



2020 Annual Town Meeting

State of the Town and FY 2021 Budget Presentation



FY20 – Continued Progress for Weymouth

A New Tufts Library Months Away from Opening (Aug-Oct 2020)





FY20 – Continued Progress for Weymouth

A New Chapman Middle School – On Schedule, On Budget (2022)





FY20 – Continued Progress for Weymouth

FY20 Grant Awards

Grant	Amount	Department
A&F - Fore River Ave Walking Path Study	\$10,000	Mayor's Office
A&F - Sergeant Chesna Memorial Grant	\$10,000	Mayor's Office
Community Compact Cabinet - HR Policy Update	\$10,000	Mayor's Office
Community Compact Cabinet - Jackson Square Study	\$25,000	Planning
Community Transit Grant	\$87,000	Elder Services
EEA Planning Assistance Grant	\$50,000	Planning
Electric Vehicle Incentive Program	\$25,000	Asset Management
Farmer's Market Promotion Program	\$171,570	Mayor's Office & Recreation
Green Communities Competitive Grant	\$225,373	Asset Management
Healthy Summer Youth Jobs Grant	\$2,970	Recreation
Housing Choice Initiative Grant	\$183,000	Planning
Lovell Field Pedestrian Bridge	\$200,000	Asset Management & Recreation
SAFER Grant	\$559,418	Fire
Washer-Extractor Equipment Grant	\$5,000	Fire
TOTAL	\$1,564,331	



FY20 – Continued Progress for Weymouth

Green Communities

The \$225,373 award funded energy conservation projects in four municipal buildings including the Adams Middle School, Weymouth High School, McCulloch Building, and Town Hall. \$37,000 annual savings

Lovell Field Pedestrian Bridge

The Town received a \$200,000 MassDOT grant to construct a pedestrian bridge over Herring Brook, connecting the Back River Trail from the MBTA East Weymouth Commuter lot to Lovell Field. \$65,000 in CPA funds were approved for additional design and construction costs

Fore River Avenue Seawall and Infrastructure Improvement Program

The Town received a \$1,685,888 Dam & Seawall Repair Grant for infrastructure improvements. The Fore River Ave construction began in April of 2019 and was completed in Spring of 2020 including the overlay revetment, new seawall, and drainage and road repairs



FY20 – Continued Progress for Weymouth

Staffing for Adequate Fire and Emergency Response (SAFER)

Awarded \$559,418 to hire 4 new firefighters to move toward reopening of station 2. This brings the fire fighter staff to 99. Personnel expenses will be phased in over 3 year grant period.

Assistance to Firefighters grant (AFG)

Weymouth Fire Department Was Awarded \$90,910 to conduct 3 Incident Command system trainings through the FY17 AFG program.

Complete Streets

Weymouth was awarded a \$386,645 in Tier 3 Complete streets funding for the following:

Construction of a bus shelters at the MBTA Bus Stops located at Pearl Street (opposite Sea Street) and Pleasant Street at Colonels Drive; Installation of speed monitoring displays at the Union Street intersection near Russell Road; Installation of 12 bike racks at locations including: Jackson Square, Weymouth Landing, and Whitman's Pond; Improvements to the existing crossing at the Post Office on Washington Street in Weymouth Landing, including a bulbout, ramp, warning panels, restriping, and rapid flashing beacons; Installation of two rapid flashing beacons at the crossing located on Broad Street near Jimmy's Diner, including a relocation of the crosswalk and curb extensions for enhanced pedestrian safety



FY20 – Continued Progress for Weymouth

Columbian Square

A competitive Housing Choice Initiative grant awarded for \$183,000 and the Town is allocating \$50,000 for preliminary design work to complete traffic and pedestrian improvements to the Square

Jackson Square

The Town received a \$50,000 EEA Planning Assistance Grant & \$25,000 Community Compact Grant to conduct a land use study in Jackson square to improve economic development and growth while preserving the unique natural resources and open spaces in the village center

Smelt Brook Daylighting

Weymouth received two MassWorks grants for a total of \$2,241,000 to complete the daylighting of Smelt Brook in Weymouth Landing. This work was required as part of the Greenbush Line mitigation and will help revitalize the Landing.



FY20 – Continued Progress for Weymouth

Home Elevation Grant Program

\$938,076 in Grant Funding Awarded through FEMA Hazard Mitigation Grant Program to provide funding to elevate six (6) homes located in critical flood zones. Progress - **Five homeowners are moving forward** with the project and have received ZBA and ConCom permits.

