

## Message from the Mayor: Winter Has Finally Arrived

Winter has finally arrived. Not in a big way like last year, but it's here just the same. Just to go back in time a bit, I was reading the paper on Wednesday and read that the record low temperature on January 25, was -21 degrees, posted in 2011. What a difference a year makes. And certainly this is good news for the city's budget. Budget planning in government has the wild card of Mother Nature to deal with. Over the years, we have generally budgeted between \$350,000-\$450,000 in our snow and ice account. This is the one account that we can deficit spend from each year. Over the years when we tally the snow and ice effort I have seen our annual expenditure be anywhere from approximately \$600,000 – to over a million dollars. And as you can see, in order to balance this account at the end of the year, we need to draw it from other sources within the budget.

Now of course I have written extensively how extreme this year's weather was, and you certainly all felt it but it also took its toll on our budget. The tally for the tornado cleanup just for the DPW was \$220,119.63. This covers the tree contractors, and our DPW overtime. The reimbursement for this expenditure is slated at 75% of eligible costs. We are working with the Federal Emergency Management Agency to determine what percent of our incurred costs will be eligible for the 75% reimbursement. Now the reimbursement money that we may receive will likely not be received until later this year.

Additionally, the DPW tally from the October storm is now at \$1,026,692.83 and we likely will need to spend approximately \$100,000 more before we close the book on the storm. So if we have a continued mild winter, we may get fortunate and end the season with a snow and ice deficit that would be large for a normal year. So here we are, in late January and the amount expended in that account already is nearly the total for all of last year which was \$1,271,575.05. So as you can see, we are already assured of spending at least that amount and we still have two months of winter weather ahead of us.

We are presently working with FEMA to review what will be determined to be eligible reimbursements. It's important to note by performing the clean up on our own, and not letting the "FEMA" contractors take over has likely saved us three or four times our present cost. We of course did not budget for the October snowstorm and like I said in my last column, even in a good economy, an unplanned expenditure of that sum of money would be difficult to absorb never mind in an economy that has been determined to be the worst since the Great Depression. Additionally, Police, Fire, G&E, Water and Sewer and School Department damage, labor and insurance deductible costs are not included. If you add in all the initial costs from the other departments, it is in the millions of dollars.

In my last article I wrote about how much state and Federal aid we have lost over the last few years. And I also mentioned that unfortunately the property tax burden has never been greater (since the passage of proposition 2 ½) than it is now. I am disheartened when I read that the state expects nearly a billion dollars more in tax collections than the previous year but still anticipates a significant shortfall as much as 2 billion dollars. And now reading this week, more tax hikes are being proposed to close the gap.

What are the budget busters for the state, according to State Representative Brian Dempsey (D-Haverhill) the House Ways and Means Chairman, *(the following was taken from an article published on Masslive on January 18, 2012)* {In his letter, Dempsey, mirroring the pre-budget warning signals from the governor's office, wrote, "These funds, while important, are almost certain to be eclipsed by well publicized increases in mandatory spending including Medicaid services for low-income and disabled residents, debt service, public pensions and collective bargaining agreements." ..."Huge amounts of federal stimulus law funds helped the state bridge major budget gaps during and since the recession, but those funds have been exhausted and the state is receiving mixed signals from Washington about aid levels, with warnings of deep cuts coupled with a new three-year commitment to boost spending on Medicaid, the state's biggest program, by \$5.7 billion, or 26 percent." } And if that wasn't bad news enough, there is likely to be another local aid cut.

This takes me now to city spending. The following numbers represent the year over year annual appropriations by the city council (unamended):

2009: \$105,775,222.30

2010: \$104,651,005.11 (decrease of 1.06% from 2009)

2011: \$105,734,093.76 (increase of \$1.03% from 2010)

2012: \$108,031,741.04 (increase of \$2.17% from 2011)

