,000	\$810,000
FY28	\$100,000	\$610,000	\$100,000	\$810,000
FY29	\$0	\$710,000	\$100,000	\$810,000

The totals are based on new revenue of approximately \$1.5 million/year or a 3.5% budget increase/year. It should be noted that this is not a conservative number and the totals for both the school and town would be reduced or increased depending on the actual revenues. Budget offsets would be absorbed when new revenue is calculated (46% Town and 54% School).

Proposed Budget

Line Item reductions – Department budgets were reviewed in detail and discussed with department heads prior to the preliminary budget that was filed in December. Over \$370,000 in cuts were made at that time.

• General Government	\$46,968
• Public Safety	\$64,901
• Public Works	\$62,448
• Human Services	\$ 5,999
• Pension & Insurance	\$50,000
• Overlay Reserve	<u>\$141,594</u>
Recommended Cuts	\$371,910

Line Item increases The following is a list of notable line item increases from FY24 budget.

- **Old High School \$25,000** – This line item was increased from \$125,000 to \$150,000 to cover yearly expenses.
- **Police Software Increase \$20,000** – Cloud base storage for body cam video.
- **Highway Department \$50,000** – This has been requested to cover employee changes in FY25.
- **OPEB \$75,000** – This would bring the OPEB expense to \$175,000, this is still \$75,000 less than the recommended amount.
- **IT Part-time Assistant \$25,000** – The Town received a \$150,000 earmark from Senator Rodrigues for IT improvements and received a grant in the amount of \$145,000 for on-line permitting. Assistance will be needed to help implement these programs.
- **Recommend –**
 - Local Building Inspector \$65,000
 - Engineer/Project manager \$75,000 - \$125,000 (Pt/Ft)
 - Human Resource - \$25,000 (Pt)

Critical Needs – Unfilled – The following is a list of positions that will not be filled but are critical to the everyday operation of the Town.

Building Clerk	\$25,000 – Increase hours from part time to full time
Highway Staff (2)	\$125,000
Fire Department Position	\$65,000 – Reduce overtime and cover emergency runs
Police SRO -	\$65,000 – Permanently staff elementary school SRO
HR/Assist Town Admin	\$95,000
Cemetery Manager	<u>\$65,000</u>
	\$440,000

School Budget			
Funding Source	FY 2024	FY2025 Proposed	School Request
Previous Year		\$20,934,910	
New Revenue		\$1,064,172	
Operating Budget	\$20,934,910	\$21,999,082	
Chapter 70 Transfer*		\$252,125	
Campground		Included NR	
Free Cash	\$500,252	\$400,000	
Total	\$21,435,162	\$22,651,207	\$23,097,568

Chapter 70 Allocation

	Included in New Revenue	Chapter 70 Transfer	Final Allocation
54% School	= \$184,199.40	+ \$156,911	= \$341,110.40
46% Town	= <u>\$156,910.60</u>	- \$156,911	= <u>\$ 0.00</u>
Total	\$341,110.00		\$341,110.00

Transfer from Town to School an additional \$95,214

		Increase	%Increase
FY24 Including Free Cash	\$21,435,162		
FY25 School Request	\$23,097,568	\$1,662,406	7.8% (10.3%)*
FY25 TA Recommendation	\$22,651,207	\$1,216,045	5.7% (8.2%)*

*increase over FY24 operating budgeted amount (\$20,934,910)

The school department has requested \$23,097,568 which is \$1,662,406 or 7.8% more than budgeted in FY24. It is also \$2,162,658 or 10.3% more than what the operating budget could support last year. The school department has identified specific increases that have led to the requested budget. As shown in the five year financial plan annual increases should be in the range of 3.5%, yearly increases of 7.8% are not attainable.

School Budget Recommendation

- The Town absorb the School Resource Position for one year, this reduces their request by \$65,000.
- The Town covers the additional \$25,000 for the old high school expenses.
- Free Cash is used to pay off the campground increasing the school’s budget by \$70,200
- \$400,000 of Free Cash be used for the school budget.
- Chapter 70 funds above preliminary estimates be used by the schools \$100,000. It should be noted that this increases the split to 57% - 43% for FY25 and reduces the general government revenue by \$100,000.

Recommended school budget of **\$22,651,207**, this is a 5.7% increase.