Open Space and Recreation Plan Update

The Division of Conservation Services (DCS) approved Weymouth's Open Space and Recreation Land Use Plan Update in April 2020. The approved plan now will allow the Town to apply for DCS grants through February 2027

Connell Pool and Rink

The grand Re-Opening took place in August of 2019. In May of 2019 the Weymouth Town Council unanimously approved the final lease agreement between the Town and DCR. The facility is managed and staffed by the Weymouth Recreation Department allowing for greater input over programming and prioritization of Town use. The Recreation Department has begun rink and pool improvements. New programs will be rolled out for the pool including swim lessons, family swim lessons, and adult/senior programs.



FY20 – Continued Progress for Weymouth

Great Esker Park trails improvements

Through an FY19 \$50,000 Recreational Trails Program grant, the Town is completing improvements at three existing trail entrances and two popular waterfront vistas within Great Esker Park.

USDA Farmers Market Promotion Grant

Weymouth was awarded a \$171,570, three-year U.S. Department of Agriculture Grant through the FY19 Farmer's Market Promotion Program. The federal funding will be accompanied by a local match, for a total program investment of \$243,125 from December 2019 to November 2022

Information Technology

Executive Office of Technology Services and Security Cybersecurity Awareness Grant.

This award is administered through EOTSS and provides training for over 42,000 employees on end-user cybersecurity training, assessment, and simulation tools Employees will be educated on identifying the threats, what to look for in scams, and how to report/address the issues.



FY20 – Continued Progress for Weymouth

Much of Our Progress over the last 4 years **has Focused on Schools**

Total Operating Budget Increase = 16.6% (FY20 = 3.4%)

Total School Operating Budget Increase = 18.8% (FY20 = 4.0%)

FY20 – Funded New School Needs List Positions (33 FTEs)

(1) Human Resources Director

(5) Special Education Teachers

(1) Team Chair – School Psychologist

(5.5) Special Education Teachers – Inclusion Plan

(5) Special Education Paraprofessionals

(0.5) WHS CTE Teacher

(0.5) WHS CTE Paraprofessional

(9) Applied Behavior Analysis Paraprofessionals

(0.5) WHS Post-Grad MAICEI Job Coach

(1) Middle School Reading/ELA Teacher

(1) Middle School Assistant Principal

(1) Painter (maintenance)

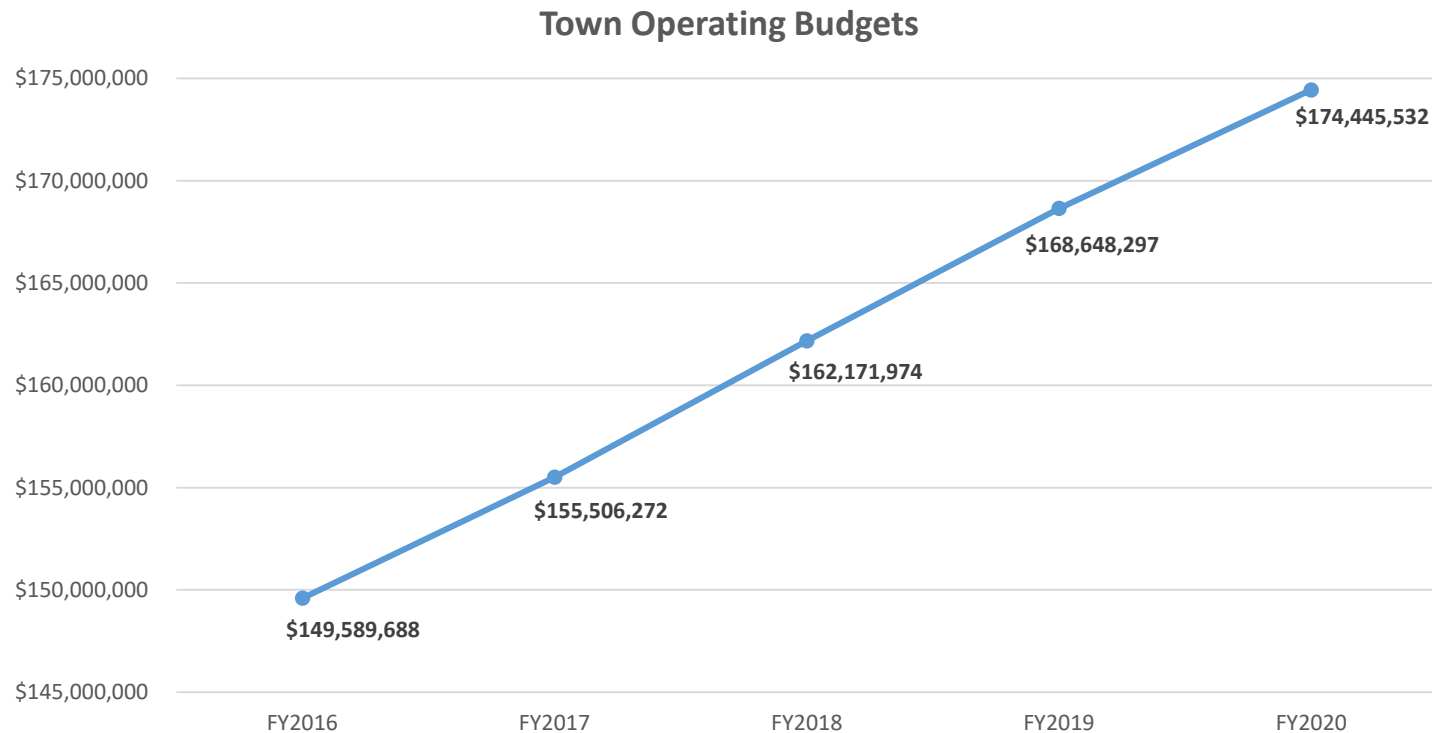
According to DESE, as of FY20, Weymouth is now \$15.26 million over Required Net School Spending



