



Town Auditor Questions

Why were Tax Liens reduced to zero for FY21?

As part of reducing tax levy revenue projections in the face of the pending COVID-19 recession.

Why was SouthField Special Assessment reduced to \$200,000 from \$450,000 in FY20?

Based on recent historic actual collections information received from CFO (\$195K in FY19; 197K YTD in FY20)

Why was Homeless Transportation Reimbursement cut by 54.5% for FY21?

Based on recent historical actual collections (\$35,188 in FY19; \$0 YTD in FY20)

Why was the Transfer from the Comcast Account reduced to \$50,000 from \$210,000? Is this used for IT only?

How much remains in the Comcast Fund that can be used for the General Fund?

To comply with a new law, some of the Comcast revenue has been shifted to a new public, educational and government (PEG) Access and Cable Related Fund. This has resulted in the “original” Comcast Fund balance diminishing with recent expenditures. The balance is \$570,791.52

Real Estate Tax PFY (prior fiscal years) is budgeted at \$0, yet the actual for FY20 is shown as \$957,401? Why?

Previous Fiscal Year (PFY) Real Estate Tax revenue is not a separate budget number – it is only listed to illustrate how much of our total tax levy revenue collected is from the current fiscal year versus previous fiscal years.

Accounting revenue {Medicaid} is budgeted at \$850,000. What generates Medicaid Revenue for the Town?

This is generated from Medicaid reimbursement for school-based medical services.



Town Auditor Questions

The Deferred RE Receipts budget is \$0 for FY21, compared to \$50,000 for FY20.

As part of reducing tax levy revenue projections in the face of the pending COVID-19 recession.

Within the budget is \$245,831 for “ACADREIMB”. How many years remain for the Town to receive this reimbursement for this School?

Reimbursements are scheduled through 2022.

The Sewer and Water transfers to the General Fund Revenue are \$2,579,258 and \$4,574,929 respectively. Kindly explain to the Committee the main components of these revenue transfers from the Enterprise Funds.

These are offsets to General Fund expenses, including portions of DPW salaries, water/sewer debt service, and health insurance and retirement costs for water and sewer employees.

The PILOT line item is budgeted at \$775,000. Is most of this related to South Shore Hospital?

Yes, 99% of this revenue is generated from South Shore Hospital.

Is the Police Detail Account Transfer of \$150,000 to the General Fund actually payment for the administration of Police Details?

It is to help offset general police department expenses, including the administration of police details.



THE FISCAL IMPACT OF COVID-19

The FY21 Budget is being drafted around unprecedented circumstances...

- 20% Unemployment**
- \$5+ Billion in Expected Decline in State Revenue (FY20 and FY21)**
 - April's Mid-Month State Revenue Report Showed 25% Decline (\$293 Million)**
- Uncertain Future State Aid (Weymouth lost \$3.4 million during last recession)**
- Millions in Declining Revenue at the Local Level**
- More Questions Than Answers on How Long It Will Last**
- Future Reductions are a Matter of How Much and When**



