



TOWN OF WAKEFIELD

TRI-BOARD MEETING

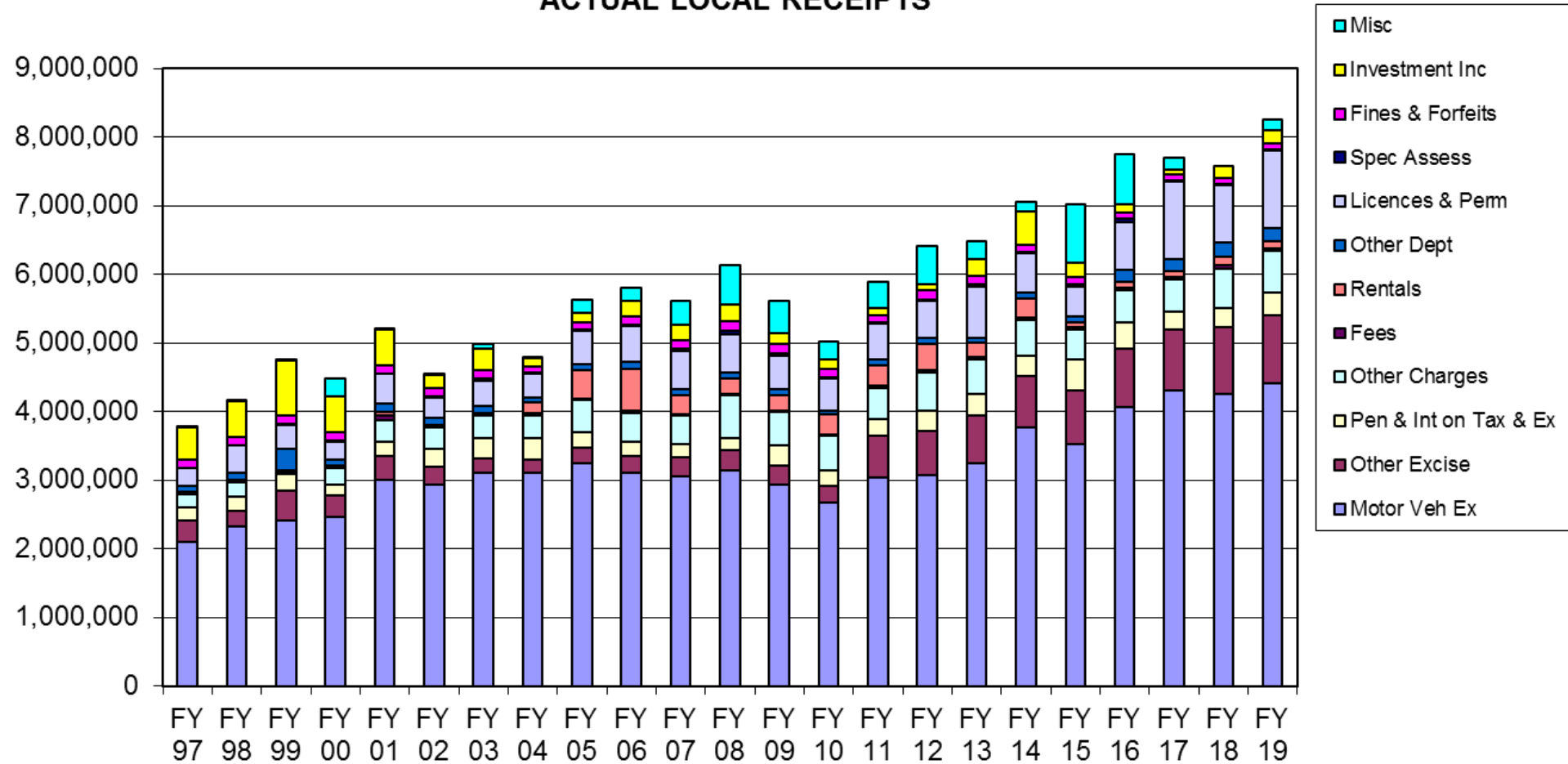
October 17, 2019 7 pm

