
Article C. Current Year Transfers

Proposed by: Board of Selectmen

Estimated Cost: ~~\$70,000XXXX~~

To determine whether the Town will vote to appropriate a sum or sums of money for the operation and expenses of various Town Departments for the current fiscal year; to determine whether such appropriation shall be provided by taxation, by transfer from unappropriated funds, by transfer of funds already appropriated for another purpose, by funds received as grants from the Commonwealth or federal government, or otherwise; and to determine which Town officer, board, or committee or combination of them, shall be authorized to expend the money or monies appropriated therefor.

CURRENT YEAR TRANSFERS FY 2021

PURPOSE:	AMOUNT
1) TREASURERS EXPENSE	\$ 30,000
2) ASSESSING EXPENSE	\$ 40,000
TOTAL:	<u>\$ 70,000</u>
FUNDING SOURCES:	
1) TREASURERS SALARY	\$ 30,000
2) ASSESSING SALARY	\$ 40,000
TOTAL:	<u>\$ 70,000</u>

FINANCE COMMITTEE COMMENTS: These requests for transfers are explained below. The Town budget is voted on a line item basis, and transfers require a vote of Town Meeting even if there are available funds in other departmental line items. None of these requested transfers result in additional taxes because the expenses were supported by the FY2021 budget. In each case, there are available funds in the funding sources line item accounts to cover the requested transfers.

Treasurers Expense \$30,000 This request is to transfer funds from the ~~T~~reasurers salary line item appropriation to the ~~T~~reasurers expense line item appropriation. This transfer is necessary in order to hire an outside audit firm to assist in treasury reconciliations.

Assessing Expense- \$40,000 This request is to transfer funds from the ~~A~~ssessing salary line item appropriation to the ~~A~~ssessing expense line item appropriation. This transfer is necessary in order ~~for the Assessor's Office~~ to hire an outside firm to assist in ~~the property reevaluation,~~ and year end ~~tax~~ processes of the assessing office.

~~FINANCE COMMITTEE COMMENTS:~~

The Board of Selectmen recommends approval. Vote: 0-0-0

ARGUMENTS IN FAVOR: Some requests are the result of information that was not available when forecasting the FY2021 budget.

ARGUMENTS OPPOSED: The Finance Committee is not aware of any.

RECOMMENDATION: The Finance Committee recommends approval. Vote: 0-0-0

QUANTUM OF VOTE: Majority – see Massachusetts General Laws Chapter 44, section 33B.

For more information about this article, contact Finance Director Brian Keveny 508-358-3611 or email bkeveny@wayland.ma.us.

DRAFT

Article O. Select Board/Town Manager Act

Proposed by: Board of Selectmen

To determine if the Town will authorize the Board of Selectmen to petition the General Court for an act of special legislation entitled “An Act to Create a Select Board/Town Manager Form of Government in the Town of Wayland,” the full text of which is printed as Appendix XX to this warrant, or take any other action relative thereto.

PROPOSER’S COMMENTS: The goal of the Select Board/Town Manager Act is to professionalize the structure of Wayland’s government; coordinate administrative, operational, and financial functions; provide a consistent approach for efficiency, effectiveness, and transparency across all departments and boards; use resources effectively; improve legal and regulatory compliance; and maintain volunteer opportunities. Under the Act, the Town Manager is given authority and responsibility for managing the Town in four areas: administration, finances, personnel, and facilities/property.

Wayland is a \$95 million diversified organization in a highly regulated and public service environment requiring a stronger centralized management structure. The Town Administrator has 20 direct reports resulting in an extremely flat organization. Some department heads report to elected boards, not to the Town Administrator. There is no flexibility to group departments, as virtually all of our peer communities do.

This is the third effort over the past thirty years to strengthen Wayland’s executive and financial management structure.

FINANCE COMMITTEE COMMENTS:

The Board of Selectmen’s (BoS) proposition for the Town to adopt the Select Board/Town Manager Special Act is the third effort over the past thirty years to strengthen the Town’s executive and financial management structure. The Charter Commission (1989), the Maximus Group (2002), and the Collins Center for Public Management (2018) have all recommended strengthening the executive function so that all Town department heads (excluding Schools), report to a Town Manager. This article is proposing their recommendation regarding reporting structure, excepting Schools and Library Director. There was also a recommendation reducing the number of committees and boards; however, this article is proposing no changes to committees and boards. (For more information, please refer to this link <https://www.wayland.ma.us/board-selectmen/pages/select-boardtown-manager-act> on the Town website.)