FY20 – Continued Progress for Weymouth

The Fourth Consecutive Year of Growth and Progress

16.6% Growth in 4 Years





FY20 – Continued Progress for Weymouth

The Fourth Consecutive Year of Growth and Progress

Administration Has Worked Hard to Increase Revenues

		FY2016 Levels	FY2020 Levels	\$\$ Variance	% Variance	4-Year Average
Creating Economic Growth (Increased New Growth)	Tex Levy	\$ 93,288,098	\$ 111,469,613	\$ 18,181,515	19.5%	4.9%
Creating New Sources of <u>Recurring</u> Operating Revenue	Local Receipts	\$ 20,015,053	\$ 23,666,741	\$ 3,651,688	18.2%	4.6%
Revenue from the State	Local Aid	\$ 36,286,537	\$ 39,309,178	\$ 3,022,641	8.3%	2.1%
TOTAL REVENUE GROWTH		\$149,589,688	\$ 174,445,532	\$ 24,855,844	16.6%	4.2%

Of the \$24.85 million in New Revenue...

...the Schools have received 47% of it - \$11.6 million

Fiscal Year 2021

A New Reality

Managing a Fiscal Crisis Preparing for the Unknown



Fiscal Year 2021 – A New Reality

Managing a Fiscal Crisis – Preparing for the Unknown

With the Devastating and Yet Unknown Fiscal Impacts COVID-19, our focus in Fiscal Year 2021 turns to **protecting what we have built** and **maintaining our existing level of services.**

How? Plan to Manage COVID-19 Fiscal Crisis

- **Take COVID-19 Impacts Seriously** – the Known and Unknown
- Focus on Revenue Collection and **Monitoring/Restricting Spending**
- **Make Tough Decisions Now** to Minimize Even Worse Situation Later
- **Build and Maintain Reserves** – Do Not Deplete Too Soon – Recessions Linger
- **Wait for Unknowns** – a FY21 State Budget and New (unfunded?) Mandates
- **Use Reserves to Maintain Existing Services** (offset lost revenue)



The Devastating Impact of COVID-19

Economic Reality of COVID-19

Impact to Jobs. In Just Nine Weeks.

