



TOWN OF WAKEFIELD

Tri-Board Meeting October 26, 2023 7 p.m.

Finance Committee

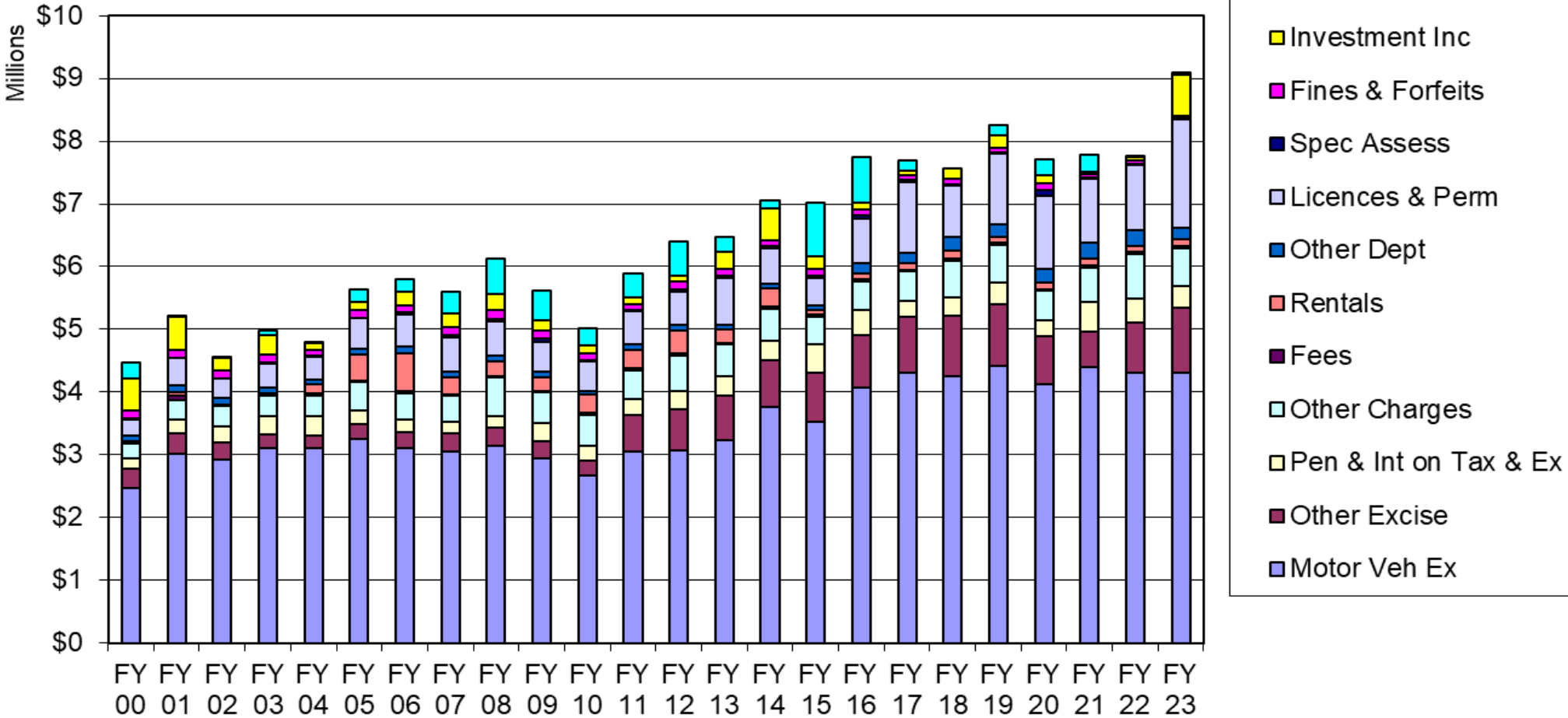


School Committee