The passing of the Special Act would mean that:

- All department heads, with the exception of the Superintendent of Schools and the Library Director, would report to the Town Manager, instead of elected boards. This would add five additional department heads reporting to the Town Manager (Health, Assessor, Planner, Youth and Family Services and an appointed Town Clerk);
- The Town Manager will have flexibility to begin grouping departments to reduce the number of direct reports;
- The Board of Selectmen would continue as Chief Executive Officer, with the Town Manager managing staff as Chief Administrative Officer and Chief Financial Officer;
- Boards and Committees would coordinate their responsibilities with Department Heads, as they do currently;
- The Board of Selectmen will be called the Select Board;
- The Town Administrator position changes to Town Manager; and

- The Town Clerk changes from an elected to an appointed position.

Wayland's organization was developed when times were simpler. Wayland was a small town with few professional staff and many volunteers who did much of the work. Wayland is now analogous to a \$95 million diversified company in a highly regulated and public service environment requiring a stronger centralized management structure.

Over the decades there have been changes in the complexity of municipal government with increased regulations, financial requirements, and public scrutiny. The level of volunteer work cannot and should not be sustained. Wayland has a reputation for being difficult to manage, which translates into difficulty in hiring people into management positions. Previous Town Administrators have reported that their position has all the responsibility, but not the necessary accountability for many departments.

The Charter Commission recommendation was not approved at a town-wide election in 1990. Two recommendations from the Maximus report were approved by Town Meeting: the 2004 Town Administrator Special Act and the 2008 Act Authorizing the Town of Wayland to Establish a Department of Public Works. Even with these steps forward, Collins stated in the Executive Summary of Wayland's Financial Management Structure Report (2018):

At its core, the issue is that the financial management of the Town is severely fragmented in a way that reduces the Town's efficiency, effectiveness, and transparency.

This fragmented structure is causing deficiencies through increased risk of non-compliance with IRS regulations, Massachusetts Department of Revenue regulations, and procurement law.

Reasons Why The Town Manager Act Is Appropriate In 2021

Per the Collins Center report, and the reports from others, it is past time for the Town of Wayland to make structural changes that will allow it to operate far more efficiently as the world of municipal operations and finance become more complex.

With regard to the Town's ability to operate successfully over the years, the Collins report stated:

The Town has managed to achieve these things through the efforts of dedicated current and prior elected officials, appointed volunteers, and professional staff. These accomplishments have come in spite of, not because of, the structure of Town Government, which appears increasingly anachronistic among Wayland's peer communities and increasingly unable to handle the accelerating changes Massachusetts municipalities must manage.

Currently the Town Administrator has 20 direct reports and 6 department heads appointed by boards and managed by both boards and the Town Administrator. More than 40 boards and committees source ideas and projects and set priorities for staff. There is little coordination of functions, efforts, or priorities among boards and committees. Town efforts are fragmented rather than organized to work towards a common goal.

Based on the Finance Committee's current and former peer community list, Collins looked at statutory management structures and found that Wayland had the weakest structure. The language of a charter, by-law, or special act is what determines the strength of the management structure, not simply the method by which the language was enacted. Also, the title (Town Manager or Town Administrator) does not inherently define the strength of the position. Collins looked at the following towns:

- Hopkinton, Lynnfield, Marshfield, Medfield, North Andover, North Reading, Scituate, Westford, Westwood, all of which operate under a charter
- Carlisle, Hingham, Lincoln, Manchester-by-the-Sea, all of which operate under a by-law
- Cohasset, Concord, Sudbury, Weston, all of which operate under a Town Manager Act with strong language
- Wayland, which operates under a Town Administrator Act with weak language

The reporting structure (organization charts) of Wayland, Cohasset, Concord, Sudbury, and Weston are available on line at the web site: <https://www.wayland.ma.us/board-selectmen/pages/select-board-town-manager-act> (along with other exhibits, including those in Exhibit D to the Warrant). Wayland's organization is flat, while other towns have a variety of department groupings such as Finance, Planning and Land Management, Public Works (as Wayland enacted in 2008), Human Services, Culture and Leisure, Public Safety, Facilities, etc. No two towns have exactly the same structure. This proposed article allows flexibility for the Town Manager to group departments, with oversight by the Select Board, but does not propose a specific organization, due to union considerations for many employees including some department heads.

