



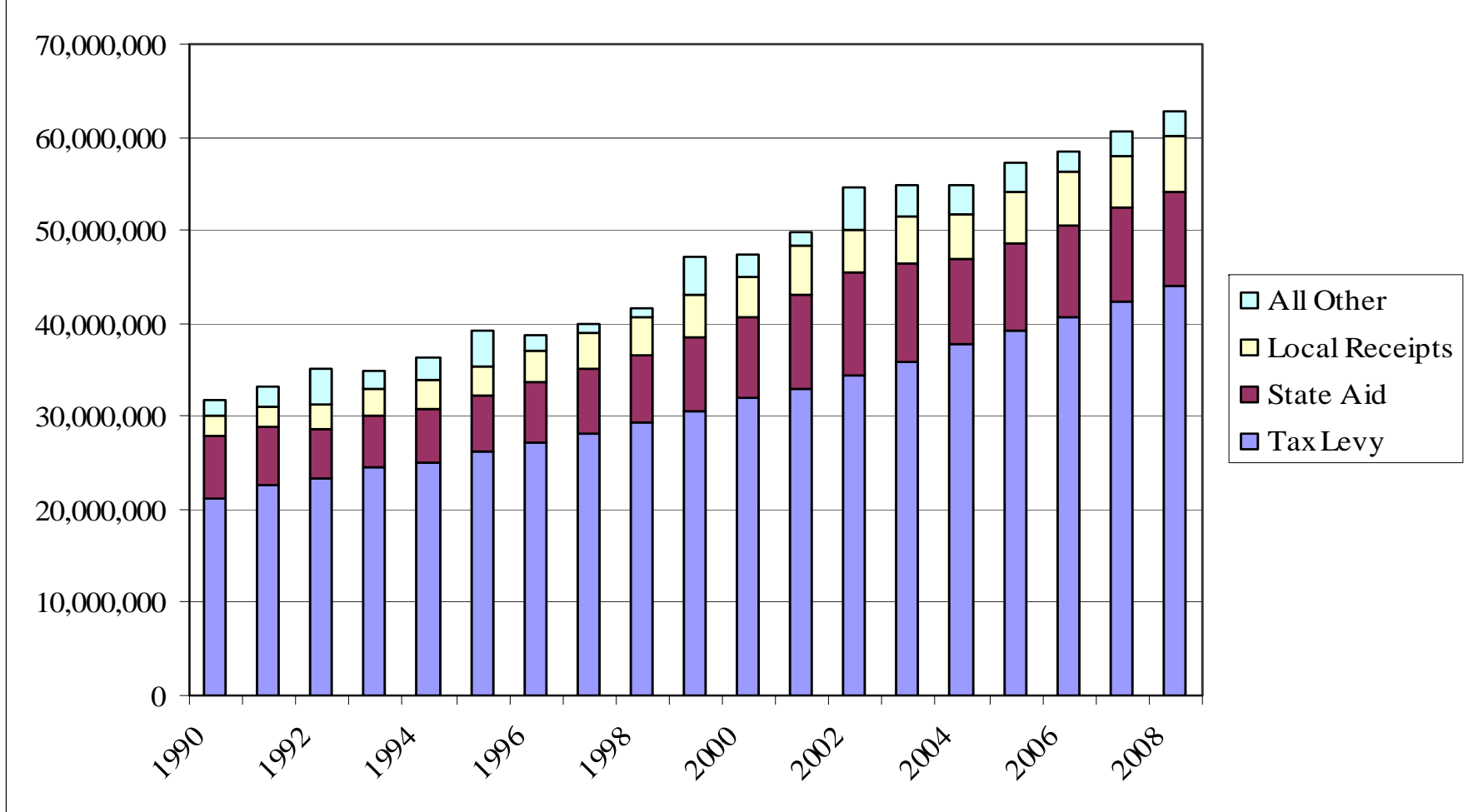
# Wakefield's Financial Picture Finance Committee