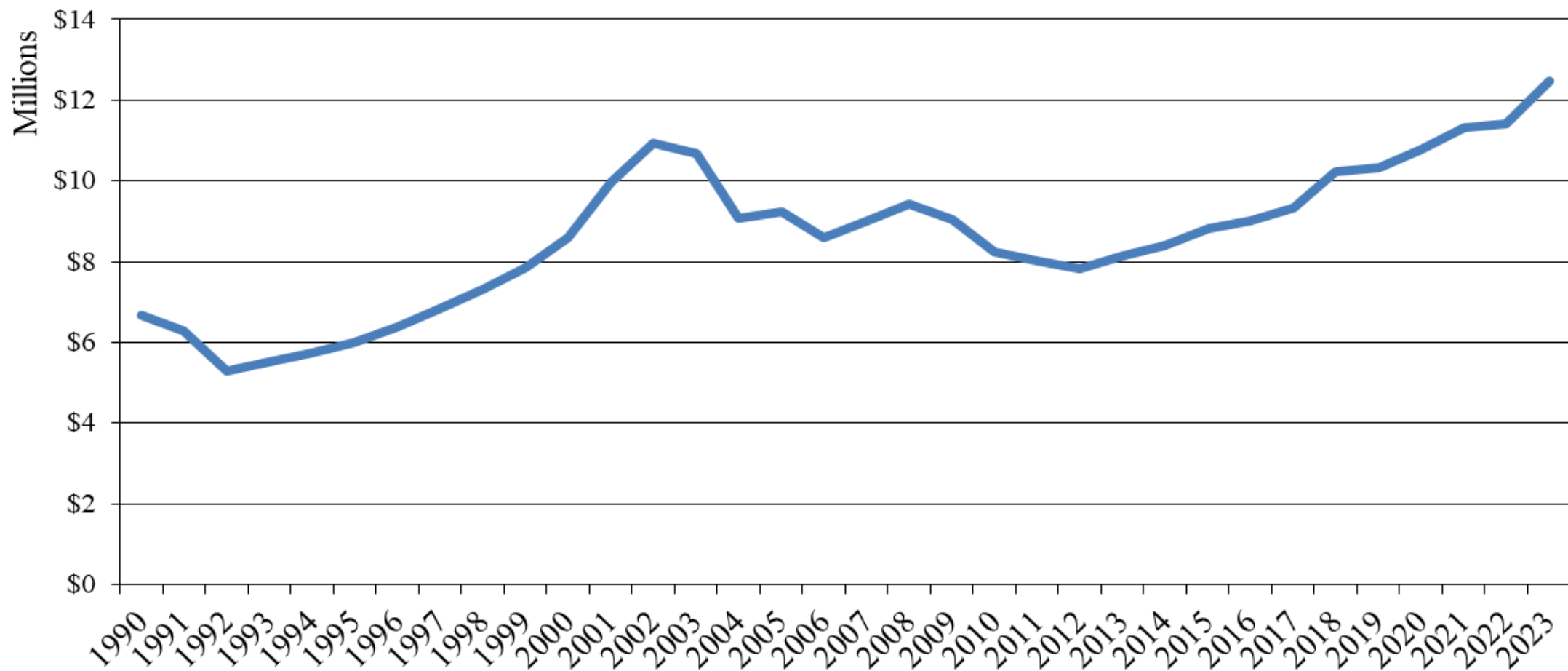


Town Council

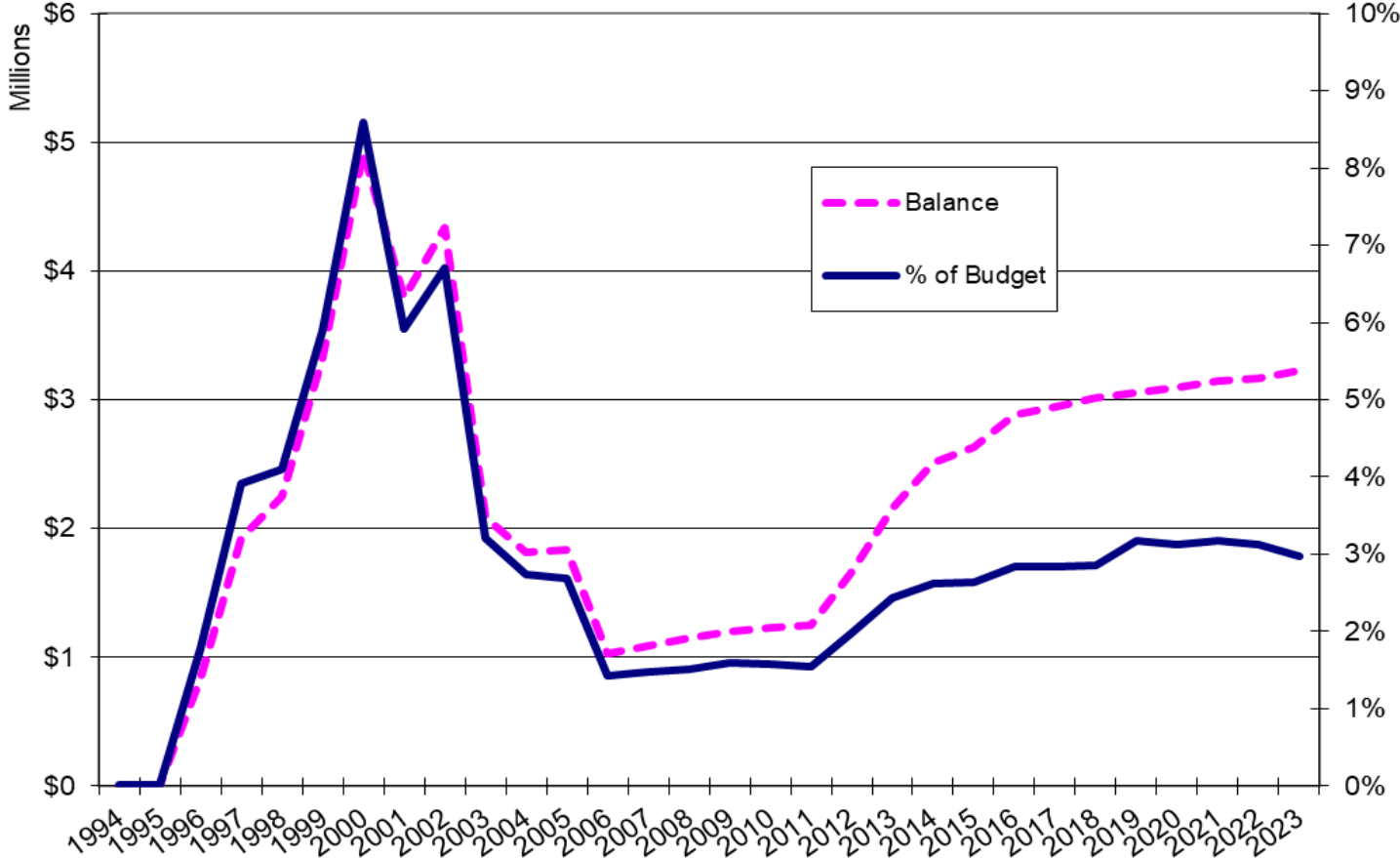
TOWN OF WAKEFIELD ACTUAL LOCAL RECEIPTS