An organization that is managed under one CEO brings a more consistent management and operational environment to Wayland's Town Government. Currently, each department and committee can have its own agenda. Such a structure is inefficient and does not provide for an environment in which all areas of town government are coordinated, with common goals and priorities.

What are the Impacts of the Special Act, and What Remains The Same:

The Special Act defines the Town Manager's authority and responsibility for administration, finances, personnel, and facilities/property.

The Special Act *maintains* administrative authority and responsibility for coordinating implementation of Town policy; ensuring compliance with policies, procedures, and law; coordinating setting priorities (policies, projects, staff); overseeing emergency situations; communicating activities and coordinating efforts; and responding to requests in a timely manner for public records, general information, Open Meeting Law and other complaints. The word *maintains* indicates that this responsibility already exists in the Town Administrator Special Act of 2004 under Chapter 60 of Town Code.

The Special Act *strengthens* financial authority and responsibility by establishing the Town Manager as the Chief Financial Officer; providing additional Town Manager oversight of Operating and Capital budget development; tasking the Town Manager with effective and compliant finances; affirming the role of Town Manager as Chief Procurement Officer ensuring compliance; and creating clear signing authority to execute and award grants and sign contracts. The word *strengthens* implies a change, but that change does not require any amendment to Chapter 19, which defines the Finance Committee's role.

The Special Act *strengthens* personnel authority and responsibility by centralizing employee services; standardizing consistent and compliant hiring practices; assigning responsibility for performance review standards to the Town Manager; assigning leadership of negotiations to the Town Manager rather than the Personnel Board; and establishing compliance with bargaining unit contracts. Again the word *strengthens* indicates a change from the current practice. In this case, Town Code Chapter 43 will need to be amended to give responsibility for negotiating to the Town Manager in lieu of the Personnel Board.

A personnel related change is that the Special Act changes the Town Clerk from an elected to an appointed position, which is consistent with keeping personnel issues under the auspices of the Town Manager.

The Special Act *maintains* facilities/property authority and responsibility of the Town Manager for construction, repair and maintenance of all Town buildings, real and personal property, and information technology and infrastructure. The Town Manager is still responsible for maintaining an inventory of all Town-owned real and personal property. The word *maintains* indicates that this responsibility already lies with the Town Administrator under current Town Code (Chapter 60).

The Special Act changes the name from Board of Selectmen to Select Board. It reaffirms the Select Board's role as an executive and policy-making body and restates current Chapter 58 (Board of Selectmen) roles.

The Special Act changes the name from Town Administrator to Town Manager with defined responsibilities only as stated in the Special Act. It incorporates all elements of current Chapter 60 (Town Administrator).

The Special Act does not change the following:

- Departments continue to make operational decisions and conduct day-to-day operations;
- Boards/committees retain rights under state law and continue to set policies and maintain all permitting and regulatory responsibilities;
- Volunteer spirit continues through over 40 elected and appointed boards/committees;
- All currently elected boards/committees remain elected;
- The number of appointed boards/committees remains the same;
- Town Code is unchanged for
 - Council on Aging, Chapter 12;
 - Finances, Chapter 19;
 - Planning Board, Chapter 47;
 - Treasurer and Collector, Chapter 72;
 - Board of Health, Division 2;
 - Director of Public Works, Chapter 151; and
- The Library continues to operate under Massachusetts General Laws Chapter 78.

The Town Code will be updated for:

- Personnel, Chapter 43, section B (3) responsibility for negotiations;
- Board of Selectmen, Chapter 58 (being replaced);
- Town Administrator, Chapter 60 (being replaced).

These updates are consistent with the changes discussed above.

What Processes Has the Town Undertaken to Introduce and Create The Special Act, as Proposed:

There has been significant study, discussion and public meetings regarding the implementation of the Special Act. The Collins Center conducted a Review of Financial Policies and Procedures in 2016, a Review of Financial Management Structure in 2018, and created a first draft of the Special Act.