General Government Budget

Budget Summary		FY 22	FY23	FY24	FY25	% Change
General Government		Actual	Actual	Approved	TA Rec	
114	Moderator	881	899	917	944	2.94%
122	Selectmen	334,522	342,820	380,914	391,223	2.71%
131	Finance Committee	3,018	1,842	5,250	4,250	-19.05%
132	Reserve Fund	0	109,184	100,000	100,000	0.00%
135	Town Accountant	185,796	219,612	217,038	232,021	6.90%
141	Assessors	235,501	237,898	284,169	294,784	3.74%
145	Treasurer	164,718	409,779	454,062	482,248	6.21%
146	Collector	205,533	0	0	0	
151	Legal	148,280	122,717	130,000	135,000	3.85%
152	Personnel Board	275	275	1,300	1,300	0.00%
155	Information Technology	288,400	313,185	417,910	441,910	5.74%
161	Town Clerk	127,294	109,161	132,274	137,221	3.74%
163	Registrar of Voters	78,075	106,514	112,945	121,509	7.58%
171	Conservation	122,677	126,334	135,184	138,688	2.59%
175	Planning Board	160,372	194,352	251,180	257,616	2.56%
176	Appeals Board	10,816	11,600	12,300	14,465	17.60%
191	Old High School	100,000	98,764	125,000	150,000	20.00%
192	Town Hall/Annex	178,682	180,350	209,250	214,050	2.29%
193	Property Insurance	257,146	394,422	525,000	600,000	14.29%
195	Town Reports	0	0	0	0	
198	Town Farm	950	7,776	2,400	2,400	0.00%
		2,602,936	2,987,484	3,497,092	3,719,629	6.36%
Public Safety		FY 22	FY23	FY24	FY25	% Change
		Actual	Actual	Approved	TA Rec	
210	Police Department	3,540,332	3,903,412	4,151,142	4,337,534	4.49%
220	Fire Department	2,364,220	2,479,282	2,569,432	2,644,678	2.93%
241	Building Department	133,754	138,365	145,621	156,026	7.15%
244	Sealer of Weights & Measures	4,162	4,200	4,984	5,213	4.59%
292	Animal Control Officer	58,250	66,064	89,236	83,233	-6.73%
297	Marine Services	80,054	77,210	86,177	88,903	3.16%
298	Parking Tickets	8,756	11,100	16,890	17,890	5.92%
		6,189,527	6,679,633	7,063,482	7,333,477	3.82%

		FY 22	FY23	FY24	FY25	% Change
		Actual	Actual	Actual	TA Rec	
Schools						
300	Westport Community Schools	19,935,683	20,335,369	21,435,162	22,651,207	5.67%
360	Regional School Assessments	1,971,222	1,835,470	2,021,122	2,145,000	6.13%
		21,906,905	22,170,839	23,456,284	24,796,207	5.71%
Public Works						
421	Highway Dept Snow & Ice (Storm Account)	759,861	773,473	912,968	985,623	7.96%
423		173,440	68,438	150,000	150,000	0.00%
424	Street Lights	4,492	9,000	11,000	13,000	18.18%
433	Transfer Station	281,921	280,361	339,158	342,506	0.99%
491	Cemetery Department	178,952	196,296	217,840	234,750	7.76%
492	Veteran's Graves	1,680	1,535	1,750	2,000	14.29%
		1,400,345	1,329,103	1,632,716	1,727,879	5.83%
Human Services						
511	Board of Health	397,417	405,161	434,819	451,212	3.77%
541	Council on Aging	228,768	223,190	234,053	242,970	3.81%
543	Veterans Services Commission on Disabilities	354,425	378,206	437,697	423,015	-3.35%
549		0	0	1,000	1,000	0.00%
		980,610	1,006,557	1,107,569	1,118,197	0.96%
Culture & Recreation						
610	Library	281,425	290,325	328,843	339,479	3.23%
630	Recreation	61,121	62,343	65,600	67,509	2.91%
691	Historical Commission	1,083	1,275	1,475	1,750	18.64%
		343,630	353,943	395,918	408,738	3.24%

Recommended Free Cash Allocation

IT	Replace Firewall	\$ 65,500	
Police	(2) Cruisers	\$ 164,000	
Fire	Forestry/Brush Truck	\$ 275,000	
Highway	Pick up truck	\$ 74,000	
Highway	Trailer	\$ 21,500	
School	Wes & Mac Bath Upgrade	\$ 322,500	
School	Maintenance Truck	\$ 77,500	
		\$ 1,000,000	\$ 1,302,219
Article #	Opioid Settlement	\$ 124,310	
Article #	Assessor	\$ 20,000	
Art #	Pay off Campground	\$ 361,543	
Art #	Schools	\$ 400,000	
		\$ 905,853	\$ 396,366
Article # 9%	Free Cash Carry Over	\$ 195,000	
Article # 1%	Stabilization	\$ 100,000	
Article # 1%	Special Ed Stabilization	\$ 100,000	
		\$ 395,000	\$ 1,366

12/12/2023 General Stabilization \$ 1,529,688.63
 12/12/2023 Capital Stabilization \$ 318,118.59