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**



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 Fixed Cost Increases**



FY21 "COVID-19" BUDGET

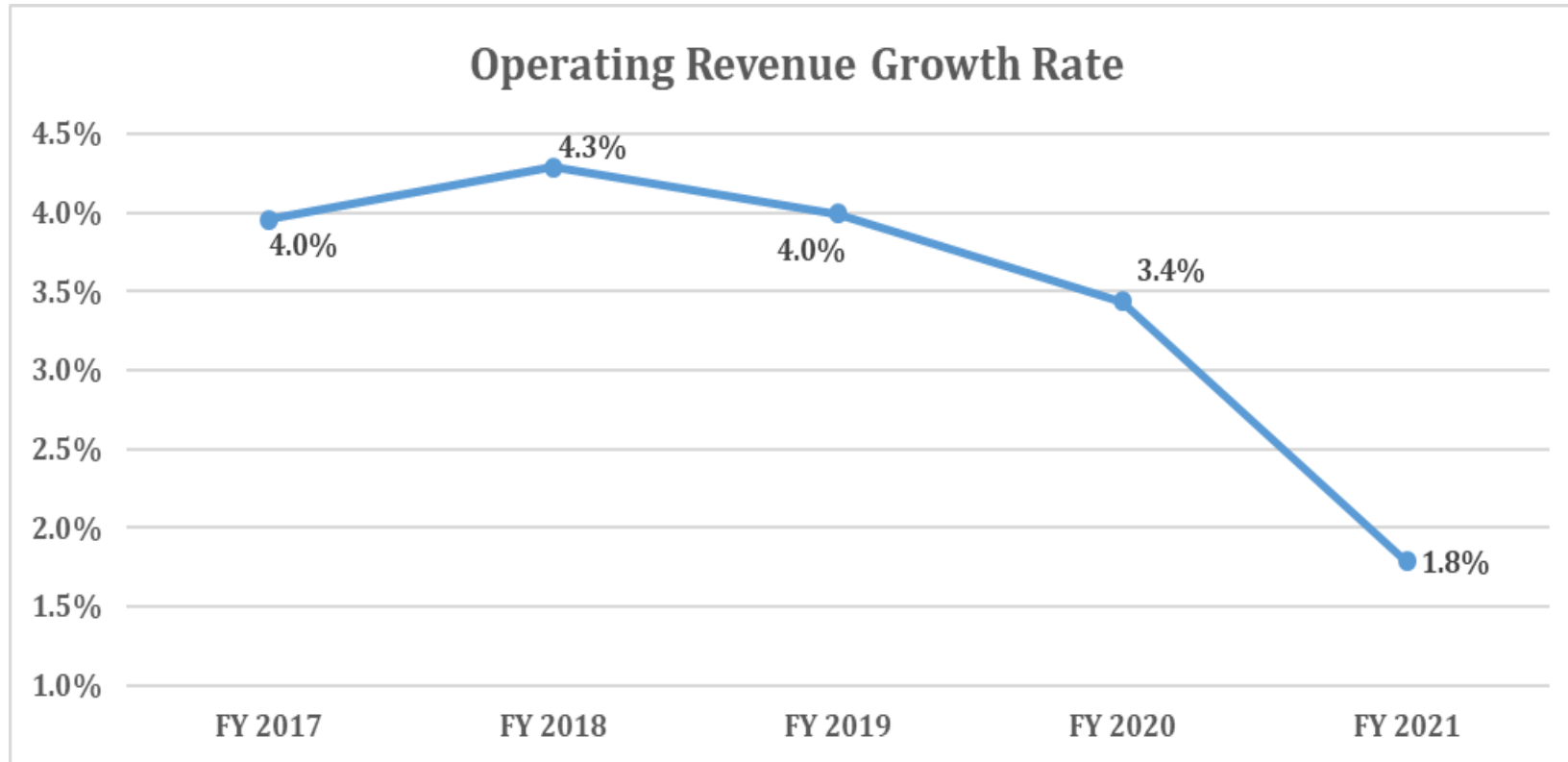
Operating Revenue

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



Over Four Years of Strong, Consistent and Unmatched School Support from Mayor and Council

- Operating Budget that has increased 19% in just 4 years – **an additional \$11.6 million**
- More than **\$5 million in Capital Support from Free Cash** – 20% of all our Free Cash Spending
- More than **\$3 million in additional IT Support**
- Nearly **\$1 million in additional Curriculum Funding**
- **\$4 million** is additional Funding for Various **School Building Repairs**
- **\$5 million** for the **Adams School renovations and new modular classrooms**
- **\$164 million for a New Chapman Middle School** (\$11 million within the tax levy)

Much more we've done within the existing budgets to support schools over the years

Warning Signs Ahead of Mayor's Budget Submittal on April 23, 2020

Budget Warning Signs

August 22, 2019 – “Budget Update” at School Committee Meeting

Reported a \$349,891 Local Aid **Revenue Shortfall** Based on Final State Budget

We gave the follow warning as part of our presentation...