March 2008

# Agenda

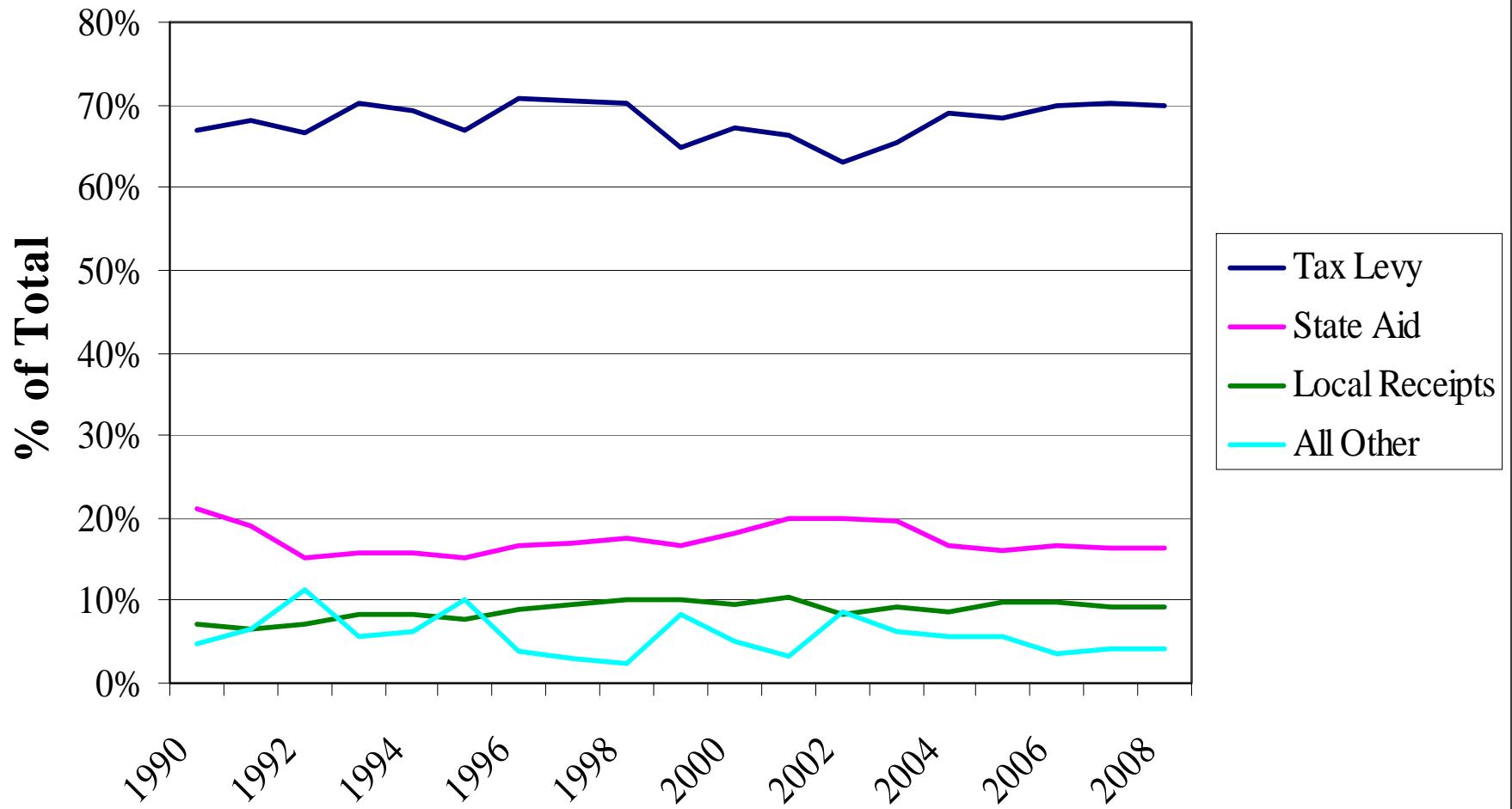
- Past
  - Receipts
  - Accounts
  - Spending
- Present
- Future