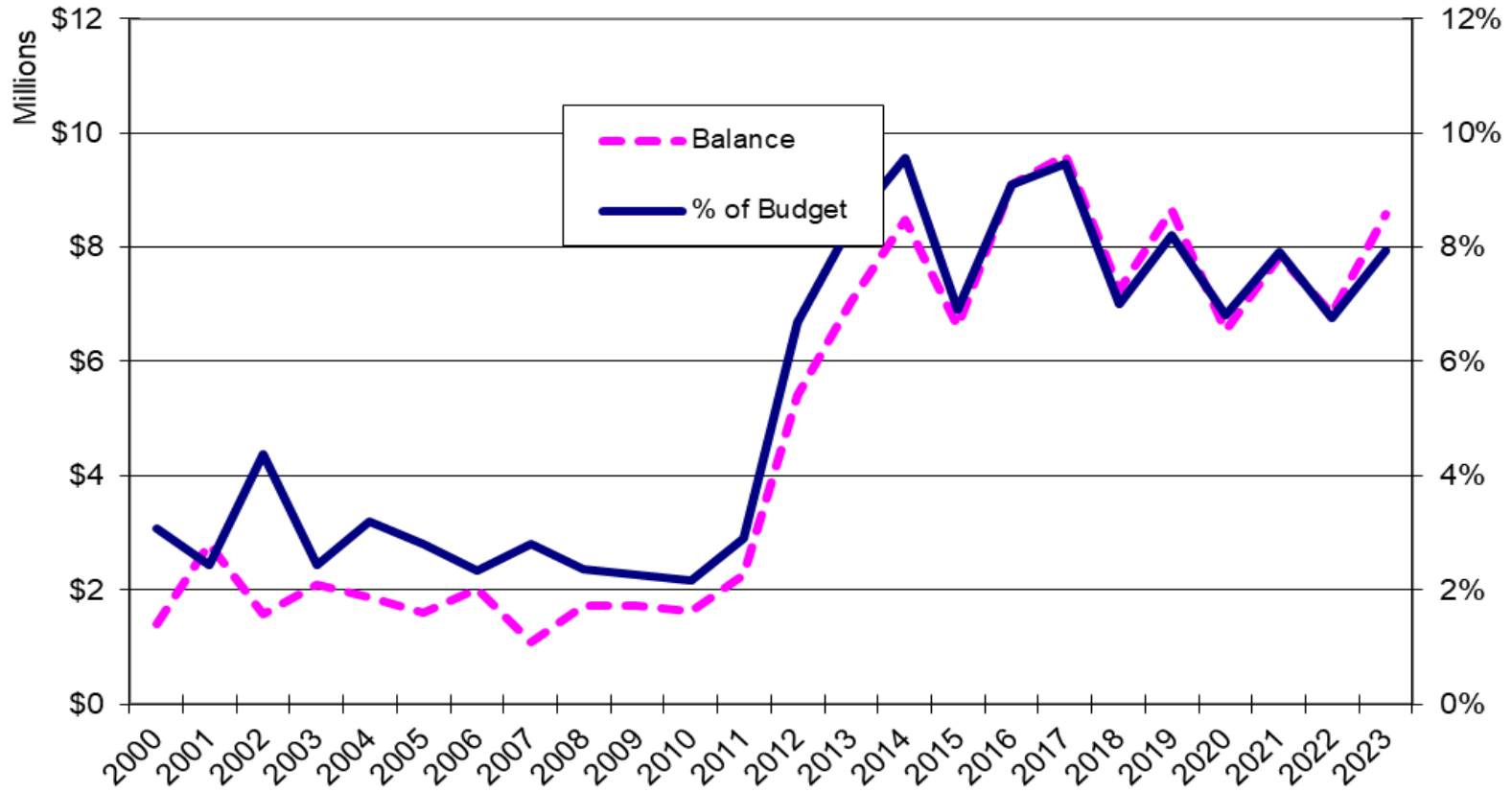
State Aid



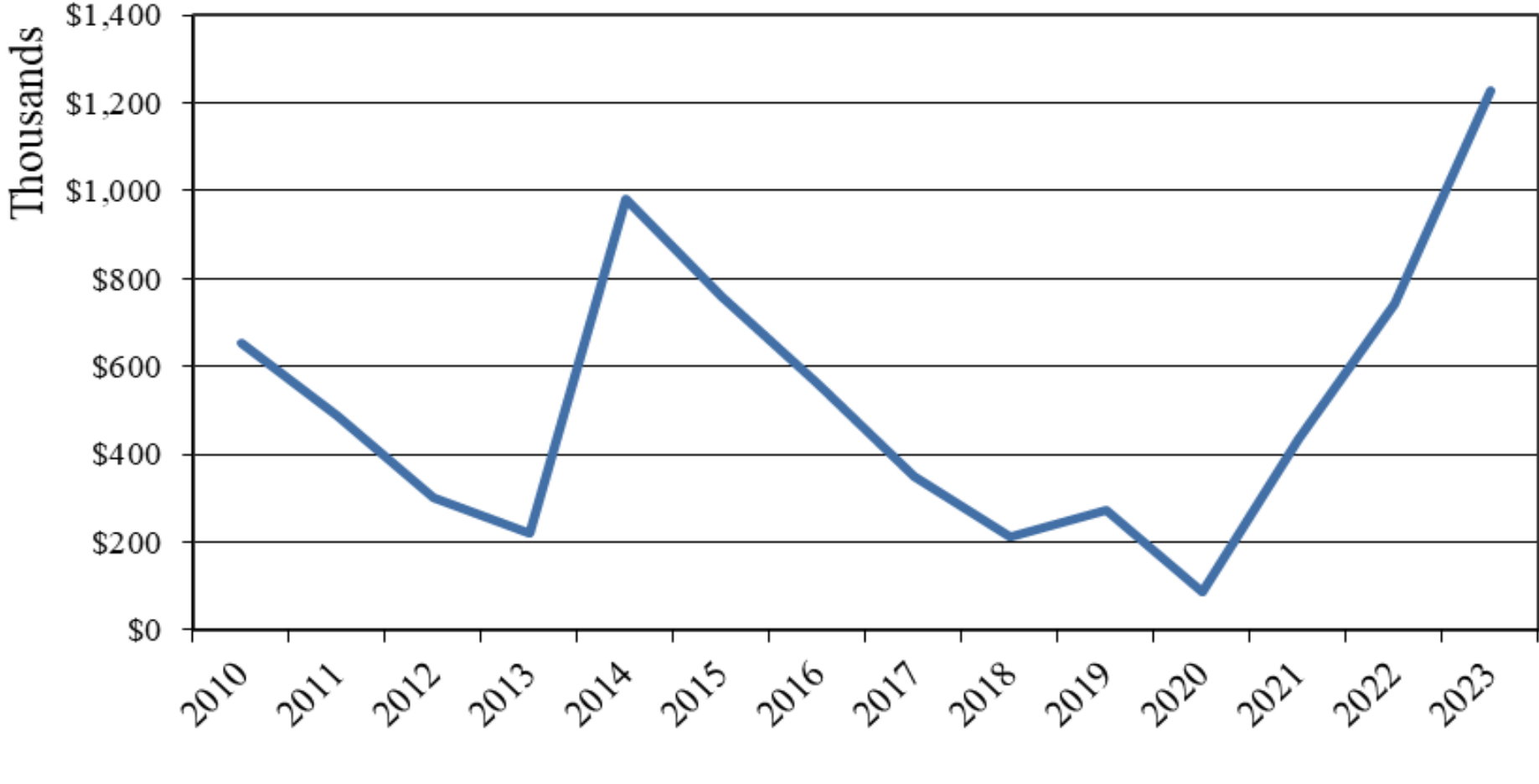
Stabilization Fund



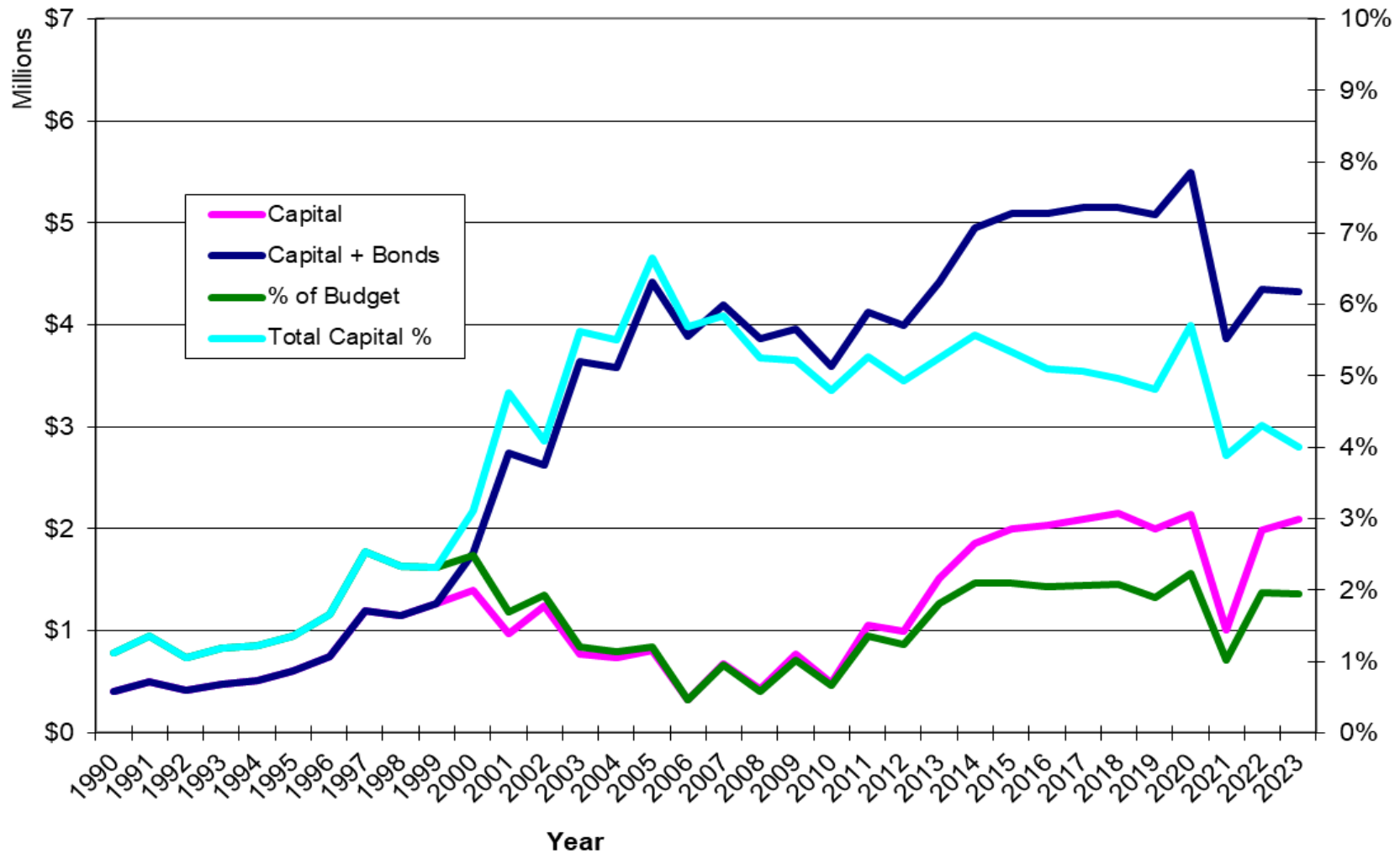
Free Cash - July 1



Debt Service Fund



Capital



Budget Process

- Analysis and meetings start in the fall by departments, boards, and committees
 - Departments are encouraged to level fund all but contractual items
 - New projects to be linked to budget priorities
- Every line item is reviewed (Subcommittee meetings)
- Presentations to Town Council and Finance Committee start in January
- Presentation to the Town prior to Spring Town Meeting and at Town Meeting