“Factors likely to make future budgets challenging

- Increase in Health Insurance costs – and other fixed costs
- Tax Levy growth slows
- Local Receipts growth stays flat or declines
- Other increasing expenditures – personnel”

Budget Warning Signs

November 4, 2019 – “Budget Forecast” Memo to Schools

*“as you begin the process of developing the school department’s fiscal year 2021 operating budget, **we want to be sure you are aware of the fiscal realities** facing future operating budgets”*

*“Revenue collections for the first quarter of FY20 continue to reflect **a levelling of growth.**”*

*“Over the last four years, the growth in the school operating budget has significantly outpaced the rest of the town budget...We need to be pragmatic and understand that **the recent rates of growth in the education budget cannot be expected to last.**”*

*“We will work hard to **maintain the levels we have reached** in the education budget, but that would be **unlikely with any additional spending on new programs or personnel.**”*

*“So, as we develop the FY21 budget, we need to **focus on sustaining current services and expenses.**”*

Budget Warning Signs

November 14, 2019 – Letter to Schools RE: Free Full Day K

“...we have several questions on how the School Department plans to fund and sustain this \$1.5 million addition to the operating budget without jeopardizing both the tremendous progress we have made over the last four years and the funding of future needs, such as operating the new Chapman Middle School.”

“Your proposed use of the one-time fund surplus will create significant structural deficits in future years, combined with no future budget forecasts to understand the impact.”

“With growth expected to be flat or slowing, please advise how future increases in revenue will be found.”

*“Will school budget requests over the next few years include additional needs in addition to the free full-day K request? How do you plan to prioritize those needs in addition to this 2% increase? **How will this be prioritized if school budget requests are beyond what we can fund?**”*

Budget Warning Signs

March 3, 2020 – Budget Instructions to Departments

*“FY21 town department budgets will reflect the **reality of continued easing of revenue growth combined with known increases in fixed expenses** such as insurance, debt service and retirement/pension costs.”*

*“We sounded the warning of easing revenue growth last year to **encourage responsible and thoughtful spending decisions.**”*

*“...we **cannot expect the same record levels of growth that some departments have seen in the recent past.**”*

*“**The result of these factors limit funds available for department budgets.** The Administration is requesting that you prepare your FY21 budgets with **level service personnel** (i.e., the FY21 cost of providing the same level of FY20 personnel) and **level FUNDED expenses**, meaning use the same level of funding as FY20 for all expenses.”*

COVID-19 Impact Warning Signs

March 26, 2020 – COVID-19 Impact and Actions Memo

*“We are in the middle of **unprecedented uncertainty** that will more than likely end up having a significant negative impact to Town finances.”*

*“While I am hopeful that the eventual economic rebound will be healthy and hopefully swift, **we must act now to limit the impact until that rebound.**”*

“It is likely that the initial FY21 budget I submit will reflect as close to a level-funded budget as possible, with the hope of being able to later submit a supplemental budget to address level services and previously planned but unfunded increases.”

*“...our primary goal in taking these actions now is to try to **avoid more impactful but necessary decisions later.**”*

School Department FY21 Proposed

TOTAL PROPOSED BUDGET FY21		\$76,119,856	
Includes Increases of:			
	Personnel*	\$1,447,370	
	Expenses	\$345,670	
Compliance Needs		\$706,922	
Non-Union Additional Increases		\$57,645	
Level Service		2.44%	\$75,412,933
Total Increase		3.47%	

*does not include (4) CBA's expiring in 2020



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

School Department FY21 Proposed

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Level Service		2.44%
Total Increase		3.47%

*does not include (4) CBA's expiring in 2020

On Mon, Mar 30, 2020 at 8:42 AM TLangill@weymouth.ma.us wrote:

Hey, Brian.

Would you be able to break down the school personnel level service number (\$1,447,370) between contractual/union and non-contractual/union?

Thanks.

One option I am working on for initial FY21 is keeping all non-union employees at FY20 levels.

From: Brian Smith [mailto:brian.smith@weymouthschools.org]
Sent: Wednesday, April 8, 2020 10:53 PM
To: Langill, Ted <TLangill@weymouth.ma.us>
Subject: Re: FY21

Sorry for the delay. Hope you're doing well. Total increase for non-union (SUX and SNU) would be \$227,711.

Brian E. Smith
Assistant Superintendent
Finance & Operations
Weymouth Public Schools



Non-Union Salary Freeze
-\$227,711

School Department FY21 Proposed

On Fri, Apr 10, 2020 at 7:59 AM TLangill@weymouth.ma.us wrote:

Hey, Brian.

Is there any part of your level service expenses (\$345,670) that are contractual? I thought some contractual services are under the “expense” amount. Thanks.