38.6 million Americans have filed for unemployment

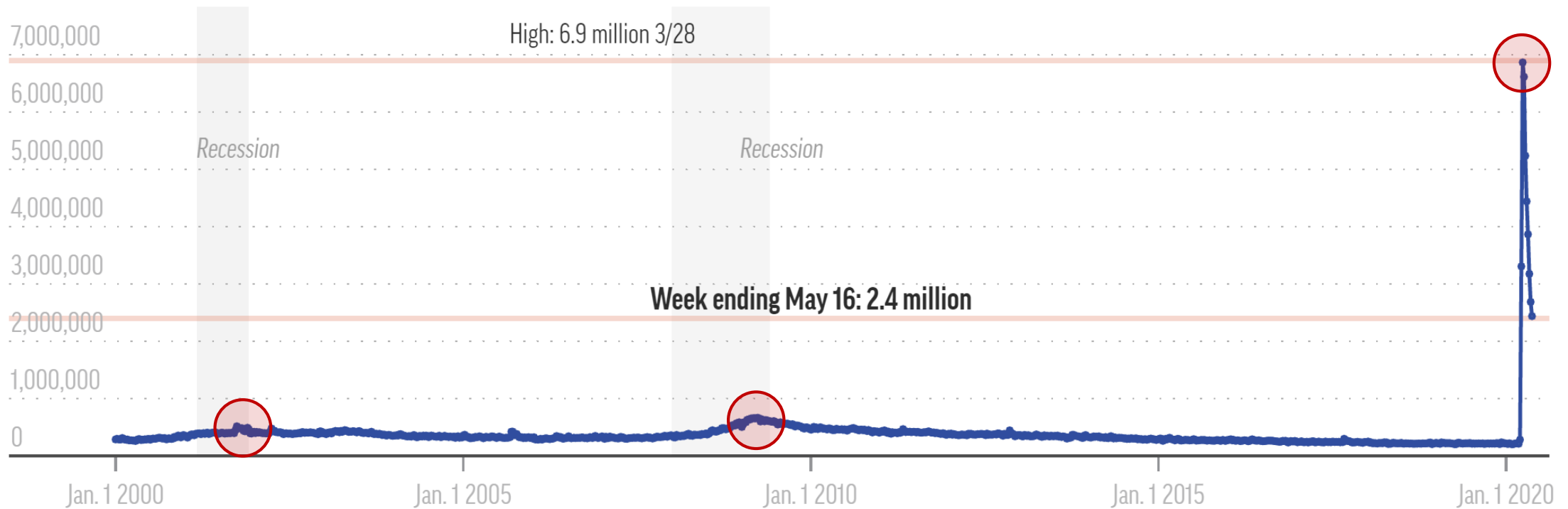
- That's greater than the total population of the country's 21 smallest states

865,000 Massachusetts residents have filed for unemployment

- That's roughly equal to the total population of Boston and Worcester
- 15.1% Unemployment Rate



The Devastating Impact of COVID-19



Financial assistance claims shown are to regular state programs.

Source: U.S. Department of Labor

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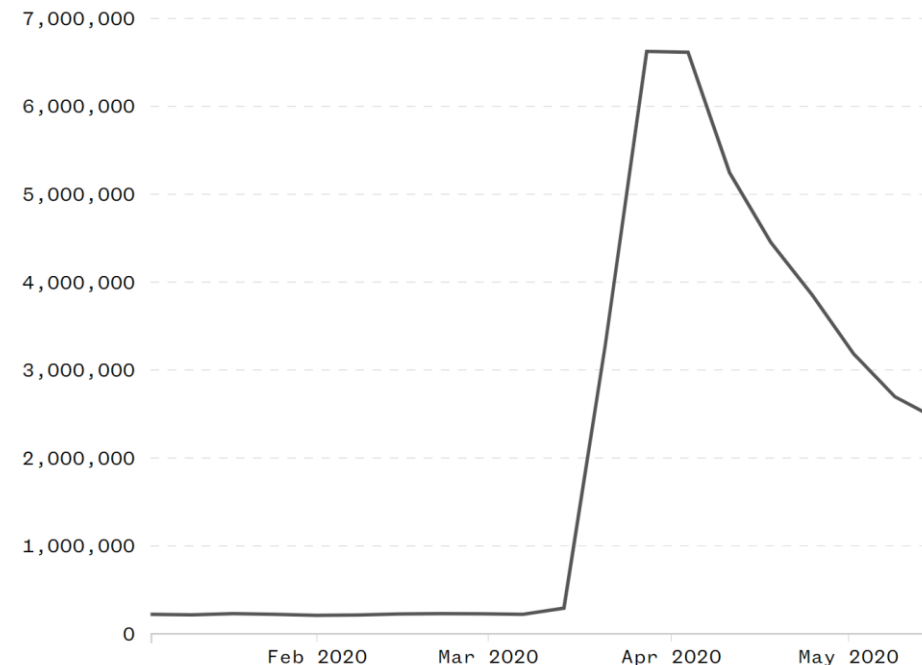


The Devastating Impact of COVID-19

While unemployment claims have been on the decline for seven straight weeks, the latest number of weekly claims (2.4 million, May 16), it is still **3½-times** the previous pre-COVID-19 record of 695,000 unemployment claims in October 1982.

The pain began in March

Unemployment claims skyrocketed as many people in most states began to shelter in place.



Source: U.S. Employment and Training Administration via Federal Reserve Bank of St. Louis

Graphic: Nigel Chiwaya / NBC News



The Devastating Impact of COVID-19

Economic Reality of COVID-19 - Just the Beginning

Massachusetts Department of Revenue - **April Revenue Report**

"Most major categories of revenue were down in April" - Commissioner Snyder.