TOWN COUNCIL | SCHOOL COMMITTEE | FINANCE COMMITTEE

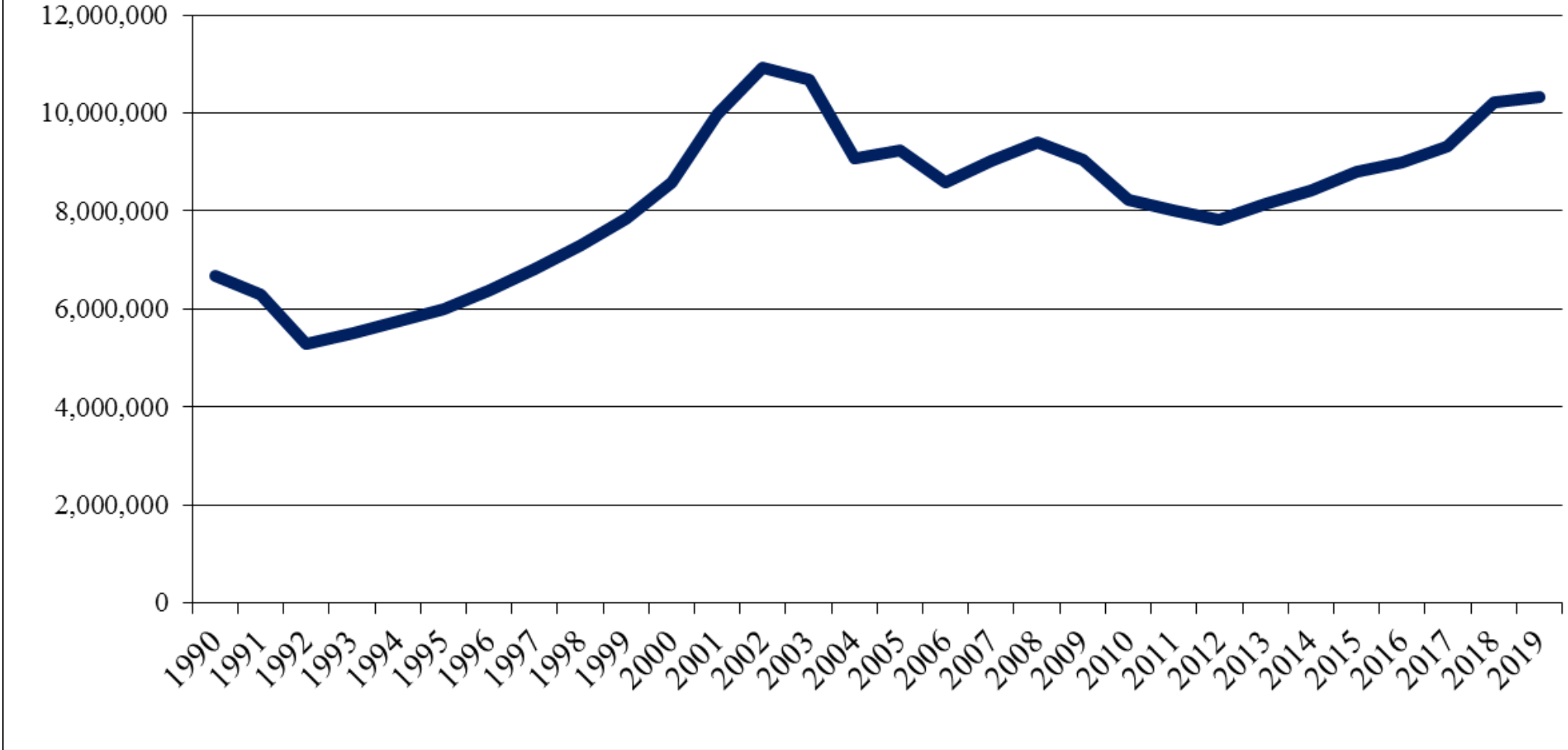
ITEM 5 | FINANCIAL CONDITIONS OF THE TOWN