# Receipts

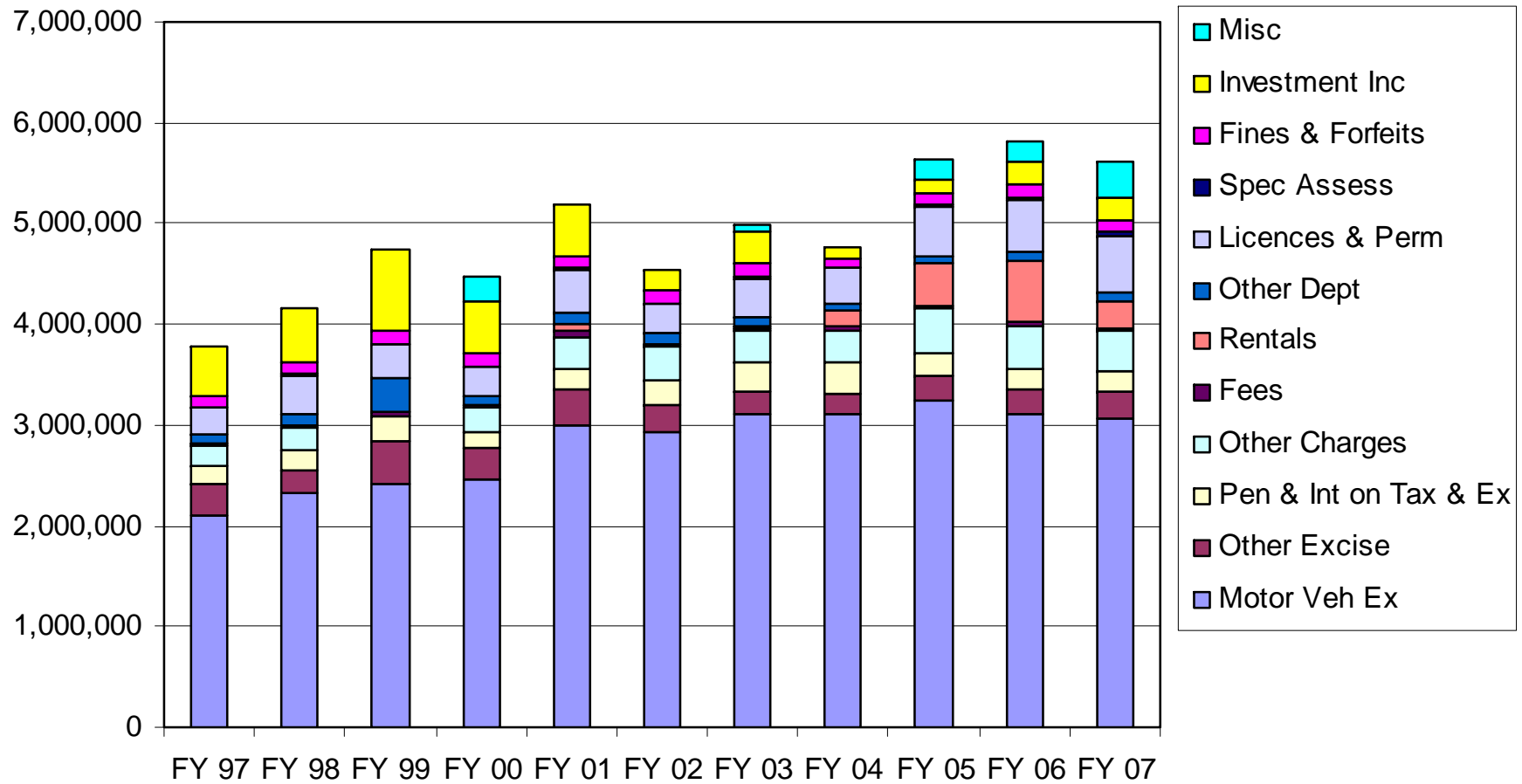


Past 18 year average annual increase is 3.92%; 5 year average is 2.73%