The Board of Selectmen received staff input at a public meeting in April 2018 and at a department head meeting organized by the former Town Administrator. Town Counsel updated the draft in 2019 to make

the language more Wayland friendly and fit with existing Town Code. The BoS conducted committee presentations (17) and community forums (7) in 2019. The Select Board/Town Manager Special Act was scheduled for discussion on 15 agendas in 2018 and 19 agendas in 2019. The BoS submitted the Select Board/Town Manager Special Act article in January 2020 for the planned April 2020 Annual Town Meeting. Due to the Covid-19 pandemic, the BoS voted to pass over this article at the rescheduled and shortened 2020 ATM in September.

Feedback and response: The BoS heard concerns about checks and balances, definitions, hiring and evaluations, and consistency with existing code. The BoS revised the text of the Special Act to continue the Select Board as Chief Executive Officer (CEO) with Town Manager as Chief Financial Officer (CFO) and Chief Operating Officer (COO); to consistently use the words *responsible* and *responsibility* to illustrate that the “buck stops” at the Town Manager’s desk, rather than the Town Manager doing the daily work; to include consultation with committees on hiring and evaluating department heads and allow department heads to hire other staff (within union contract specifications); and to recognize that preference is given to State law and existing Town Code.

The BoS also heard requests to propose a specific organization chart, but the Committee felt that it is too early to determine the future structure. It is likely that the first structural change will be grouping of finance related positions, as that was the focus of the Collins study. The Act provides flexibility to work within Wayland’s needs.

There are no changes proposed to staff positions or union structure, but the Special Act allows for flexibility in organization. There are no changes proposed to the volunteer structure. There are no changes to Chapter 19 regarding the role and appointment of the Finance Committee. The Special Act clarifies practices regarding flexibility in the organization of financial services, as well as responsibility for budget preparation.

Questions about expense savings are difficult to answer. Time and effort efficiencies on future work are not easily quantified. It is expected that repetitive work will be reduced and that project outcomes will improve.

Questions about the process for conflict resolution between committees and departments were posed. The Special Act maintains the Select Board as an elected board with the Town Manager reporting to the Select Board/CEO. Procedural questions such as “who do I call to fix something?” or “what if I have an IT issue?” will not be answered in Town Code, but instead through policy.

Feedback suggesting discomfort with the Special Act includes the following: some committee members may feel that they are losing power or control over their departments or areas of interest; some citizens trust volunteers more than employees; some citizens are concerned that we don’t know for sure if the article will cost money; and some people may feel that one person cannot do all that is expected of a Town Manager.

Questions and answers regarding the Special Act can be found in Exhibit D hereto in an exhibit entitled Select Board/Town Manager Special Act Frequently Asked Questions (FAQS), dated 1/4/21.

Summary:

The challenges of 30 years ago remain today. The Wayland Charter Commission (1990) wrote:

Town government is growing increasingly complex, and it is essential that we have a well qualified person to handle the day-to-day administration. Having specified powers and

responsibilities... will enable the town administrator to be more effective; and we will attract and retain competent people.

The suggestions of 18 years ago are still pending today. The Maximus Report (2002) stated:

Move towards a Town Manager form of government. As an interim (or evolutionary) step, consider making the transition to a Town Administrator form. This will entail delegation of additional authority to the Town Administrator/Manager. This will also include moving staff from reporting to various boards and commissions to the Town Manager.*

Other functions of the Town currently are responsible to a range of accountability points (i.e., boards, commissions, Executive Secretary) which leads to some confusion about responsibility and authority (as well as diluting accountability).

All staff in the Town should report to the Town Manager on matters of personnel, finance, service levels, etc. Boards and commissions should retain no direct supervisory authority.

**accomplished in 2004*

Today's challenge is summarized by the Collins Center (2018):

Wayland appears increasingly anachronistic among Wayland's peer communities and increasingly unable to handle the accelerating changes Massachusetts municipalities must manage.

Much of what is included in the Special Act is either in current Town Code Chapter 60 (Town Administrator or follows current practice. This is an opportunity to think about what is best for the whole Town, not just about retaining the power of a committee, but also about how individual departments should fit within the Town structure to best position the Town for future functionality.

We have come full circle to 1990, when the Charter Commission wrote:

The commission feels that the proposed charter provides a viable, progressive and flexible structure for Wayland government for many years to come.