From: Brian Smith [mailto:brian.smith@weymouthschools.org]

Sent: Friday, April 10, 2020 12:06 PM

To: Langill, Ted <TLangill@weymouth.ma.us>

Subject: Re: FY21

Hi Ted,

The contractual components of the ~\$346K are;

\$72,089 - First Student

~\$100,000 - All Sped Transp contracts (approx)

~\$100,000 - Collab (out of district) Tuition increases & enroll

\$272,089

Thanks,

Brian E. Smith

Assistant Superintendent

Finance & Operations

Weymouth Public Schools

TOTAL PROPOSED BUDGET FY21		\$76,119,856
Includes Increases of:		
Personnel*		\$1,447,370
Expenses		\$345,670
Compliance Needs		\$706,922
Non-Union Additional Increases		\$57,645
Level Service	2.44%	
Total Increase	3.47%	

Non-Contractual Expenses
-\$73,581



*does not include (4) CBA's expiring in 2020

Universal Full-Day K Financing Plan

Total Cost of Universal Full Day Kindergarten	<u>\$1,223,716</u>
Less: FY20 Line-Item Adjustments (for current K staff)	<u>(\$718,770)</u>
Less: FY21 Level Service (3 FTE teachers)	(\$186,672)
Less: Revolving 'Full Day K' (6 FTE Paraprofessionals)	(\$110,862)
Less: FY21 Needs List - Specialists	<u>(\$207,412)</u>
	Fully Funded

Identified Savings in Current School Budget
-\$718,770



Plan To Maintain Existing Services

FY21 Level Services School Budget = \$75,412,933

Non-Union Salary Freeze = -\$227,711

Non-Contractual Expenses = -\$73,581

Identified Savings in Current Budget = -\$718,770

-\$1,020,062

Mayor's FY21 Level Services School Budget = \$74,392,872

No Cuts to Existing Services

FY21 Covid-19

FY21 School Committee Proposed	\$76,119,856	
FY21 Projected Actual Budget	\$74,392,872	
Budget Shortfall	(\$1,726,984)	<u>+\$1,020,062</u>
		-\$706,922
Capital Shortfall for Chromebook Initiative	(\$493,300)	
Total Budget Shortfall	(\$2,220,284)	

*does not include (4) CBA's expiring in 2020



Capital “Shortfall” for Chromebook initiative (\$493,300)

On Tue, Apr 21, 2020 at 11:10 PM TLangill@weymouth.ma.us wrote:

When are the IT lease payments due? Thanks.

Take care,

Ted

TED LANGILL
CHIEF OF STAFF
MAYOR ROBERT L. HEDLUND

From: Brian Smith [<mailto:brian.smith@weymouthschools.org>]
Sent: Tuesday, April 21, 2020 11:24 PM
To: Langill, Ted <TLangill@weymouth.ma.us>
Subject: Re:

I believe they are not due until sometime in the fall...I will confirm.

Thanks,

Brian E. Smith
Assistant Superintendent
Finance & Operations
Weymouth Public Schools

On Wed, Apr 22, 2020 at 12:19 AM TLangill@weymouth.ma.us wrote:

Seriously, the fact you responded now...you're a hero. I don't take that lightly.

From: Brian Smith [<mailto:brian.smith@weymouthschools.org>]
Sent: Wednesday, April 22, 2020 10:19 AM
To: Langill, Ted <TLangill@weymouth.ma.us>
Subject: Re: Re:

Thanks, I know we're all pulling crazy hours to work through this stuff so it's no problem at all.

I confirmed that during the transition from Leia to Alyssa, last year, the lease payments did not happen until the winter. Given the crisis, I think we could negotiate making the lease payment in say **December** with the vendor.

Brian E. Smith
Assistant Superintendent
Finance & Operations
Weymouth Public Schools

From: Langill, Ted
Sent: Wednesday, April 22, 2020 12:05 PM
To: 'Brian Smith' <brian.smith@weymouthschools.org>
Subject: RE: Re:

If so, I can find a way to help pay them by that time.