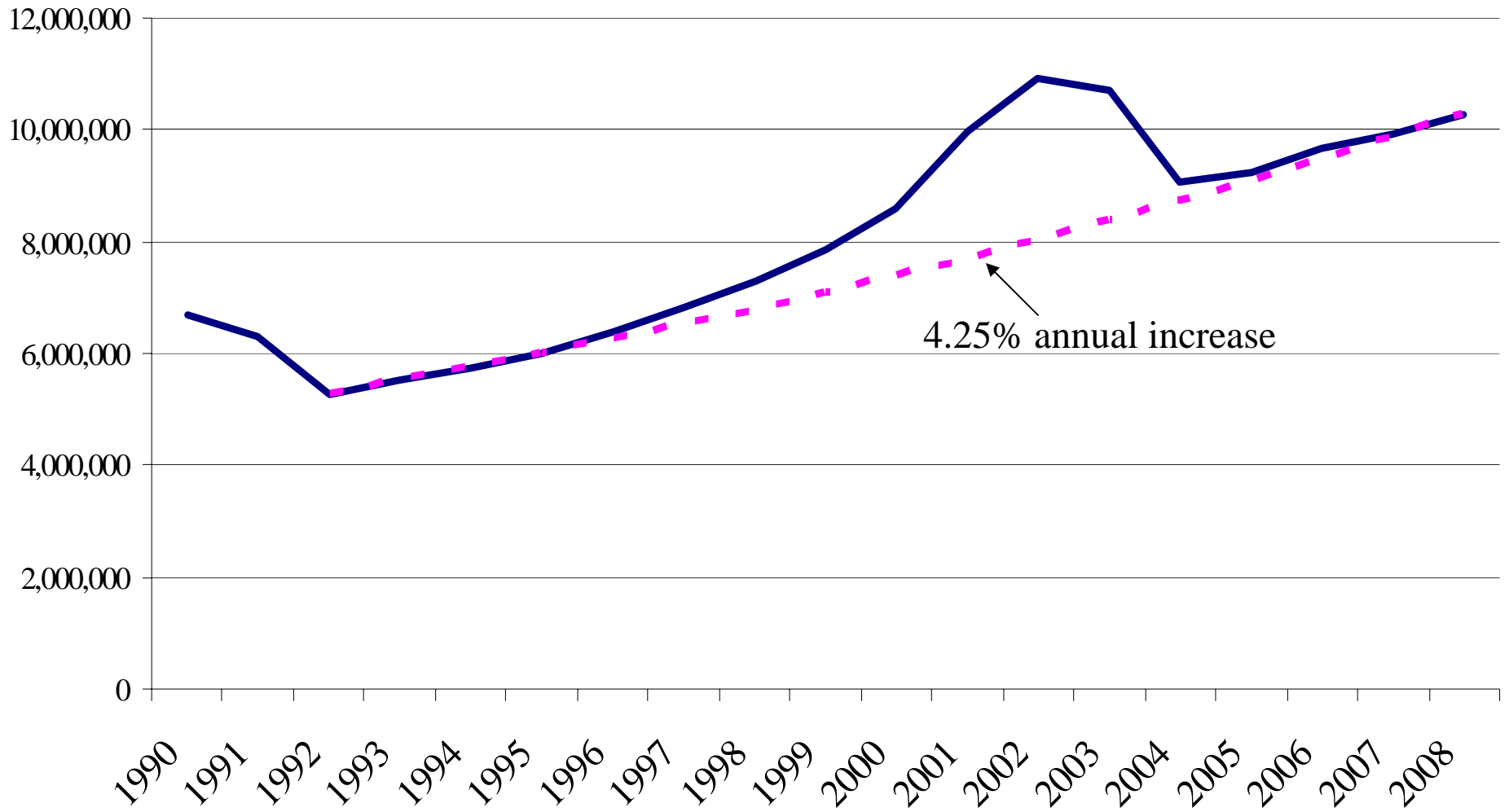
# Receipts



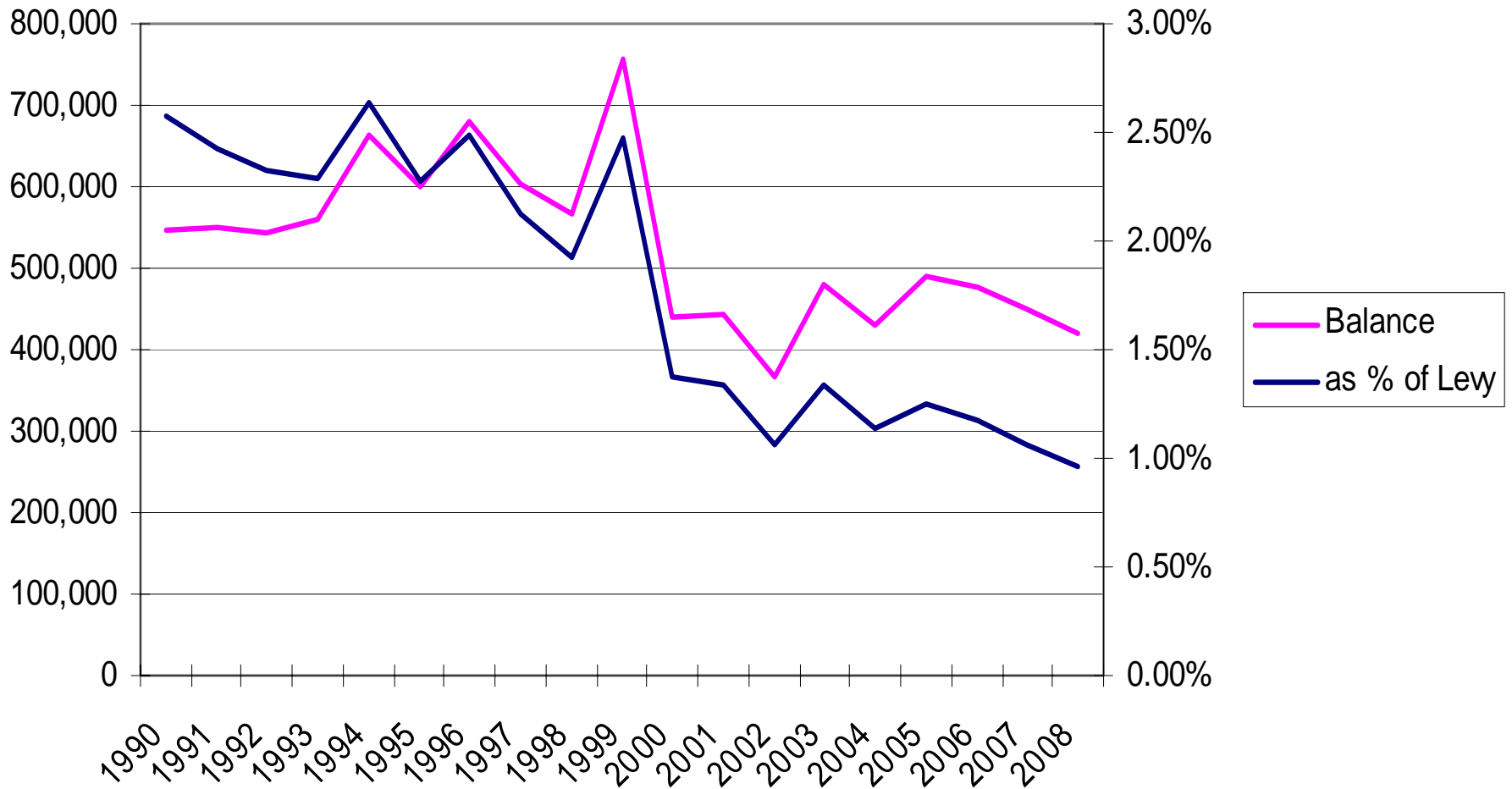
## TOWN OF WAKEFIELD ACTUAL LOCAL RECEIPTS