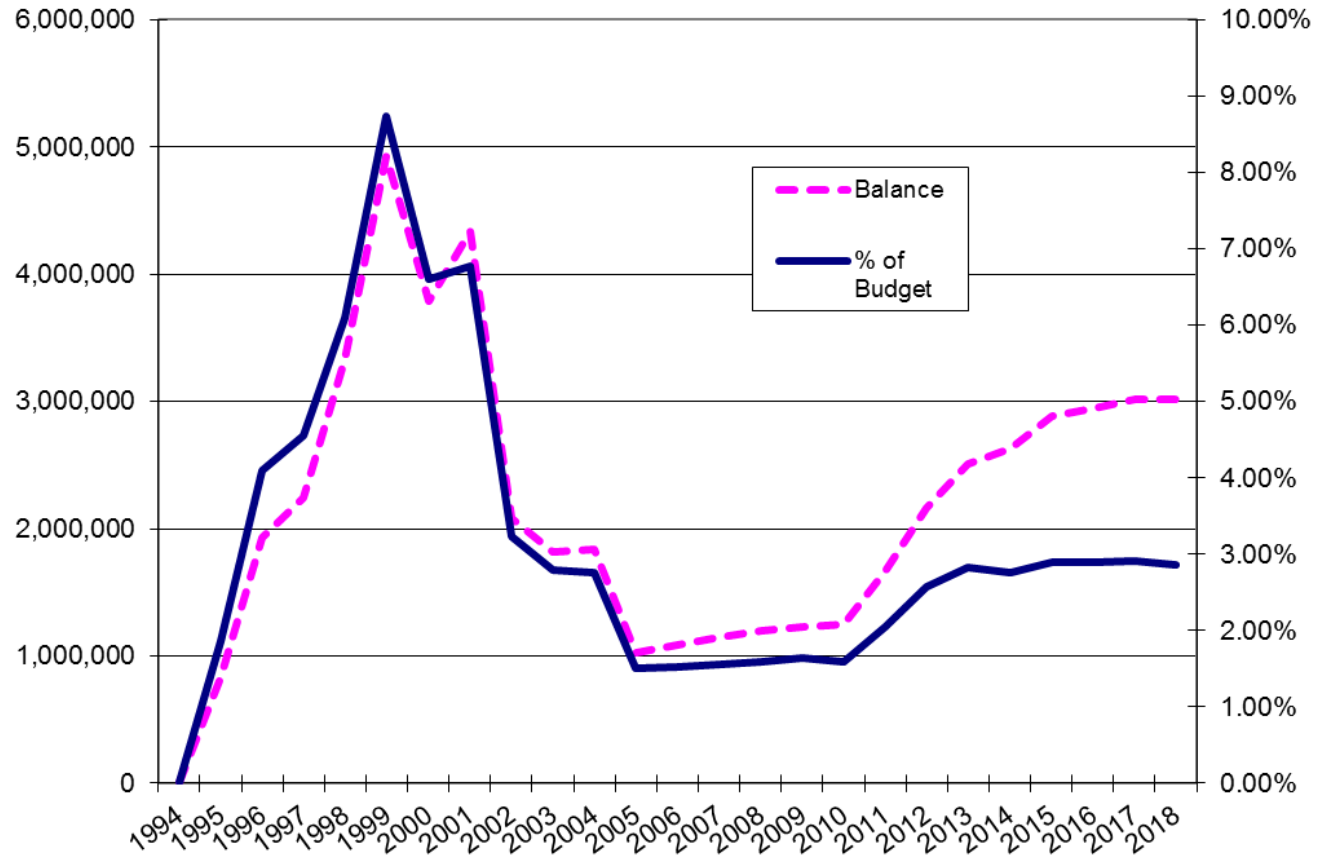
TOWN OF WAKEFIELD ACTUAL LOCAL RECEIPTS



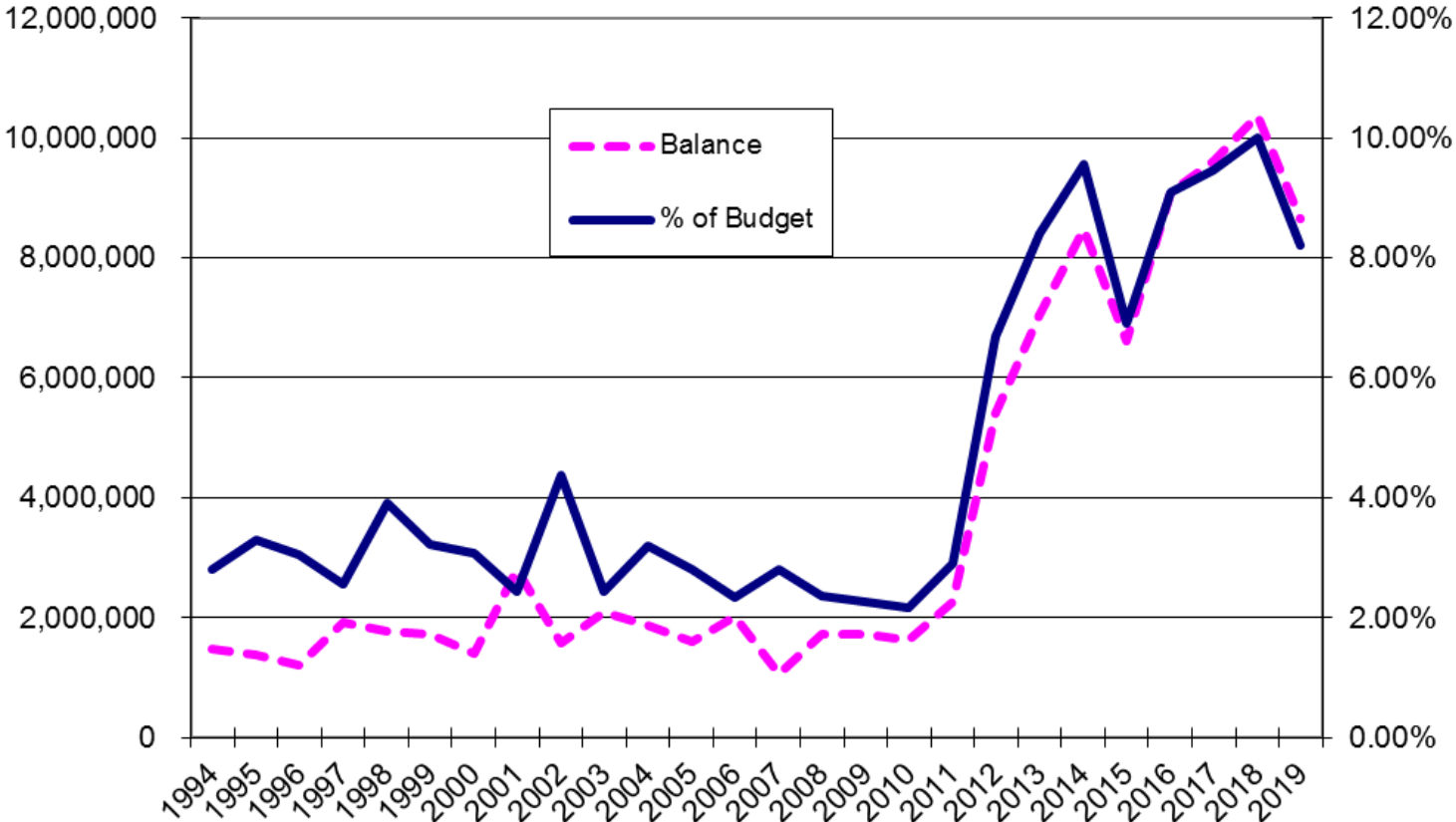
State Aid



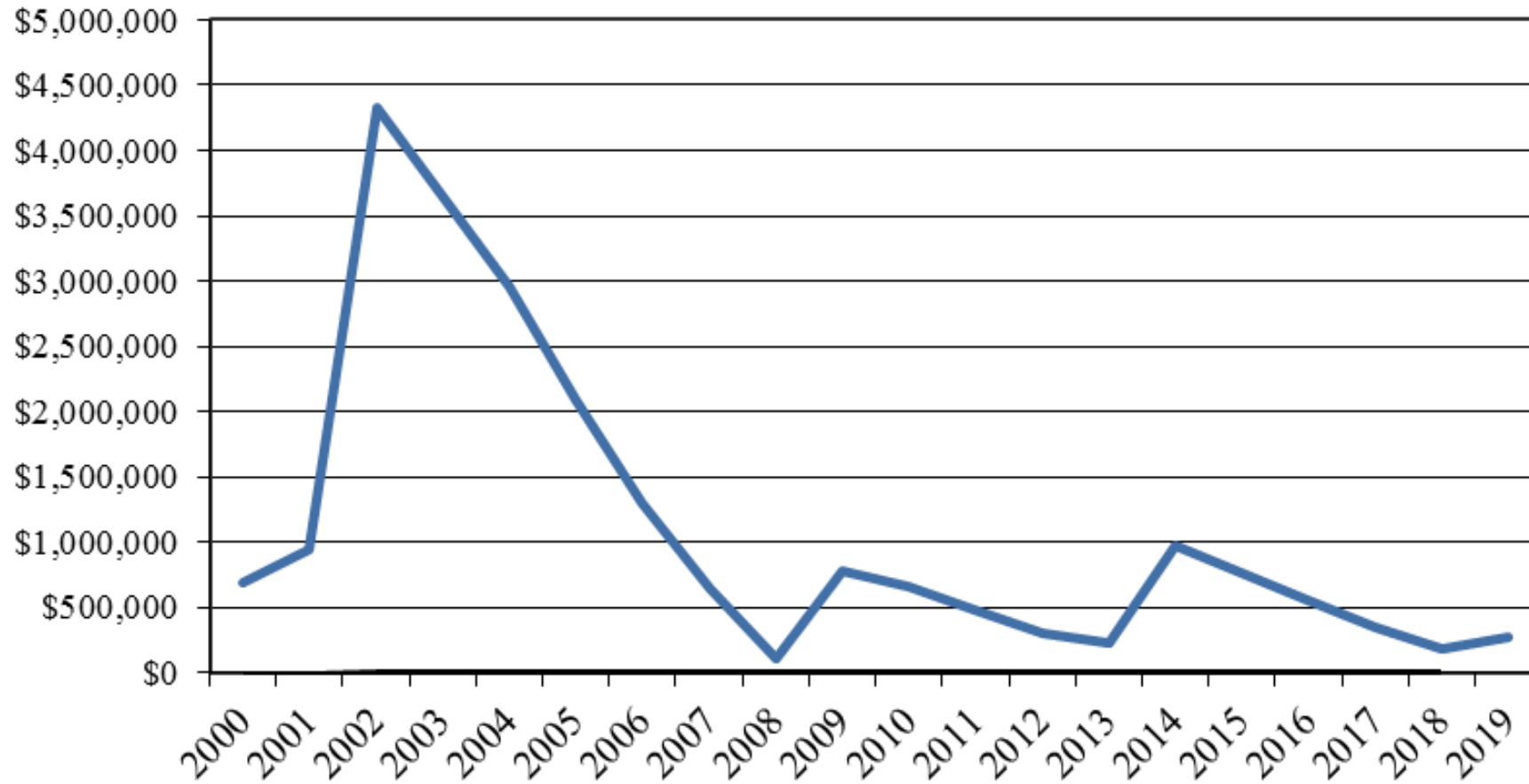
Stabilization Fund



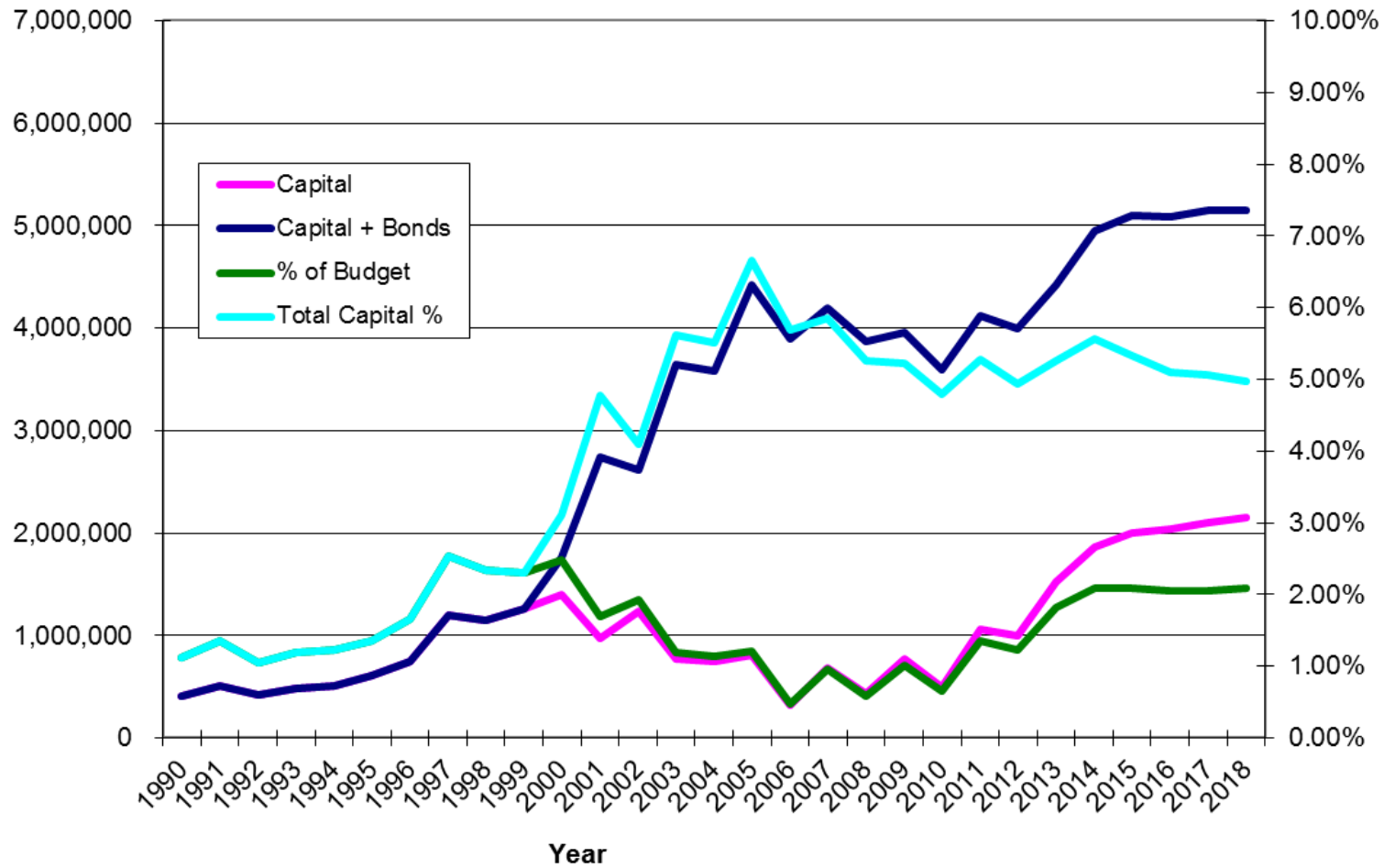
Free Cash - July 1



Debt Service Fund



Capital



ITEM 6 | 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
- Presentations to Town Council and Finance Committee start in January
- Presentation to the Town prior to Spring Town Meeting and at Town Meeting



Budget Priorities Reflect Values

- Public safety
- Roads, sidewalks, and streetscapes
- Drainage
- Capital improvements
 - Public Safety Building, DPW garage, fields