- **\$2.2 billion or 52.2% less** than the FY20 benchmark (amount FY20 budget was based)
- **\$2.3 billion or 54.2% less** than the actual collections in April 2019
- For FY20 year-to-date, revenue collections were **\$1.5 billion or 6.0% less than same period in 2019**
- For FY20 year-to-date, revenue collections were **\$1.9 billion or 7.7% less than the year-to-date benchmark**

U.S. Gross Domestic Product (GDP) – the value of economic activity (reported quarterly)

- 4th Quarter, 2019: 2.1% Growth
- 1st Quarter, 2020: **-4.8% Decline** – The largest decline since the Great Recession (4th Quarter, 2008)



The Devastating Impact of COVID-19

Economic Reality of COVID-19 – Just the Beginning

Weymouth Town Revenues

Fiscal Year-to-Date Actual Revenues

Average Previous Three Fiscal Years (FY17-FY19):

3.9% growth

FY20 Year-to-Date Revenue:

0.5% decline

(FY20 budget based on 3.4% growth)

Fiscal Year-to-Date Real Estate Tax Revenue

Average Previous Three Fiscal Years (FY17-FY19):

4.2% growth

FY20 Year-to-Date Revenue:

2.2% growth

(FY20 budget based on 4.5% growth)

Fiscal Year-to-Date Real Estate Tax Collected as % of Budgeted

Average Previous Three Fiscal Years (FY17-FY19):

96.6% collected

FY20 Year-to-Date Revenue:

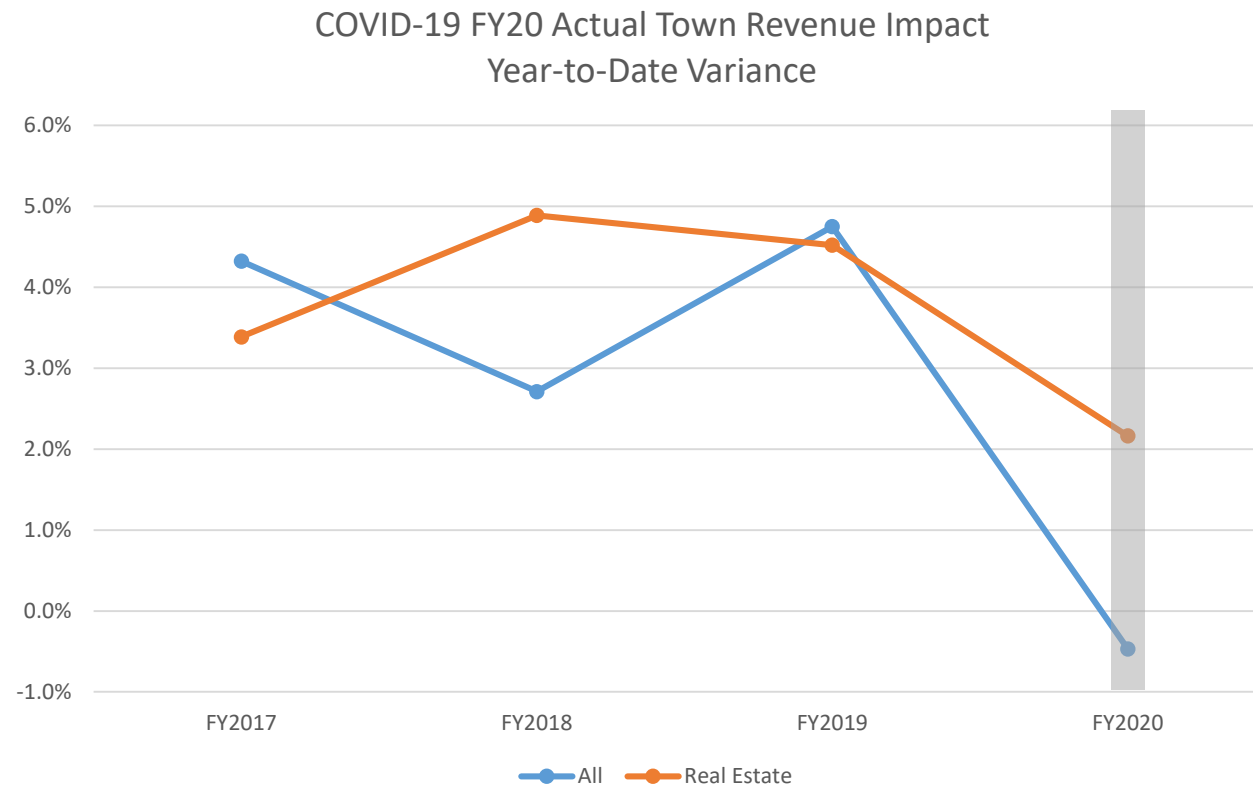
94.2% collected

As of May 23



The Devastating Impact of COVID-19

Economic Reality of COVID-19





The Devastating Impact of COVID-19

Economic Reality of COVID-19 - **What We Don't Know Yet**

No FY21 State Budget – No Updated Local Aid Numbers

- Our FY21 Budget is Based on Level Funded Local Aid
- Some Towns Factoring in 10%-30% Cut – **10% Cut = \$3.9 million for Weymouth**
 - **That would necessitate more cuts and use of Reserves**

New COVID-19 State Mandates/Standards – Likely Unfunded

- What do 2020-2021 Schools look like? How much \$\$ to Meet New Standards?
- Cost of New State Mandates/Standards for Providing Town Services??