Very few voters will favor every provision of this charter. We urge that you vote for adoption if you conclude that, on balance, the town will be better managed under the charter than without it.

Additional information regarding this Article can be found in Exhibit D to this Annual Town Meeting Warrant. These exhibits, and other information regarding the Special Act can be found at the web site: <https://www.wayland.ma.us/board-selectmen/pages/select-boardtown-manager-act>.

The Board of Selectmen recommends _____. Vote: 0-0-0

ARGUMENTS IN FAVOR:

- Wayland’s government is operating in an environment of greater regulation and complexity and a more centralized system of management is in its best interest.
- Wayland is an outlier in its flat organization compared with virtually all our peer communities. It is time to begin to modernize Wayland’s structure. The Special Act is a step in this direction.
- Previous Town Administrators have reported that their position has all the responsibility, but not the necessary accountability for many departments. The Special Act will provide the Town Manager with the accountability and responsibility for these departments, thereby making their management more effective than it is currently.
- Currently the Town Administrator has 20 direct reports, some of whom are managed by the volunteer boards and committees with which they are affiliated, in addition to the Town Administrator. The Special Act will provide for all staff reporting up to the Town Manager, which should provide for a better operating process.
- The Special Act allows for groupings of departments in order to reduce the number of direct reports to the Town Manager.
- More than 40 boards and committees source ideas and projects and set priorities for staff. The Special Act will bring this process under the control of the Town Manager, allowing for more effective setting of goals and priorities.
- It is expected that redundant work will be reduced.

ARGUMENTS OPPOSED:

- Collins suggested that the Town make a systematic review of the overall organizational structure. There are limited organization structures recommended in the Special Act regarding Boards and Committees, and some may argue that these should be addressed as part of the Special Act.
- Some modifications to the Town’s bylaws will be required. (Town Counsel will provide a red-lined Town Code available on-line before Town Meeting.) Some might want to have these modifications debated by the Town prior to moving forward with the Special Act.
- The Article is not able to define whether the Special Act might cost money or reduce operating costs and they might want this to be defined before the Town votes on the Special Act.
- Although the Special Act allows the Town Manager flexibility in the groupings of departments that will report to her/him, it has been suggested that the Special Act may create an undue burden on the Town Manager if they are unable to structure the direct reports in a manner that is efficient and effective.
- Some have asked if the Special Act gives too much power and control in the position of the Town Manager if that person is not managed well by the Select Board.
- Some committee members may feel that the Town Manager will gain control over their departments or areas of interest.

RECOMMENDATION: The Finance Committee recommends _____. Vote: 0-0-0

QUANTUM OF VOTE: Majority.

CONSISTENCY WITH LAW: This proposed bylaw amendment is not repugnant to federal or Massachusetts law, MGL Chapter 40, section 21.

For more information about this article, contact Selectman Lea Anderson at email landerson@wayland.ma.us



Town of Wayland Massachusetts

Date: February 18, 2021

To: Louise Miller, Town Administrator
Arthur Unobsky, Superintendent of Schools

cc: Brian Keveny, Finance Director
Cherry Karlson, Chair of Board of Selectmen Jeanne Downs, Chair of School Committee

RE: FY2022 Proposed Operating Budget

On Monday night, the Finance Committee reviewed the consolidated, proposed FY2022 Operating Budget requested by your organizations. The Total General Fund proposed budget of \$89,083,139 is an increase of \$2,934,014 or 3.41% over the prior year budget of \$86,149,125. The Town submitted \$19,661,189, an increase of \$170,862 or 0.88% over the prior year. The School submitted a budget of \$45,006,650, an increase of \$1,647,505 or 3.80% over the prior year. The most up-to-date Unclassified, Retirement, Debt/Interest, Vocational School budget is estimated at \$24,415,300, an increase of \$1,115,646 or 4.79% over the prior year. These amounts represent a proposed level service budget and do not include any new initiatives.