- Recreation activities for all ages



Budget Priorities Reflect Values

- Tax relief and affordability
- Lake Quannapowitt
- Economic development
- Sustainability
- Social wellbeing of community



Financial Policies

- Reserves policy
 - Free cash: 8 percent of operating revenue
 - Stabilization: 3 percent of operating revenue
 - Reserve fund: 0.5 percent of operating revenue



Revenues FY 2021

- Real estate taxes: \$76.2 million
- Local receipts: \$7.25 million
- Wakefield Municipal Gas and Light Department: \$932,000
- State aid: \$11.5 million
- New growth: \$2.5 million
- School Business Authority (SBA): \$529,000
- Free Cash: \$1.25 Million
- Total: \$100.2 million



Operating budgets	\$67,750,000
Fixed costs	\$21,600,000
Capital	\$2,100,000
Articles	\$3,100,000
Debt service	\$3,100,000
Overlay	\$600,000
State and county	\$2,000,000
Cherry sheet offsets	\$41,000
Snow and ice overdraft	0
Total	\$100,291,000



Budget Process Enhancements

- Tri-Board Meeting
- Earlier budget process
- Town Council / Finance Committee and department liaison meetings prior to budget and contract presentations



ITEM 7 | STATE AID

- General: Governor has promised to match state aid increase to overall state increase (6 percent)
- Schools: Chapter 70
 - Student Opportunity Act
- Roads: Chapter 90 funding