Total Economic Impact of COVID-19 – How Deep, How Long?



The Devastating Impact of COVID-19

	DotCom Bubble Burst Recession 2001	Housing Bubble Burst GREAT Recession 2007-2009	COVID-19 Recession 2020-202?
Duration (months)	8 Months	1 Year 6 Months	??
Peak Weekly U.S. Unemployment Claims	517,000	661,000	6,867,000
Total U.S. Job Losses	2,243,000	8,800,000	21,370,000*
Peak U.S. Unemployment Rate	6.3%	10.0%	14.7%*
Peak MA Unemployment Rate	6.3%	9.6%	15.1%*
GDP Decline (peak to trough)	-0.3%	-5.1%	-6.9%**
Decrease in Local Aid Revenue	-8.6%	-15.7%	??
Recovery Time to Pre-Loss Levels	4 years	7 years	
Decrease in Local Receipts Revenue	-0.4%	-14.4%	??
Recovery Time to Pre-Loss Levels	1 year	4 years	
*Through Mid-April **1st Quarter of 2020			



A BUDGET OF FISCAL NECESSITY

The FY21 budget **process was not the traditional exercise** in finding revenue to fund new needs.

The FY21 budget submitted was an exercise in **fiscal necessity** to hopefully **help put us in a position to get through this recession** with as much of what we have proudly built remaining intact.

That fiscal necessity was not without pain.

There were difficult decisions needed in every department.



FY21 “COVID-19” BUDGET

This is a “Preliminary” FY21 Budget – Expect that it will change over time.

Initial Budget Decisions:

- Cut \$2.3 million from Original FY21 Revenue Projections**
- No Cost of Living Adjustments for Non-Union Personnel**
- Froze Step Increases for Non-Union Personnel**
- Cut \$1.77 million in Spending (from FY20 levels)**
- Limited Total Department Spending to Less than ½% Growth**



Mayor's COVID-19 FY21 Budget

Managing a Fiscal Crisis – Preparing for the Unknown

- Budget Goals:**
- Realistic Revenue Projections
 - Restrained Spending
 - Preserve Existing Resources Needed for Future Shortfalls
 - Position Town to Manage COVID-19 Fiscal Crisis with Minimal Loss of Existing Services

FY2021 OPERATING BUDGET

	FY20 Budget	FY21 Budget Status Pre-COVID	Variance from FY20		FY21 "COVID" Budget	Variance from FY20 (from original budget)	
Tax Levy	\$111,469,613	\$115,919,675	\$4,450,062	4.0%	\$115,222,950	\$3,753,337	3.4%
Local Receipts/Transfers	\$23,666,741	\$24,001,109	\$334,368	1.4%	\$23,041,002	-\$625,739	-2.6%
Cherry Sheet (State Aid)	\$39,309,178	\$39,975,287	\$666,109	1.7%	\$39,309,178	\$0	0.0%
OPERATING REVENUE	\$174,445,532	\$179,896,071	\$5,450,539	3.1%	\$177,573,130	\$3,127,598	1.8%



FY21 “COVID-19” BUDGET

78% of the Budget Increases are the Result of Increases to Fixed Costs:

- **Debt Service – 5.5% increase over FY20**
- **Employee Health Insurance – 6.4% increase over FY20**
- **Retirement/Pensions – 3.2% increase over FY20**
- **Building/Liability Insurance – 50% increase over FY20**
- **State Assessments – 16.6% increase over FY20**
- **\$3.8 million in Total Fixed Cost Increases**



FY21 “COVID-19” BUDGET

Fixed Cost Increases =	\$3,801,155
(7) Department Increases (from FY20) =	\$1,100,857
(14) Department Decreases (from FY20) =	(\$1,774,414)

Department Increases =	\$1,100,857	% of Increase
Schools	\$772,978	70.2%
Fire	\$131,376	11.9%
Police	\$145,027	13.2%
All Other Department Increases	\$51,476	4.7%