Town of Wakefield - Budget Process Cycle for FY2022 and Beyond

Mid September	Planning & Forecasting Subcommittee	1. Determine Projected Receipts Establish YoY Expense Increase Guidance in conjunction with the Town Administrator and Town Accountant
Late September	Fin Com Kick Off Meeting and Review	2. Hold a full Finance Committee meeting to review results of the Planning and Forecasting Meeting and identify YoY Expense Increase Guidance
October	Tri Board Meeting SC, Fin Comm Town Council	3. Review Projected Receipts & YoY Expense Increase Guidance with Town Council & School Committee
October - November	Budget Kick-Off Department Heads	4. Formal Budget Kick-off by Town Management to all Department Heads to communicate YoY Expense Increase Guidance and other Budget Guidelines
January - April	Budget Preparation	5. Sub-Committees work with Budget Head Prepare Budgets, Present Budgets to TC, TA, Fin Comm and SC (for School Budget) Budgets should comply to established guidelines



FY 2024 Budget Highlights

- Increased Revenue projections based upon experience (DOR)
- New Growth Increase (finally)
- Expanded programs
- Position ourselves for the long term
- Increased capital expenditures
- Prudent maintenance of reserves
- Use of free cash to balance



Revenues FY 2024

- Real estate taxes: \$86.3 million
- Local receipts: \$7.5 Million (FC \$9.4 Million)
- Wakefield Municipal Gas and Light Department: \$960,000
- State aid: \$13.35 Million
- New growth: \$2.48 Million
- Available Funds: \$280,000
- Total: \$111 Million



Revenue Results

- FY2023 Anticipated Local Receipts \$7 Million
- FY2023 Actual Local Receipts \$9 Million
- Wakefield Positive Factor \$2 Million



State Aid Update FY2024

Unrestricted local aid : Final budget \$4 Million

Chapter 70 : Final Budget \$8.5 Million

Charter school reimbursement: Final budget \$500,000

Other areas: Final budget \$350,000

Total: \$13,356,886



State Assessment Update

MBTA: Final budget \$657,366

Charter school tuition : Final budget \$1,656,488

Other areas: Final budget \$141,454

Total: Final budget \$2,455,338



Net State Aid FY2023 vs 2024

- \$655,364 (6.4%)



Budget Factors

- New Governor
- Union Contracts
- Local receipts Year to date look very good (9/30)
 - Meals Tax \$130,322
 - Hotel Tax \$197,000
 - Excise Tax \$348,875
 - Building Permits \$155,548



ARPA FUNDS Wakefield's Share

- \$8,083,935
 - County \$5,253,174
 - Town \$2,830,761



ARPA Expenditures (budget)

- FY 2022 Budget
 - Town Hall \$51,318
 - Police \$18,750
 - Schools \$400,000
 - FY 2023 Budget
 - Town Hall \$21,500
 - Health Budget \$145,000
 - Schools \$363,000
 - Supplemental Budgets \$275,000 (TC Vote 4/24/2023)
 - FY2024 Budget
 - Health \$50,000
 - Schools \$200,000
 - Town Council \$100,000
- \$1,624,568



Wakefield Public Schools FY24-FY25 Needs

- Address labor shortages and the costs of new contracts
- Continue to create ways to offset costs through grants, new State funding, and new mitigation strategies
- Continue to develop and invest in in-district special education programming to be able to support complex student needs within the district, reducing out of District costs
- Collaborate to complete the new WMHS and to communicate about PreK and Elementary space needs
- Improve outcomes and opportunities for students





Looking Back to the FY23 & FY24 Budgets

FY 23	
Personnel	\$39,814,244
Contractual Services	\$6,108,661
Materials and Supplies	\$1,984,172
Total Expenditures:	\$47,907,077 = (\$47,607,077 + \$300,000 from ARPA)

FY 24	
Personnel	\$42,078,830
Contractual Services	\$5,868,664
Materials and Supplies	\$2,142,697
Total Expenditures:	\$50,090,191 = (\$49,590,191 + \$500,000) = 5.22% over \$47,607,077



FY24 Grants

- Cares Act ESSER III Relief Funds: \$822,817 in FY 22- FY24 (encumbered)
- Summer Acceleration Academy: \$112,600 in FY24
- State Title One Grant: \$119,400
- Special Education IDEA entitlement grant: \$1,003,118
- METCO Program: \$510,571
- Cummings Grant for students programs: \$100,000