Previous Mid-Year School Funding in Addition to Approved Budget

<u>Fiscal Year</u>	<u>Amount</u>	<u>Month</u>
FY2016	\$120,000	December
FY2016	\$350,000	January
FY2016	\$250,294	January
FY2015	\$1,300,000	August
FY2015	\$300,000	December
FY2014	\$230,258	December
FY2014	\$450,000	March
FY2014	\$148,688	October
FY2013	\$187,000	October
FY2012	\$518,247	November

FY21 Covid-19

FY21 School Committee Proposed	\$76,119,856	
FY21 Projected Actual Budget	\$74,392,872	
Budget Shortfall	(\$1,726,984)	<u>+\$1,020,062</u>
Capital Shortfall for Chromebook Initiative	(\$493,300)	<u>+\$493,300</u>
Total Budget Shortfall	(\$2,220,284)	-\$706,922

*does not include (4) CBA's expiring in 2020



FY21 Needs List

Need	Amount FTE	Cost
Instructional Coach – Literacy & Math	5	317,345
Kindergarten – Teacher & Paraprofessional	2	80,701
Primary & Pre-K Specialists – STEAM & Art	2	103,706
Primary & Pre-K Specialists – Music & Phys Ed	2	103,706
Assistant Principal - Primary	3	279,066
ELL Teacher – Primary & Middle	2.5	158,673
Middle School Teachers – Math & ELA	2	126,938
*CTE Teacher – Metal Fab	1	54,072
CTE Teacher – Robotics	1	54,072
*Asst. Rugby Coaches	2	4,090
*Maintenance – Carpenter/WAC/Plumber	2	105,320
Total: \$2,545,541		
Compliance Only: \$706,922	*denotes NEW	



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Universal Full-Day K Financing Plan

Total Cost of Universal Full Day Kindergarten	<u>\$1,223,716</u>	
Less: FY20 Line-Item Adjustments (for current K staff)	(\$718,770)	
Less: FY21 Level Service (3 FTE teachers)	<u>(\$186,672)</u>	Delay FFDK and these do not get added to FY21 Budget. Could be used toward Compliance Instead
Less: Revolving 'Full Day K' (6 FTE Paraprofessionals)	(\$110,862)	
Less: FY21 Needs List - Specialists	<u>(\$207,412)</u>	
Compliance Needs = \$706,922	Fully Funded	
-\$186,672		
-\$207,412		
<u>\$312,838</u>		



FY21 Covid-19

FY21 School Committee Proposed	\$76,119,856	
FY21 Projected Actual Budget	\$74,392,872	
Budget Shortfall	(\$1,726,984)	<u>+\$1,020,062</u>
Capital Shortfall for Chromebook Initiative	(\$493,300)	<u>+\$493,300</u>
Total Budget Shortfall	(\$2,220,284)	-\$706,922 +\$186,672 <u>+\$207,412</u> <u>-\$312,838</u>

*does not include (4) CBA's expiring in 2020



By Delaying Free Full-Day K and
Freezing Non Union/Contractual Expenses,
School Budget Gap is only **\$312,838** (0.4% of Budget)

School Budget Gap = \$2,220,284

Freeze Non Union/Contractual Expenses = -\$301,292

Use Identified Savings to Keep Existing Services = -\$718,770

Fund Chromebook Lease Payment Mid-Year = -\$493,300

Delay New FFDK Operating/Compliance Expenses = -\$394,084

By Delaying Free Full-Day K and
Freezing Non Union/Non Contractual Expenses,
School Budget Gap is only \$312,838

Mayor's School Budget

\$74,392,872

School Request

\$76,119,856

Non Union/Non Contractual Freeze) -~~\$301,292~~

(Identified Savings) -~~\$718,770~~

(Level Service and Compliance FFDK) -~~\$394,084~~

-~~\$1,414,146~~

\$74,705,710

Difference = \$312,838

Other School Savings/Funding Options

Current FY20 Budget Balances

- Substitutes - \$300K
- Utilities/Energy - \$450K
- Transportation - \$550K
- Custodial OT - \$70K
- WB Mason - \$86K

Reduction in Consultants

Reduction in Administrators

Leftover Capital Funding

- > \$43K Previous FY Funding

**A New Free Full Day K Program will
Directly Impact the Operating Budget and
will Result in Cuts to Existing Services**

Universal Full-Day K Financing Plan

Total Cost of Universal Full Day Kindergarten

\$1,223,716

Less: FY20 Line-Item Adjustments (for current K staff)

(\$718,770)

Less: FY21 Level Service (3 FTE teachers)

(\$186,672)

Less: Revolving 'Full Day K' (6 FTE Paraprofessionals)

(\$110,862)

Less: FY21 Needs List - Specialists

(\$207,412)