FY21 “COVID-19” BUDGET

FY20 Operating Budget	\$174,445,532
FY21 Fixed Cost Increases	
Health Insurance	\$1,404,934
State Assessments	\$1,042,260
Debt Service	\$586,387
Property/Liability Insurance	\$400,000
Pension/Retirement	\$367,574
	\$3,801,155
FY21 Department Increases	
Schools	\$772,978
Fire	\$131,376
Police	\$145,027
All Other Department Increases	\$51,476
BUDGET INCREASES	\$4,902,012
FY21 DEPARTMENT DECREASES	-\$1,774,414
TOTAL INCREASE	\$3,127,598
FY21 Operating Budget	\$177,573,130



Managing a Fiscal Crisis – Preparing for the Unknown

Resources Available to Help Us Manage this Fiscal Crisis Maintain Existing Services and Be Prepared for the Unknown

- Created a **\$1.5 million FY21 COVID Reserve Fund** (from remaining free cash)
- **\$8.2 million Stabilization Fund** (built up from \$1.1 million in 4 years)
- **\$5 million on Federal CARES Act Funding** (cannot be used as revenue replacement)
 - Only for direct COVID-19 expenses (that are above budgeted amounts)

Reserves will disappear quickly even with conservative revenue shortfalls

Example: 10% decrease in Local Aid = \$3.9 million (the first year)



Managing a Fiscal Crisis – Preparing for the Unknown

Why We Need to Conserve our Reserves – for Existing Services.

History - 2008 Recession:

16% Decrease in Total State Aid (Cherry Sheet)

Today that equals \$6.25 million

7.7% Decrease in Chapter 70 Education Aid

Today that equals \$2.2 million

Tax Revenue Growth Stayed Under 3% (avg.) for 4 straight years

That would be \$630,000 less than FY21 reduced projection

14.4% Decrease in Local Receipts

Today that equals \$1.88 million

-Free Cash Expected to Decrease

-Will Need to Fund Future Snow/Ice Deficits



Managing a Fiscal Crisis – Preparing for the Unknown

The MA Division of Local Services...

Common sense should prevail. Ultimately, reserve transfers cannot be used to bypass legitimate budget review approval process.

Discourage the use of non-recurring revenue sources to fund recurring expenditures.

Funding operations with one-time revenues, without identifying future available offsets, effectively postpones difficult decisions necessary to achieve a structurally sound, sustainable spending plan.

Using non-recurring revenues to support ongoing operating expenses **is not fiscally sustainable.**



Managing a Fiscal Crisis – Preparing for the Unknown

Mayor Hedlund

- Reduced Revenue Projections by \$2.3 million
- Reduced Spending in 14 of 20 non-school Department Budgets
- **Limited Total Spending Growth to 1.8%**
- **Using Recurring Revenue Sources of Funding** (Tax Levy, Local Aid, Local Receipts)
- Created \$1.5 million Reserve Fund to help Maintain Existing Services
- Cut \$1.77 million from FY20 Budget Levels

School Committee

- Increasing FY21 School Operating Spending by \$2.99 million
- Transferring \$1.2 million Expense (Full Day K) From Revolving Fund to Operating Budget
- **Growing Total School Operating Spending by 4.1%**
- **Using \$1.9 million in one-time Sources of Revenue**



Operating Spending with One-Time Revenue A Bad Idea

		\$ Increase over FY20	% Increase over FY20	\$ Increase over COVID Budget	% Increase over COVID Budget
FY20 School Budget	\$73,619,894				
FY21 Mayor's COVID Budget Plan	\$74,392,872				
FY21 School Committee Budget Plan	\$76,613,156	\$ 2,993,262	4.1%	\$ 2,220,284	3.0%

School Funding Plan

FY20 COVID Savings	\$ 493,300	One-Time Revenue
FDK Revolving	\$ 886,616	One-Time Revenue
JECC Revolving	\$ 350,000	One-Time Revenue
Mayor's Non-Union Salary Freeze	\$ 300,000	
CARES Act Funding	\$ 190,368	One-Time Revenue
	\$ 1,920,284	

Total Use of One-Time Revenue for Operating Spending



FY21 Spending Inequity

Spending Variance FY20 vs. FY21			Spending Variance FY20 vs. FY21		
All Town Departments (\$595,315.00) -1.3%			School Department \$2,993,262 4.1%		
Town Council	\$10,250.00				
Mayor's Office	\$31,288.00				
Municipal Finance	(\$164,604.00)				
Town Solicitor	(\$114,071.00)				
Informational Services	(\$41,400.00)				
Town Clerk	(\$6,972.00)				
Planning	(\$18,950.00)				
Asset Management	(\$217,533.00)				
Human Resources	(\$4,000.00)				
Police	\$145,027.00				
Fire	\$131,376.00				
Licensing/Inspections	(\$5,822.00)				
DPW	(\$276,179.00)				
Health	(\$30,292.00)				
Library	(\$37,671.00)				
Veterans Services	(\$2,000.00)				
Parks and Rec	(\$3,600.00)				
Elder Services	\$1,738.00				
Emergency Management	\$8,200.00				
Youth and Family Service	(\$100.00)				

