

Windows on Wakefield Government

I am sure that many of you have been closely following the economic state of the nation and are concerned with how it will affect the ability of government to provide services. Not to mention how it will affect your personal house hold budget. It has been an ongoing struggle to provide the best services to the citizens of Wakefield within the budget constraints these times have forced upon us. A recent Boston Globe article perfectly expressed the dilemma facing us when they wrote:

“Local officials worry about cutting too much or too little, too early or not soon enough. They fear that state aid could be reduced again if the economy worsens, even as they hope it is restored in part or in full by new taxes or relief from the federal stimulus package”.

Although the Globe did not interview me, that quote certainly captures my sentiments. I would like to take this opportunity to share the planning and steps taken by me with the backing of the Board of Selectmen and the cooperation of the Superintendent of Schools to resolve the budget shortfall for this year and the budget to follow starting July 1, 2009.

Fiscal Year 2009

As you are aware, a portion of Wakefield’s budget is funded through various State Aid accounts. The compilation is affectionately called the “Cherry Sheet” (named because prior to the age of the internet, the document was printed on cherry red paper). According to last year’s “Cherry Sheet”, Wakefield was to receive \$9,672,874.00 in state aid. This sum represents approximately 15% of the total town budget. In early October, I received word from State Senator Richard Tisei that state revenues were lagging and we should be aware that state aid could be cut. After conferring with department heads the Superintendent of Schools and the Board of Selectmen, it was decided to institute a hiring freeze of any unfilled but budgeted personnel and restrict overtime (with the exception of public safety personnel) along with delaying the purchase of some capital items. By removing these already budgeted for items we have been able to close the \$408,582.00 shortfall without the utilization of any reserves or layoffs, and without any further reduction of services to the public. Although one could argue that services have been impacted by the lack of needed capital items or the failure to replace an engineer, or hire an assistant superintendent, I believe that this was the most prudent course to take in face of the mixed signals we were receiving up to the very moment Governor Patrick announced the reduction. I remain concerned because the State is balancing its deficit in part with new revenues and over \$500 million in hoped for Federal aid. Therefore we will continue the measures taken earlier until the “check clears” for the final payment from the state.

Fiscal Year 2010

While resolving the budget crisis for this year we are also well into the preparation for next year’s budget. Working with the Board of Selectmen, Finance Committee and

Town Accountant I have forecasted a “level funded” budget for 2010. We are able to arrive at this figure due to the following:

1) According to Governor Patrick’s initial “Cherry Sheet”, State Aid for 2010 will be \$8,772,383.00 (a reduction of \$900,491.00). This is no real surprise, however, a portion of this amount is contingent upon the passage and revenue generated from an additional 1% state wide meal tax as well as a state wide increase in the hotel room tax.

2) New growth will be \$500,000.00(due mainly to the National Grid sub station).

3) \$500,000 of free cash will be used (consistent with recent years).

4) Increase in taxes allowed under Proposition 2 ½ (\$1,143,265.00)

5) Reduction in Local Receipts of \$450,000.00 (8% drop in excise taxes).

This forecast will be available on the web site shortly for your perusal. It is subject to revision because we have yet to receive the health insurance rates for next year or the final tally on snow and ice. Regarding the now and ice budget I recommend increasing the amount of that budget gradually over the next few years to a more realistic number. This forecast also includes no raises for any town employees. The Finance Committee and I will hold a budget summit in March where the public can obtain information and ask pertinent questions prior to town meeting. Finally the Board of Selectmen and I remain aware that even if the State Aid amount holds through July 1, 2009 we could still be subject to another round of mid year cuts therefore we will be very prudent in how we appropriate even budgeted items.

All is not gloom and doom however. We have made great strides collaborating with our surrounding towns on the more efficient and cost effective delivery of services. With technical assistance from the state I believe that we will move forward on sharing health services, police and fire dispatch, plumbing and electrical expenses. The federal stimulus package may result in assistance necessary to repair our infrastructure and drainage issues provide funding to complete the Performing Arts Center and upgrade some of our recreational facilities. We have already received a Federal Grant that will cover 90% of the cost of replacing our aging fire protection gear and are in line for a large grant which will help provide funding for personnel. This funding will help us put more public safety officers on the street and at the scenes of fires for less local dollars. We have achieved greater town wide consistency on capital planning which will achieve better results in a more cost effective manner. Finally, the federal stimulus package may also increase payments to the town to help defray costs in special education.

Economic Development

Recently the Town Planner hosted the first in what I hope to be a series of economic development meetings designed to stimulate economic activity in the down town. This

meeting was very well attended and I encourage all to get involved in this effort as well as the Bylaw Review Committee as we strive to improve not only business opportunities but also the quality of life for all our citizens.

These next few months and perhaps years will not be easy. I welcome your input and look forward to the ensuing debate. For those of you who have sent in your SWOTS I am reviewing all comments and will share the content with the Board of Selectmen as we move forward on adopting a strategic vision for the Town. As always I am available at 781-246-6390 or via email at smaio@wakefield.ma.us.