# State Aid



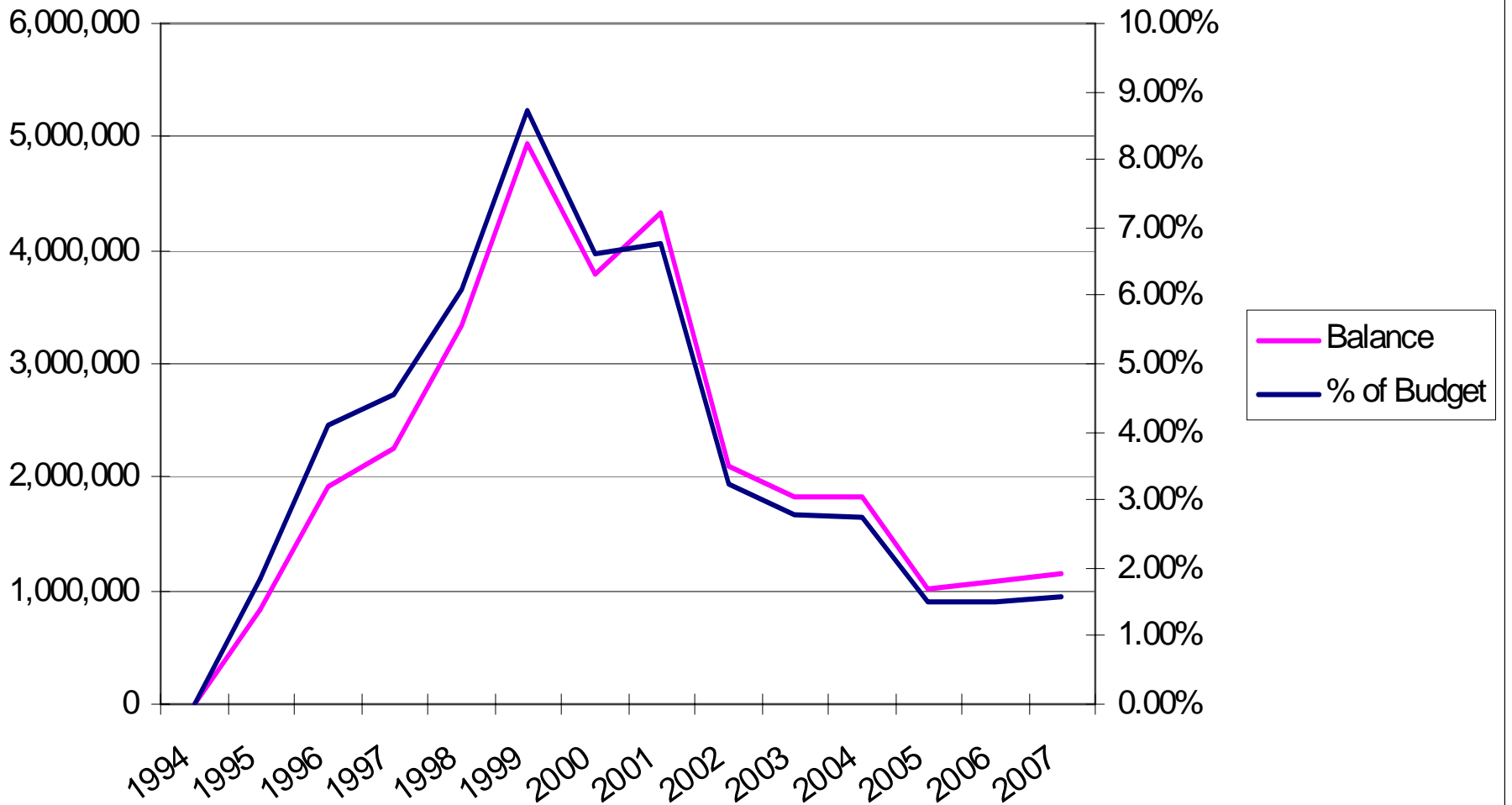
# Overlay Account To Fund Abatements



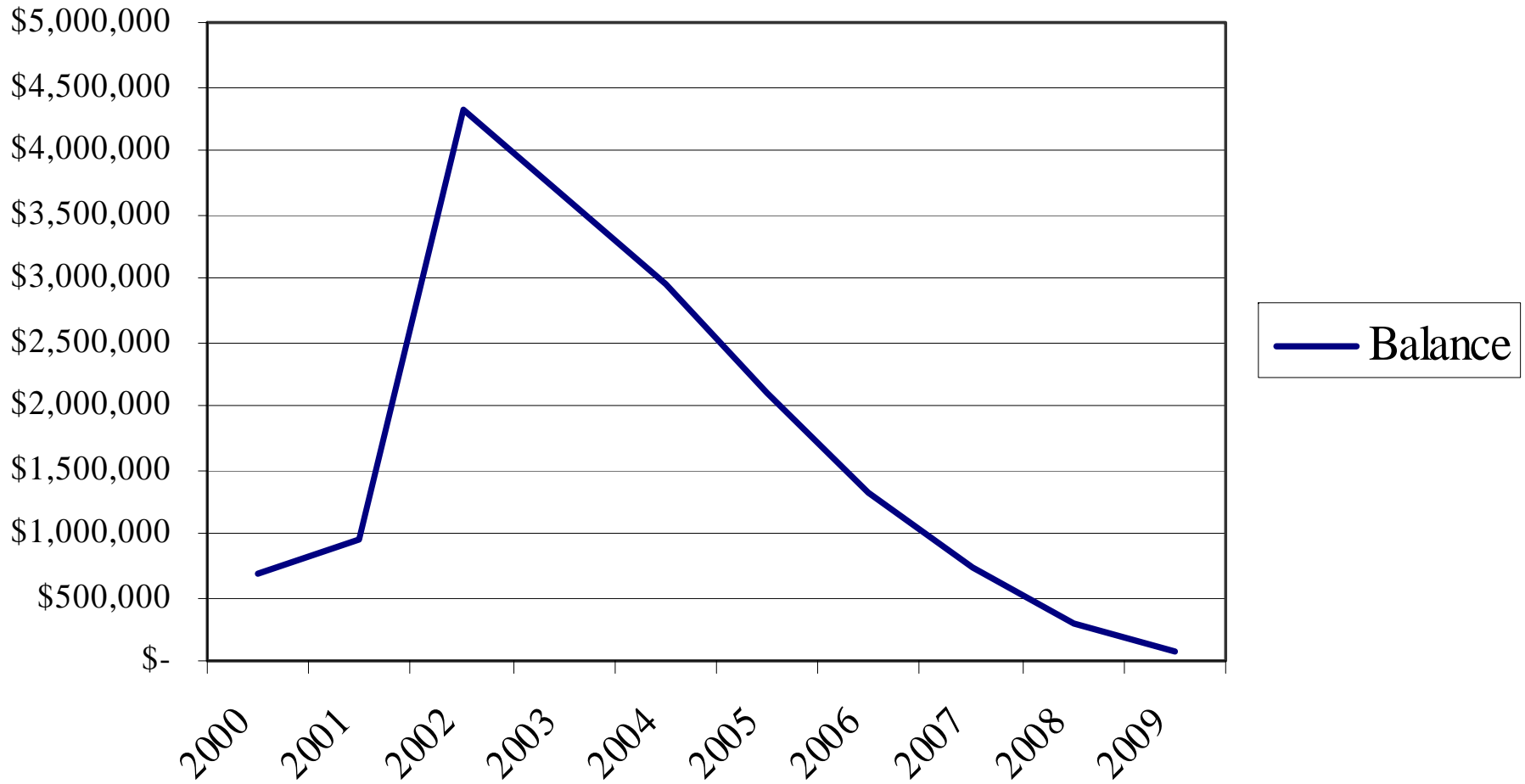
# Free Cash



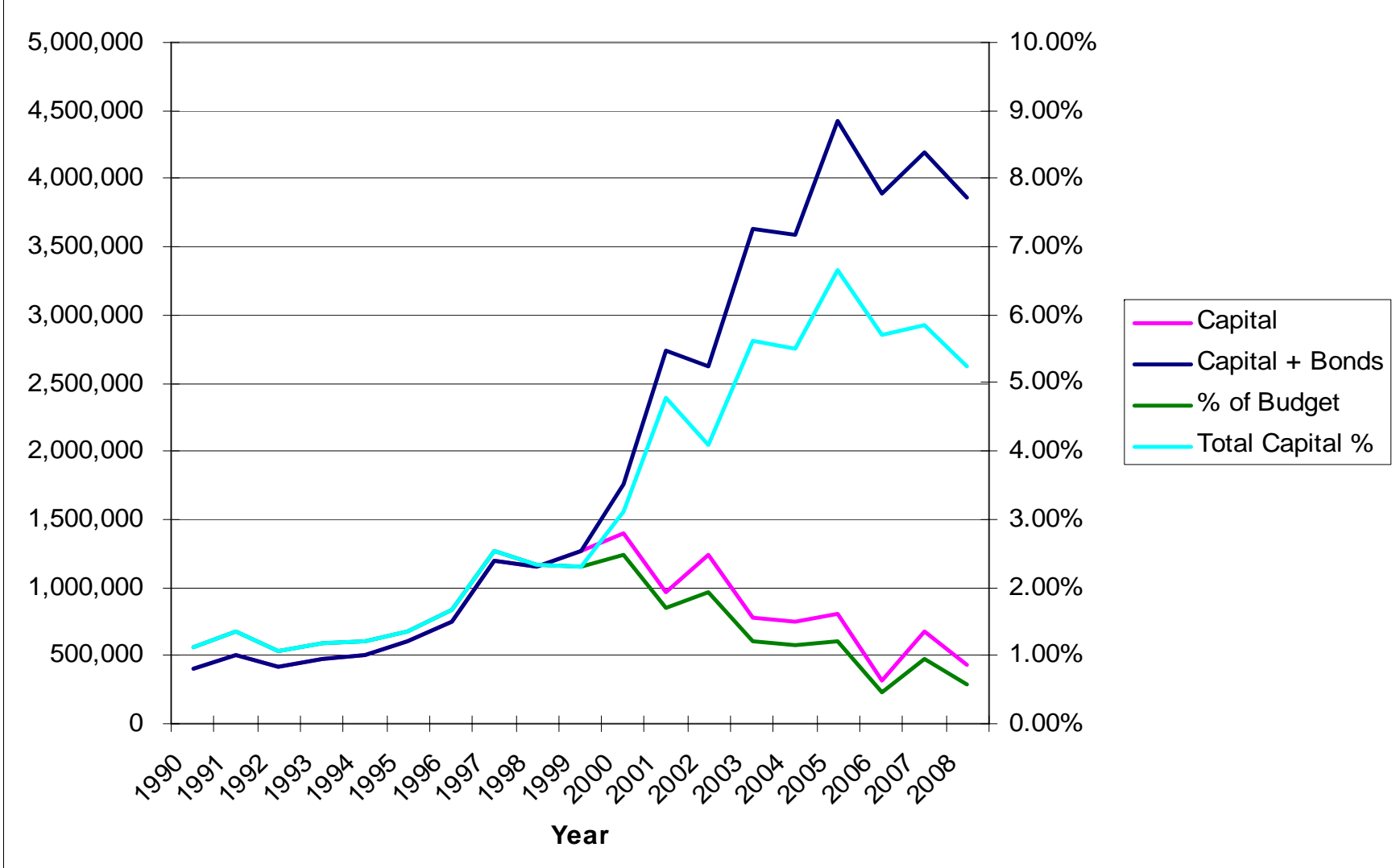