**Mayor's Plan
to Maintain Existing Services
in the Face of a
Global Pandemic and Fiscal Crisis**



Mayor's COVID-19 School Budget Plan

Mayor's Plan to Maintain Existing Services in the Face of an Unprecedented Fiscal Crisis

Delaying Free Full-Day K

(Use Revolving Fund to Assist Families)

Freezing Non Union/Non Contractual Expenses

Using FY20 School Savings

**Doing So Would Preserve \$1,979,735 in revolving funds
and limit Structural Deficit**

Resources Needed to Manage the COVID-19 Fiscal Crisis and Unknown



Operating Spending with One-Time Revenue Making a Bad Situation Worse

All Indications (and expert opinions) suggest we'll be feeling the fiscal impacts of COVID-19 into FY23. Using one-time resources to increase spending NOW only increases the structural deficit and increases the needed cuts later (as early as FY22).

A **Conservative** Example...

FY21 Budget with 1.8% growth passes (schools insist on free FDK and plan to using \$1.9M in one-time sources).

We get bad news – **10% Cut to Local Aid** = \$3.93 million (**Use \$2.6M in Reserves/\$1.3M in cuts**)

School Budget Reduced by \$520,000 (40% of reduction)

FY22 Revenue Continues to Slump - **5% less Local Aid, Flat Local Receipts, 2.5% Tax Levy**. Only \$1.1M in new revenue

Use another \$2.6M in Reserves to Maintain Services

With a 2.2% FY22 **Level Services** School Request over Revised FY21 School Budget Level, Result is...

\$1.18M less than Town's Original FY21 Spending (use \$5.2M of Town Reserves / Still Have School One-Time Revenue)

\$3.1M less than School's Original FY21 Spending Levels (used \$5.2M Reserves / \$1.9M One-Time School Revenue)

FY23 – As Bad or Worse?



Water and Sewer Enterprise Budgets

	2019 <u>ACTUAL</u>	2020 ORIGINAL <u>BUDGET</u>	2020 REVISED <u>BUDGET</u>	2020 <u>ACTUAL</u>	2021 <u>PROPOSED</u>	PCT <u>CHANGE</u>
Sewer Enterprise Fund	\$17,637,338	\$17,440,396	\$17,440,396	\$14,239,435	\$17,698,305	1.50%
Water Enterprise Fund	\$ 11,112,855	\$ 9,897,586	\$ 9,897,586	\$ 6,093,244	\$ 9,897,182	0.00%



Community Preservation Budget

COMMUNITY PRESERVATION COMMITTEE			
Estimated Revenue	FY 20	FY 21	Change
1% Surcharge	\$751,000	\$800,000	\$49,000
State Match	\$135,000	\$114,000	(\$21,000)
Investment Income	\$2,000	\$2,000	\$0
Interest & Penalties	\$2,000	\$2,000	\$0
Total Estimated Revenue	\$890,000	\$918,000	\$28,000
Budgeted Expenditures			
<u>Administrative Costs</u>			
Recording Secretary	\$2,500	\$2,500	\$0
Miscellaneous Expenses	\$22,000	\$23,400	\$1,400
Salary Allocation	\$20,000	\$20,000	\$0
<u>Open Space & Recreation</u>			
Mandatory Set Aside Reserve	\$89,000	\$91,800	\$2,800
<u>Historic Resources</u>			
Mandatory Set Aside Reserve	\$89,000	\$91,800	\$2,800
<u>Community Housing</u>			
Mandatory Set Aside Reserve	\$89,000	\$91,800	\$2,800
<u>Debt Service</u>			
Principal & Interest	\$121,187	\$111,499	(\$9,688)
<u>General Reserve</u>			
Total General Reserve	\$457,313	\$485,200	\$27,887
Total Appropriation Request	\$890,000	\$918,000	\$28,000

UPDATE

In FY 20, we budgeted local tax revenue of \$751,000 with a state match of \$135,000 or 17.9 %
Now the FY 20 state match is 11.2%: **-\$84,112**

In FY 21 we were budgeting local tax revenue of \$800,00 with a state match of \$114,000 or 14.2%
Now the FY21 state match is 11.2%: **-\$89,600**