A. Goal of Chapter 70

- Aligns with the values of the Massachusetts State Constitution and the Education Reform Act of 1993
 - Every child is entitled to a equitable and adequately funded education regardless of a community's wealth
- Establishes minimum spending requirements for each school district and minimum requirements for each municipality's share of school costs



Chapter 70 Projections for Wakefield (FY20)

- Local contribution will be 82.35 percent (\$31,970,923)
- Proposed State Chapter 70 Aid will be 17.75 percent (\$6,720,549)
- Projected increases
 - FY21 = 7.8 percent
 - FY22 = 17 percent



Student Opportunity Act

- Bill sponsored by the Senate Ways and Means Committee with Senator Lewis and Rep. Peisch
- Current bill passed the Senate on October 3, heading to the House
- Refines Chapter 70 formula to better account for costs associated with:
 - Social-emotional learning
 - Counseling services
 - Allow for transportation costs to be added to circuit breaker



Student Opportunity Act

- Refines Chapter 70 formula to better account for costs associated with:
 - Special education
 - English language (EL) learners
 - Health insurance
 - Accommodations for low-income students
- Fully funding charter reimbursements
- Lifts the annual MSBA cap by \$100+ million for the new construction or renovation of schools



Circuit Breaker Funding

- State's special-education reimbursement program to provide state funding to districts for high-cost special education students
 - Began in FY04
- Reimbursements are for the district's prior-year expenses
- Districts submit claims to Department of Elementary and Secondary Education (DESE)
 - Specify the types and amounts of special education services provided to each student during the previous fiscal year



Circuit Breaker Funding

- Administrative and overhead costs are not reimbursable
- Only services that are required by an Individualized Education Program (IEP) are eligible for reimbursement
- Standard rates for each service are established annually by DESE and are used to calculate the reimbursable cost for each student
- Fully funded every year since FY05



Circuit Breaker Funding

- Payments made to districts quarterly
 - Subject to state appropriation
 - Deposited locally into a special-education reimbursement account
- For FY20, Wakefield will receive a 75 percent reimbursement (\$1,795,436)
- In FY19, Wakefield received \$1,793,923



B. Other Areas of Aid

- General Government / Unrestricted Aid
- Chapter 90 – Roads, etc.
- MassWorks/State Grants (Flowing from Federal)
 - Envision Wakefield Downtown Revitalization Project



ITEM 8 | NEW GROWTH



ITEM 9 | NEW DEVELOPMENT IMPACTS

- A. Added Revenue Expectations
 - Excise taxes
 - Property taxes
 - National Grid powerline to increase tax revenue of about \$1.5 million starting in FY21



New Development Impacts

- Schools: Capacity issues, class size
- Public safety staffing and calls (Police & Fire)
- Traffic
- Department of Public Works
- Recreational needs
- Senior, Veterans, Social Services



New Projects: Snapshot

Address	Pre-development Tax	Post Tax	Difference	Fire Calls	Police Calls	Students
175 North Avenue - 60 Condominiums	\$14,040	\$358,000	\$343,960	7	15	12
14 Audubon Road - 186 Apartments	\$92,019	\$469,365	\$377,346	22	148	19
100 Nahant Street - 20 Condominiums	\$0	\$108,834	\$108,834	4	4	0
3 Bennett Street - 32 Condominiums	\$16,462	\$150,612	\$134,150	0	0	2
101 Hopkins Street - 14 Condominiums	\$0	\$73,410	\$73,410	2	8	6
105-109 Hopkins Street - 114 Apartments	\$0	\$553,126	\$553,126	18	54	10
600 North Ave - 24 Apartments	\$5,500	\$55,774	\$50,274	2	4	4
Totals						
450 Units	\$128,021	\$1,769,121	\$1,641,110	55	229	53



Excise Taxes

- Hard to identify due to leases and lag in changing addresses
- Trend of steady 8.5 percent increase over FY17
 - Increase of \$347,000



Potential Budget Impacts

- Increase in calls for Police and Fire
 - Police calls 2 percent of total (\$120,000)
 - Fire calls 1 percent of total (\$56,000)
- Increase in number of students
 - 53 total at \$742,000 (\$14,000 each)
 - Capacity
 - Necessity for new school(s) and/or classroom(s)



Potential Budget Impacts

- Department of Public Works (DPW)
 - More cars on roads
 - Traffic
- Recreation
 - Higher demand for green-space use
 - Higher demand for Civic Center/facilities



Net Effects

- Increase in property taxes: \$1.6 million
- Increase in Excise taxes \$347,000
- Increase in expenses: \$0.9 million (quantified?)
- Net benefit: \$1 million



Net Effects

- Effects to measure
 - Road wear and tear
 - Traffic
 - Recreational needs
 - Meals tax effect
 - Students in other locations
 - Rental units vs condominiums
 - Transit and affordable housing