# Stabilization Fund



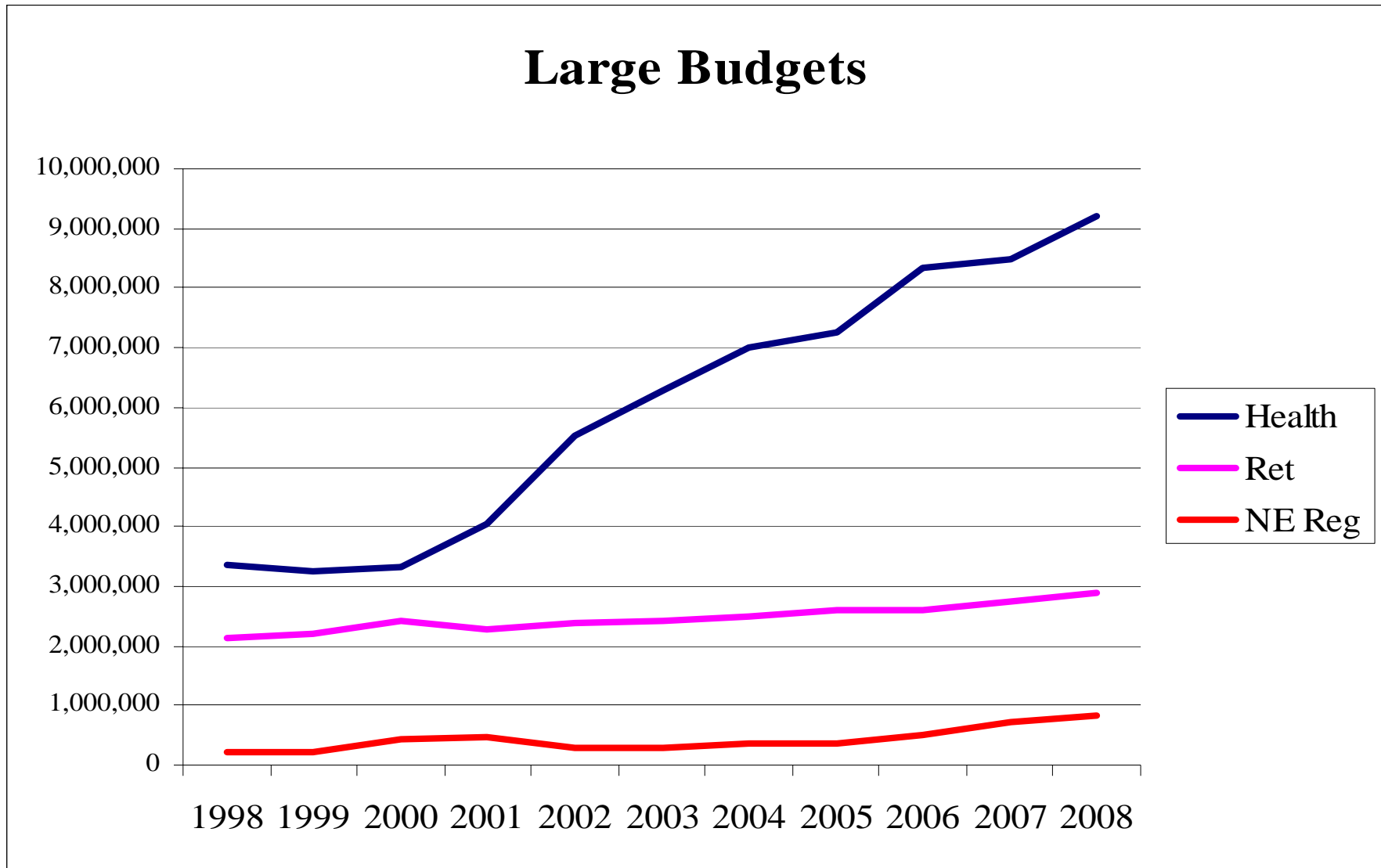
# Debt Service Fund



# Capital



# Large Budgets



**10 year average increase: Health 10.7%, Ret 3.2%, NE Reg Voc 14.3%**

## Personal Services - \$000

	FYE06	FYE08	Annual Inc %
Schools	20,439	21,859	3.4%
Fire	2,932	3,133	3.4%
Library	790	849	3.7%
Police	3,244	3,425	2.8%
DPW	2,252	2,367	2.5%
Other	1,702	1,760	1.7%
Total	31,359	33,393	3.2%