The largest driver in the city's budget increase from 2011 to 2012 was the creation of the city technology department. That department added \$1,196,856 to the city's budget. The technology assessment in the past was split in a 60/40 cost share with the school department. The city's share being 40%. Additionally, we are incurring higher severance payouts as our workforce begins to retire and some capital projects that needed to be funded. A few other drivers of our budget situation over the years are very similar to what we are hearing across the country and down in Boston, they are as follows (as appropriated):

|  |        |                    |                    |
|--|--------|--------------------|--------------------|
| 5 year % increase in our required employee retirement contribution | 21.76  | 2008: \$6,121,144  | 2012: \$7,453,069  |
| 5 year % increase in our required health insurance contribution    | 19.78  | 2008: \$12,522,447 | 2012: \$15,000,000 |
| 5 year % increase in our Quinn Bill Incentive Program              | 122.93 | 2008: \$508,685    | 2012: \$524,977    |
| State Reimbursements   |        | 2008: \$273,194    | 2012: \$0          |

The Quinn Bill increase looks enormous due to the fact that the state ended its longstanding commitment to fund the Quinn Bill at 50%. We have projected a 0 for reimbursement for FY 2012. So over the last five years we have gone from \$273,194 to 0.

Now with all that said, I was planning on proposing a levy increase well below 2.5% (the maximum allowed by law) when the tax rate was set. As a reminder in 2010, at my recommendation the levy increase was set at 1.5% and we used approximately 1.2 million dollars of reserve money as an offset.. As I have always maintained, a decision on the final levy will be made based on information we have at the time the tax rate is set. Unfortunately due to Mother Nature, prudent planning left me with very little option as to what to do. Now, for 2012, November, we maybe in a better situation relative to a potential reduction in the levy. But time will tell and as you can see by the year over year spending numbers, they have been incredibly well contained considering the loss of state aid. We've managed to continue to operate mostly by not rehiring after retirements have occurred and other limitations on discretionary spending. Moving forward I will continue to control spending in a manner that addresses our needs. To cut significantly more into the budget, it will need to come out of personnel accounts. Approximately 85% of the budget is spent on salary costs and we have cut what we can without causing damaging cuts to our school staff, public safety and public works.

If you are having trouble making ends meet there maybe a few options available to you. There are two property tax exemptions for qualifying senior citizens (Clause 17D – Elderly/widow/Widower (\$175.00) and (Clause 41C – Elderly (\$750.00) in addition a tax deferment or an abatement may also be available. The City Of Westfield Assessor Web Page has this information on line...[http://www.cityofwestfield.org/?page\\_id=743](http://www.cityofwestfield.org/?page_id=743) or call the office at 572-6223. Additionally, if you are a veteran or a spouse of a veteran there maybe assistance programs available to you as well. Mr. Bob Callahan our city's Veterans' Agent would be happy to assist you. Mr. Callahan can be reached at 572-6247. And even if you are not a veteran there maybe other forms of help available. Mrs. Tina Gorman, our Council on Aging Director, can be contacted if you are in need of fuel and/or food assistance resources. She can be reached at 562-6435.

I have two recommendations to make; the city council sets the property tax exemption amounts and qualifying asset and income levels. So I would contact your city councilor to look into that for you if you didn't qualify. The other significant issue that affects real estate tax levels is the shift. Again the city council sets the shift. As I sat on the council for 8 years, from first hand experience, I can tell you that the annual shift vote was always (in my opinion) the most important vote the council takes. And sadly, for eight years I rarely ever heard any homeowner come to the hearings and state their concerns. Remember that vote will come around again in November so make your voices heard by coming to the public hearing or writing to your city councilor.

**Now for only one pulseline tidbit...**The status of the Collector's Office Investigation. It is still under investigation.

We will soon publish another edition of "around the Whip City." So please check that out at <http://www.cityofwestfield.org/?p=3894>. Don't forget to watch my TV show..."It's Your City." It is on Channel 15 on Sundays at 4PM, Wednesdays at 8PM and Thursdays at 10AM and 10PM. It can also be seen anytime at <http://vimeo.com/channels/201443>. Our guests for February will be Diana McLean our HUD Program Coordinator and our business feature will be the newly opened Emma's Everyday Gourmet.

And lastly, if you still have brush in front of your house, call the department of public works at 572-6226. Because winter is upon us, we may not be able to get there until spring. So please continue to be patient. As always if you have any questions call or email me at 413.572.6201 or [mayor@cityofwestfield.org](mailto:mayor@cityofwestfield.org).

Respectfully,  
Dan Knapik, Mayor