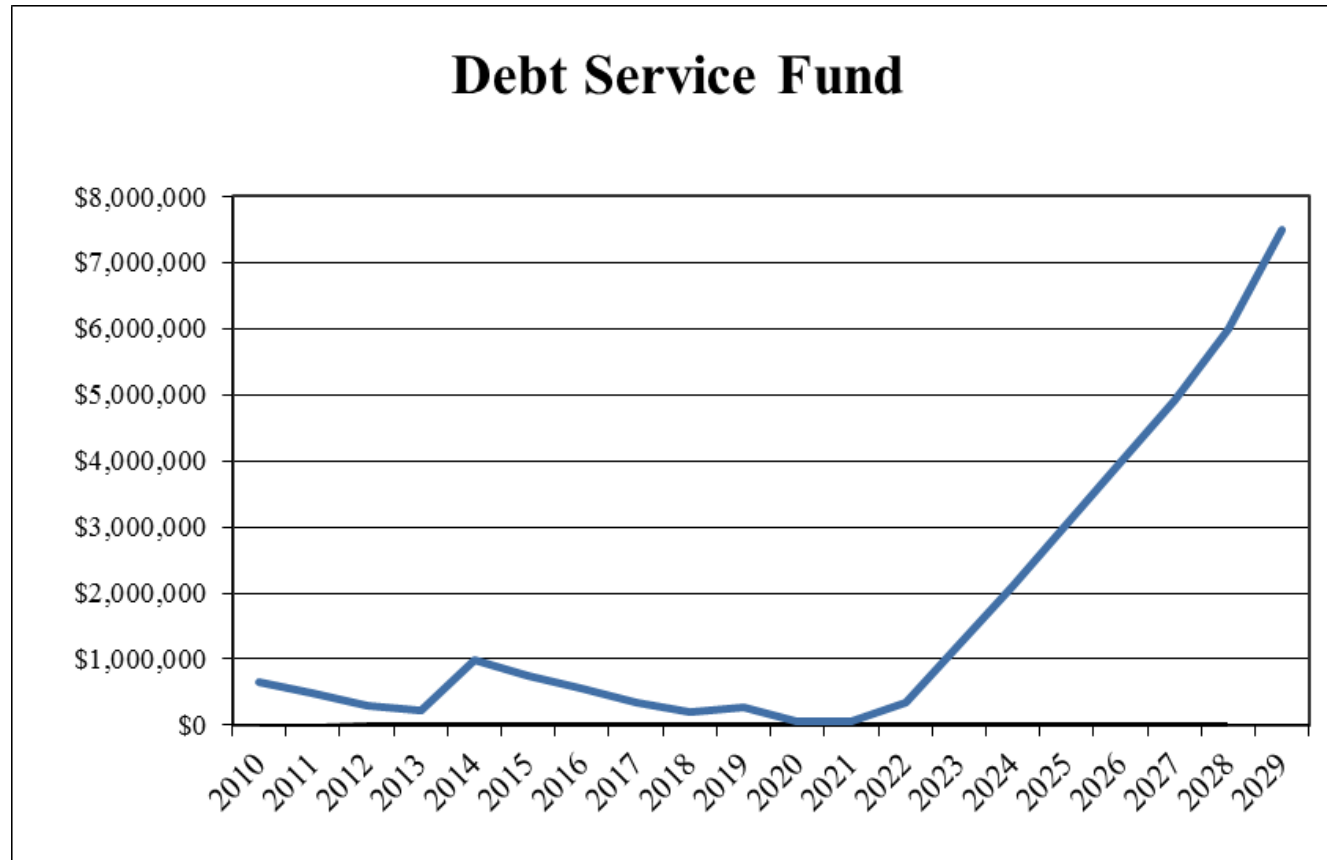


ITEM 10 | BOND SCHEDULE & FUTURE PROJECTS

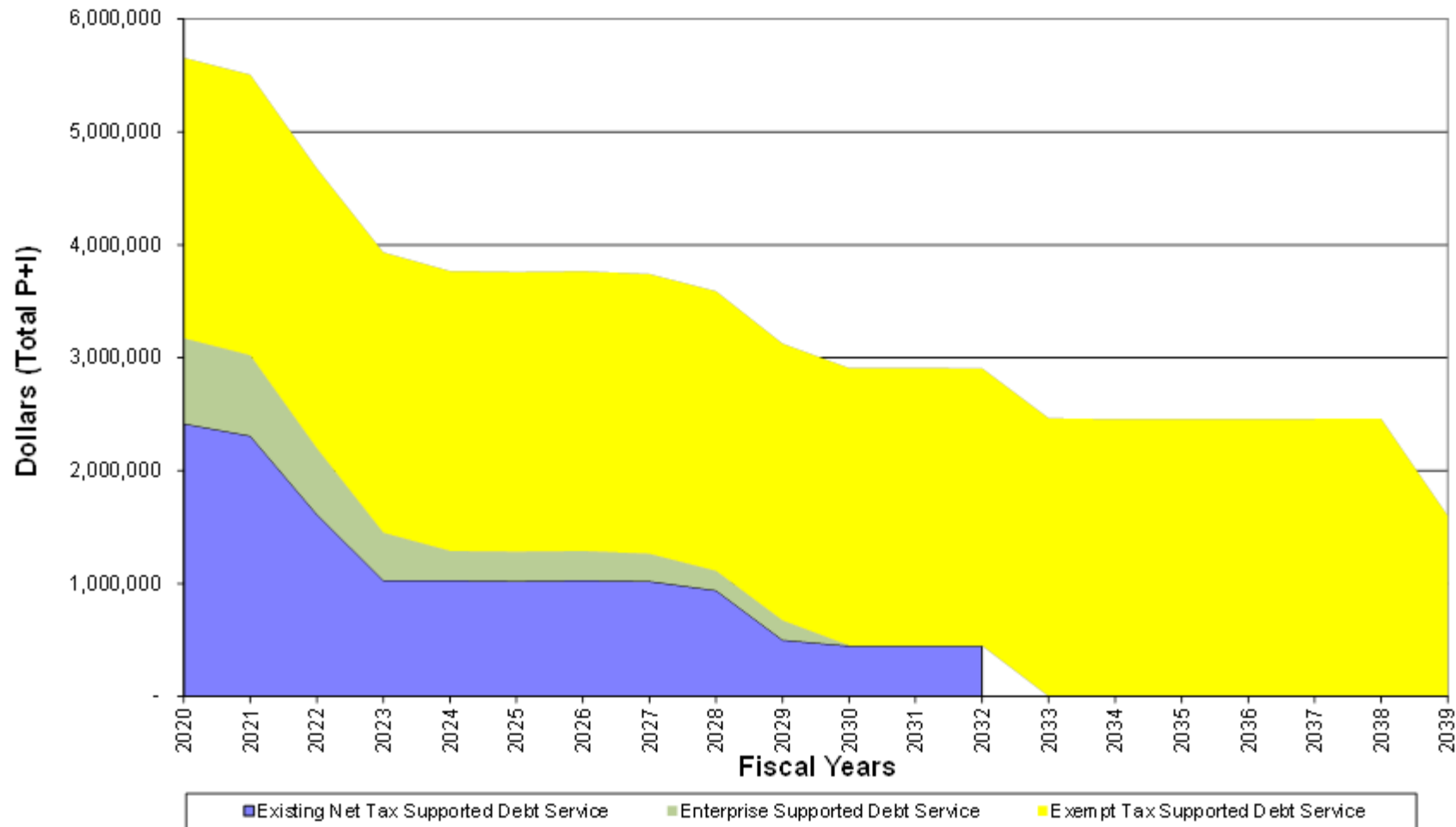
	Inflow	Outflow	Net Change
2020	\$ 3,134,086	\$ 3,345,791	\$ (211,705)
2021	\$ 2,832,031	\$ 2,839,433	\$ (7,402)
2022	\$ 1,902,152	\$ 1,614,966	\$ 287,186
2023	\$ 1,907,896	\$ 1,030,578	\$ 877,318
2024	\$ 1,925,443	\$ 1,030,316	\$ 895,127
2025	\$ 1,943,345	\$ 1,022,966	\$ 920,379
2026	\$ 1,961,753	\$ 1,030,466	\$ 931,287
2027	\$ 1,980,378	\$ 1,022,584	\$ 957,794



Bond Schedule



**Town of Wakefield, Massachusetts
Net Existing Debt Service
As of June 30, 2019**



Bond Schedule

- Public Safety Building
- DPW Garage
- Lake Quannapowitt
- Roads and sidewalks
- High School



Forecast

	Expenditures	Income	Surplus (Deficit)	Increase in Costs	Increase in Income
2020	99,988,110	97,429,662	(2,558,448)	4.75%	2.07%
2021	102,432,998	102,712,944	279,945	2.45%	5.42%
2022	105,894,380	106,745,391	851,011	3.38%	3.93%
2023	109,485,595	110,213,973	728,378	3.39%	3.25%
2024	113,211,629	113,768,200	556,571	3.40%	3.22%
2025	116,580,245	117,411,283	831,039	2.98%	3.20%
2026	120,059,109	121,145,443	1,086,335	2.98%	3.18%
2027	123,651,933	124,972,959	1,321,025	2.99%	3.16%
2028	127,362,558	128,896,161	1,533,603	3.00%	3.14%
2029	131,194,959	132,917,444	1,722,485	3.01%	3.12%



ITEM 11 | ENVIRONMENTAL SUSTAINABILITY

- Recycling and trash removal
- Solar
- Carbon footprint



ITEM 12 | MEASURING PROGRESS & SUCCESS

A. Past accomplishments

- Restoration of services
- Bond rating
- Reserves
- Unfunded liabilities



Measuring Progress

B. Challenges

- Public safety
- Public infrastructure
- Fields
- Business development
- Education
- Buildings
- Unfunded liabilities

C. Tools to measure and evaluate

- Defining success and determining effectiveness



Considerations for Wakefield Public Schools

- Retaining, recruiting, and developing outstanding teachers and administrators
- Developing a facilities master plan
 - New high school
 - Renovated Greenwood School
 - Attention to growth accommodating new enrollment
- Rising costs for special education programming



Considerations for Wakefield Public Schools

- Rising costs for English language learners
- Increased course offerings in the STEAM fields
- Increased opportunities for students and faculty internships
- Addressing achievement and opportunity gaps



ITEM 13 | NEXT STEPS & CLOSING COMMENTS