# The Present

- We have depleted our reserves
- Some services have already been cut, for example:
  - Road and Sidewalk construction
  - School Aides
  - Library closings for one week in August
  - Reduced Fire Force and equipment
  - Reduced Police Force: DARE Officer, Resource Officer, Narcotics Officer
  - No commitment to flood control
  - Reduced building and field maintenance, including minimal effort to control energy costs through building improvements
- Contemplated Capital projects total over \$47 million
- Increased Fees (e.g. White goods, Activity)

# The Present

- Things that have hurt us:
  - Cuts in State Aid
  - Large Increases in Dollars or as a Percentage:  
Healthcare, Medicare, NE Reg. Voc, Special Education,  
Fuel, Electricity
  - Flattening of vehicle excise tax income
- Outstanding debt for projects is about \$30 million  
(Library, Dolbeare, Woodville, Public Safety,  
Senior Center)

# The Present

- Current rate of increase in Tax Levy: \$1.50 million / yr
- Current rate of increase in spending for:
  - Salaries: \$1.25 million
  - Healthcare: \$.50 million
  - Retirement: \$.14 million
  - NE Regional Voc: \$.13 million
  - Total: \$2.02 million
- Remainder for Capital, Fuel, Maintenance, Goods and Services, and other projects: -\$\$.52 million

## The Future – FYE09

- If we provide modest increases to personal services, the budget will have a deficit of about \$858,000
- Services will be maintained
- Additional Revenue will need to be found to close the gap
  - Debt Exclusion, Override, State Aid, Fees

## Continued Services

	<u>Expenditures</u>	<u>Income</u>	<u>Surplus (Deficit)</u>
2008	61,569,523	61,569,523	-
2009	64,286,347	63,428,222	(858,126)
2010	66,562,779	65,507,611	(1,055,168)
2011	68,820,450	67,769,029	(1,051,421)
2012	71,181,425	70,113,418	(1,068,007)
2013	73,627,713	72,543,455	(1,084,258)
2014	76,152,905	75,062,337	(1,090,568)
2015	78,747,837	77,672,897	(1,074,940)
2016	81,346,349	80,378,533	(967,816)
2017	84,033,465	83,182,243	(851,222)

We need a little more than \$1,000,000 of additional Income each year.

## Reduced Services

- If we do not receive additional revenue, FYE09 Personal Services will need to be cut about 1% to increase the capital budget to meet requirements, cover fixed costs, healthcare, provide for new contracts and balance the budget
- Tough decisions
  - Personal Services versus Goods and Services versus Capital
  - Healthcare plan modifications

# Reduced Services

- Potential reduction in services include:
  - Greenwood Fire Station and Fire Department
  - Police Force
  - School Programs, Books, Teachers, Librarians, Aides, Workshops, Development, Custodians, & Crossing Guards
  - Athletics & After School Activities
  - Redistricting of Schools
  - Loss of Library Accreditation, Librarians
  - Poorer maintenance of roads, sidewalks, fields and buildings

## Reduced Services

	<u>Expenditures</u>	<u>Income</u>	<u>Surplus (Deficit)</u>
2008	61,569,523	61,569,523	-
2009	63,413,197	63,428,222	15,025
2010	65,506,603	65,506,548	(55)
2011	67,732,542	67,767,933	35,391
2012	70,060,831	70,112,290	51,459
2013	72,473,450	72,542,293	68,843
2014	74,963,960	75,061,140	97,180
2015	77,523,168	77,671,665	148,497
2016	80,084,880	80,377,263	292,383
2017	82,734,090	83,180,935	446,845

Without additional income of about \$1,000,000, services will be reduced to balance the budget in FYE09. Additional reductions in services will be required in subsequent years.

## Projects Ignored in Forecasts

- \$1.5 million for ADA improvements to High School
- ~\$15 million for Greenwood renovations\*
- ~\$15 million for High School renovations\*
- ~\$14 million for Galvin renovations\*
- \$750,000 for Ladder Fire Truck
- ~\$75 million Unfunded Liability for Retiree Medical Benefits
- \$1 million for unfunded FYE09 Capital requests

\* SBAB reimbursements, if any, would reduce this figure

## Tax Levy Forecast assuming \$475,000 annual New Growth

	<u>Tax Levy</u>	<u>Increase</u>			<u>Tax Levy</u>	<u>Increase</u>
2008	43,922,034			2019	63,559,161	3.27%
2009	45,495,085	3.58%		2020	65,623,140	3.25%
2010	47,107,462	3.54%		2021	67,738,719	3.22%
2011	48,760,149	3.51%		2022	69,907,187	3.20%
2012	50,454,152	3.47%		2023	72,129,866	3.18%
2013	52,190,506	3.44%		2024	74,408,113	3.16%
2014	53,970,269	3.41%		2025	76,743,316	3.14%
2015	55,794,525	3.38%		2026	79,136,899	3.12%
2016	57,664,389	3.35%		2027	81,590,321	3.10%
2017	59,580,998	3.32%		2028	84,105,079	3.08%
2018	61,545,523	3.30%		2029	86,682,706	3.06%