The Committee also reviewed a projected FY22 Revenue Budget based on current conditions and estimates. The Finance Committee has serious concerns with the revenue sources outside taxation that support the operating budget. There are significant reductions and uncertainties in the projected revenue amounts compared to historical. Specifically, the school revolving accounts are not expected to be able to provide support in line with the \$591,562 provided last year as a result of COVID related issues this year. Further the ambulance fund has reduced its general fund support by approximately \$200,000 in this year's budget to reflect fund disbursements more in line with the annual revenue of the fund. State aid is presently budgeted at \$6,400,000 which is the same as last year. We have not been notified by the State with an actual amount and this represents a conservative estimate. The Town could have an increase between 1%-3% once the State reviews their allocation model. However, it is unclear when and how much will be communicated to the towns.

While the Proposed FY22 Operating Budget reflects a projected 3.41% increase year over year, the revenue shortfalls are inflating the potential tax implications. The financial model currently estimates the real property tax revenue increase needed to support the current operating plan, OPEB, Cash Capital, State Assessments and Overlay to be approximately \$78,063 or 5.40% year over year increase. This equates to an estimated average residential real property tax bill of \$15,461 or a 6.75% year over year increase. (The Finance Committee used an average house assessment of \$800,000 for budget purposes. Total valuations were flat this year impacting the FY21 tax increase.)

The Committee acknowledges these revenue numbers are fluid and could be adjusted before a final budget is submitted to Town meeting. However, given the currently projected revenue shortfall, it would be hard to support any new initiatives at this time and further it was voted last night (6-1-0) to reduce the level services operating budget to reflect a more sustainable budget model that is more within our financial goals. A \$700,000 reduction would adjust the tax increase to 4.45%, a level more in line with prior years and our peer towns. We are proposing a reduction of \$350,000 be taken out of the level services operating budget along with reducing the OPEB contribution by \$250,000 and health insurance by \$100,000. After reviewing the departmental year over year increases, the recommended reductions should be allocated as follows, Schools \$300,000 and Town \$50,000. Note that this will be the second year we have reduced the OPEB funding to balance the budget but considered the COVID related impact to the Town warranted the adjustment.

This has been an extremely difficult year and the Finance Committee appreciates the hard work, analysis, and time put into creating this year's budgets. Thank you for providing the Committee with all the information necessary to evaluate these budgets. Our goal is to make an informed and reasoned recommendation to Town Meeting and feel these adjustments are needed to meet that goal. If you have any questions, please contact Steve Correia, scoreia@wayland.ma.us or 508-868-2264.

Regards,

Steve Correia (Finance Committee Chair) and Kelly Lappin (Finance Committee Vice-Chair)

Cc: Adam Gutbezahl, Carol Martin, Christine Roberts, Pam Roman, and Bill Steinberg.

To: The Finance Committee
From: The School Committee
Date: February 28, 2021

At Wednesday's School Committee meeting we had an extensive discussion about the operating budget and your memo of February 18th. In your memo, you ask that the School Committee reduce its level services budget by \$300,000. Additionally we learned that our level services budget is actually \$102,000 more than originally voted on by the School Committee due to new information concerning a 27th pay period in FY22 and an under budgeting of the FY22 salary reserve in the unclassified line item. Thus the reduction that we are being asked to make, per conversation with the FinCom chair, is \$400,000.

As you know, the School Committee has gone through an extensive zero based budgeting process to come up with its voted budget. We are concerned that recent funding limits and budget reductions (\$150K in FY21) have eroded the level service school budget over the past years, especially when you consider the pressure that was put on the school budget this past year (see Appendix A for detail). Cutting the level service budget by \$400,000 will have a serious impact on the direct services to our students requiring the elimination of teaching positions and/or assignments. Reducing these personnel expenses would require increasing class size, reducing the number of sections, and/or reducing the number of high school electives.

One of our biggest concerns as mentioned to you at a recent Finance Committee meeting is the mental health needs of our students. The mental health issues we have seen this year just through December are greater than we have seen in the entire school year in previous years. The effect that COVID is having and will continue to have on the mental health of our students is well documented. This is a serious concern that involves the welfare of all students and we do not want to get to the fall and not have the necessary resources to address the needs. It is not optional in our opinion.

To that end, we are making reductions in our facilities and maintenance line items but are adding in the tier 1 initiatives that address the mental health of our students. We feel we are giving up a lot by not including the tier 2 initiatives but in this financial climate we feel it is the right thing to do.