These Three UFDK
Funding Solutions
Take Available Funding
AWAY FROM
The Operating Budget

Fully Funded



Full Day K Projection- Updated Cost

Additional Staff & Cost

Original Forecast:

Projected for FY21:

FY21

add ~~5~~ **3** FTE K Teachers

~~\$311,120~~

\$186,672

add ~~8~~ **6** FTE paras

~~\$147,816~~

\$110,862

add ~~6~~ **4** Specialist

~~\$311,120~~

~~\$207,412~~

~~**\$770,056**~~

\$504,946

Decrease from original projection **\$265,110**



Full Day K Projection- Updated

Current K program

enrolled students 348

full day classes 12

1/2 day classes 6

Original Forecast: —→ Additional staff needed

K teachers 5

Paraprofessionals 8

specialists 6

Projected for FY21: —→ Adjusted staff needed

K teachers 3

Paraprofessionals 6

specialists 4



Universal Full-Day K Financing Plan

Total Cost of Universal Full Day Kindergarten

\$1,223,716

Less: FY20 Line-Item Adjustments (for current K staff)

(\$718,770)

Less: FY21 Level Service (3 FTE teachers)

(\$186,672)

Less: Revolving 'Full Day K' (6 FTE Paraprofessionals)

(\$110,862)

Less: FY21 Needs List - Specialists

(\$207,412)

Fully Funded

This Existing Expense
is being Transferred
from the Revolving
Account to the
Operating Budget



Shifting FFDK Revolving Costs (Tuition-Based) to Operating Budget (General Fund-Based)

On Mon, Apr 13, 2020 at 3:21 PM TLangill@weymouth.ma.us wrote:

Thanks.

I thought so until I saw this on full-day K slide...

Less: FY21 Level Service (3 FTE teachers): (\$186,672).

That, to me, suggested three new teachers were under FY21 level services.

From: Brian Smith [mailto:brian.smith@weymouthschools.org]

Sent: Monday, April 13, 2020 3:25 PM

To: Langill, Ted <TLangill@weymouth.ma.us>

Subject: Re: FY21

Yes, you are correct on the (3) for Full day K. **We also rolled the rest out of revolving and into FY20 ops.** As of now we are looking at staffing 18 classes.

Brian E. Smith

Assistant Superintendent

Finance & Operations

Weymouth Public Schools

Impact of Transferring Revolving Fund Expenses to the Operating Budget

FY20 Operating Budget = \$73,619,894

Reductions in Operating Budget for FFDK = **-\$718,770**

Shift Revolving FFDK Costs to Operating = \$718,700

Funding from Mayor's Budget for FY21 = \$772,978

FY21 Operating Budget = \$74,392,872

FY20 Operating Budget = \$73,619,894

Reductions to Save Existing Services = **-\$718,770**

~~Add Revolving FFDK Costs = \$718,700~~

Funding from Mayor's Budget for FY21 = \$772,978

FY21 Operating Budget = \$73,674,102

Available to Prevent Cuts/Layoffs = \$718,770

Use FDK Revolving Fund to Assist Families

“Total Cost” for Full-Day K= \$1,223,716
(Current Cost = \$3,500 per student)

Anticipated FDK Revolving Balance = \$850,000

Use \$600,000 to Assist Families

\$623,716 Net FDK Cost

With Assistance (390 Families) = **\$1,600 per student**
\$160 per month

Distribution of New FY21 Department Funding

Total Increase to Department Budgets
in FY21 Budget = **\$1,100,857**

(excluding fixed costs)

School Portion of Increase = **\$772,978**

Police Portion of Increase = **\$145,027**

Fire Portion of Increase = **\$131,376**

Remaining Portion of Increase = **\$51,476**

**The Town/Schools Cannot Afford
a New \$1.2 million General Fund Program
as we Reduce Spending Elsewhere and
Prepare for Additional Cuts and Costs
in the Face of a Great Recession**

Free Full Day K would not be only COVID casualty

Also Being Delayed...

-Not Enough Funding to Staff the New Tufts Library

-Re-Opening Station 2 Currently on Hold

Why We'll Need our Stabilization and Reserves

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

12.1% Decrease in Local Receipts

Today that equals \$1.65 million

-Free Cash Expected to Decrease

-Will Need to Fund Future Snow/Ice Deficits