FY24 Budget Preparation

Knowns

- Hiring and personnel shortages
- Increased Special Education needs and evaluations
- Increased English Learner (EL) needs
- Additional FTEs (nurses, service providers, and facilities)
- Curriculum and professional development needs

Unknowns

- Special Education and Out-of-District Placement costs
- Counseling and SEL costs
- Service provider costs
- EL student needs, translation services, and transportation
- State Support



Guidance from the Finance Subcommittee and FinCom

The Finance and Facilities Subcommittee is a subgroup of the larger School Committee. The subcommittee has guided the budget process along with FinCom Liaisons.

- Assess possible reductions in the current budget, the proposed budget, and chargebacks
- Report proposed v. actual budget lines (positive and negative)
- Determine if it is possible to share funds at the end of the fiscal year back to Town
- Communicate knowns and unknowns to forecast budget drivers and impacts over time to create more sustainable budgets and funding sources
- Collaborate with the Subcommittee and FinCom regarding budget scenarios and forecasting



FY24 Challenges and Beyond

- School and Cyber Safety
- Addressing achievement, equity, and opportunity gaps, and improved outcomes for students
- Human resources
 - Retaining, recruiting and developing outstanding teachers, administrators and paraeducators to address the labor shortages
- Developing a Facilities Master Plan
 - Including a new High School, a renovated Greenwood School, Elementary and PreK Enrollments, with attention to new developments and student language needs



FY24 Challenges and Beyond (continued)

- Increased HS opportunities in Early College and Internships
- Increased course offerings in STEAM and computer science at all levels
- Need to create Acceleration Academies and tutoring programs at all levels
- Need for extended day and extended year for intervention services
- Healthy and safe school environments, counseling and student support services



Budgeting Best Practices

- Multi-year Forecasting – Sustainability/reserves
- Total costs (including benefits) charged to programs through revolving accounts or grants.
- Adherence to a well planned Financial Policy
- Prudent utilization of outside revenue sources
- Review of State trends



Budgeting Best Practices

- Careful Budget review
 - Contractual vs Discretionary spending
 - Review of each program/line item
 - Capital vs. Operational Expenses
 - Sub-committee Scrutiny
 - Trend analysis (don't use it or lose it mentality)



Forecasting for Future Years

- Inflation factor
- Net State Aid increases at a steady 5% per year
- Local receipts have rebounded steady at 4% per year
- New growth remains steady
- Energy Efficiencies
- Maintain 3-4% increases overall in budgets
- Federal funds



Forecast

	Expenditures	Income	Surplus (Deficit)	Increase in Costs	Increase in Income
2024	112,868,829	113,335,792	466,964	4.29%	4.72%
2025	117,477,134	117,387,372	(89,762)	4.08%	3.57%
2026	123,329,305	122,122,316	(1,206,989)	4.98%	4.03%
2027	128,231,787	127,047,993	(1,183,794)	3.98%	4.03%
2028	133,345,999	132,172,071	(1,173,928)	3.99%	4.03%
2029	138,681,800	137,502,522	(1,179,278)	4.00%	4.03%
2030	144,224,556	143,047,643	(1,176,912)	4.00%	4.03%
2031	150,035,156	148,816,059	(1,219,097)	4.03%	4.03%
2032	156,075,053	154,816,741	(1,258,312)	4.03%	4.03%
2033	162,381,292	161,059,023	(1,322,268)	4.04%	4.03%



Projected Reserves

Fiscal Year	Free Cash	Stabilization
• FY23	\$8.6 Million	\$3.2 Million
• FY24	\$10.0 Million	\$3.2 Million
• FY25	\$11.0 Million	\$3.4 Million
• FY26	\$10.8 Million	\$3.6 Million
• FY27	\$10.6 Million	\$3.8 Million



Town Meeting November 18, 2023

- Town Report
- Free cash use
- Tax Relief
- Contracts
- “Stretchier” Energy Code



Questions



Closing Comments