SC Voted Level Services Budget	\$ 45,006,650
Adjustment to Level Services Budget	\$ <u>102,000</u>
Revised FY 22 Level Services Budget	\$ 45,108,650
Reduce Maintenance Contract	(\$ 60,000)
Reduce Facilities	(\$ <u>167,382</u>)
Reduced FY22 Level Services Budget	\$ 44,881,268
Add Tier 1 Initiatives	\$ <u>227,382</u>
Total	\$ 45,108,650

We realize that this is not what the Finance Committee hoped for. However, we cannot in good conscience cut the services that directly affect our students, particularly in a year where mental health and learning loss must be addressed. It is our responsibility as a committee and as a community to invest in our children. After all, they are our future.

Please don't hesitate to reach out with questions. Thanks for all your work on the budget.

APPENDIX A

FY 21 Budget Pressures

The district has managed to meet unprecedented financial challenges this fiscal year. First, normal budget fluctuations due to the net effect of changes in student services, staff exchange and contract services have resulted in a \$300K budget deficit this year. This includes a \$201K deficit due to the underfunding of the Facilities Budget. Second, the district has had to secure funding for over \$1.5MM of unbudgeted and unanticipated COVID related expenses.

Unlike many other Massachusetts communities, the district is projecting to meet these financial obligations within its FY21 appropriation. This has put enormous pressure on the district to save, reduce, compromise, make do, find efficiencies, defer, postpone, delay, limit, reassign and reallocate resources at a time when it has simultaneously been required to completely restructure its instructional model and deliver a robust education to its students.

A portion of the COVID expenses have been funded through federal and state grant funding but the balance of these increased costs has been funded through this year's budget appropriation using a combination of:

- Financial management for strategic reallocation of funding
- Deficit and cost reductions through efficiencies

A) Financial Management for Strategic Reallocation of Funding

- \$204,000 in FY 20 Circuit Breaker reimbursements postponed for use in FY21
- Additional \$100K end year balance in FY 20 allocated to prepay SPED out of district tuition fees in FY21
- Over \$6K reallocated to grants and special revenue funds through Curriculum Directors, School Leadership, Library
- \$20K projected balance in professional development conferences and events
- \$5K projected balance through reallocation to grant funding for classroom hardware supplies
- \$28K reallocated resources to support WRAP through reducing the Writing Center hours
- \$20K projected balance through postponement of textbook purchases
- \$25K projected balance through postponement and limit instructional materials and general supplies
- \$92K projected balance through reducing of extracurricular activities
- \$92K projected balance through abbreviated athletic seasons and reduced team offerings
- \$489K savings through Distance-only busing
- \$35K savings through delayed hiring of school accountant
- \$22K savings through delayed hiring of HR assistant

B) Maximize Resources to Gain Efficiencies and Reduce Costs and Budget Deficits

- Reassigning, redefining and reprioritizing staff functions and duties to direct resources to COVID related needs
 - Savings through the use of existing personnel as substitutes, student supervisors, remote teachers and café cleaning
 - Savings through expanding job descriptions of existing personnel to include COVID related functions

- Savings through redefining job descriptions to allow for simultaneous delivery of hybrid and remote instructional models
- Savings through reprioritizing job assignments to include COVID related responsibilities
- Savings through reassignments, turnovers, and use of contract services for custodial services
- Capitalizing on everyone's willingness to work well beyond their contractual requirement and job description
 - Savings through employees' commitment to getting the job done has been critical to Wayland's success in delivering educational services during the pandemic.

Our efforts to meet the unprecedented fiscal challenges this year will impact the FY22 school budget. The postponement and delay of important and necessary staff functions will need to be addressed in FY22. The procurement of deferred instructional materials will need to occur in FY22. Restoring services and sustaining new health and safety standards of the post COVID world will require additional resources in FY22.

For the first time in many years, there will be no savings to fund a SPED prepayment. Usually, the district is able to prepay between \$200K and \$300K of SPED expenses which allows us to absorb the likely fluctuations in student services the following fiscal year. Without the prepayment, the district is at increased risk for underfunding the federally mandated programs and services included in the FY22 SPED appropriation. Already the pressure on the FY22 budget suggests the prepayment will likely not be an option for FY23.

In essence, we will be starting FY22 with a deficit that we will need to make up all while trying to prepare for the increased needs of our returning students and families.