



*A WARRANT COMMITTEE FORUM:*

# A FORK IN THE ROAD: MAKING DECISIONS ON BELMONT'S FINANCIAL FUTURE

JANUARY 25, 2021

More information about the upcoming budget decisions, including videos and presentations from the prior two Warrant Committee forums, can be found at [www.belmont-ma.gov/fy22-budget-information](http://www.belmont-ma.gov/fy22-budget-information)

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December 9, 2020 Structural Deficits, Budgets, and Overrides

January 7, 2021 Examining Financial Options for FY22 and Beyond

# AGENDA

1. Making Decisions in Uncertain Times
2. Services for Residents
  - 2015 and Before
  - 2016 – 2020
  - 2021 COVID
  - 2022-2024 With a Combination of Reserves and Override
  - 2022-2024 With a Combination of More Reserves and Cuts, but No Override
3. Recommendation from the Financial Task Force
  - Understanding the financial model
  - What's in the plan?
4. Making the Decision

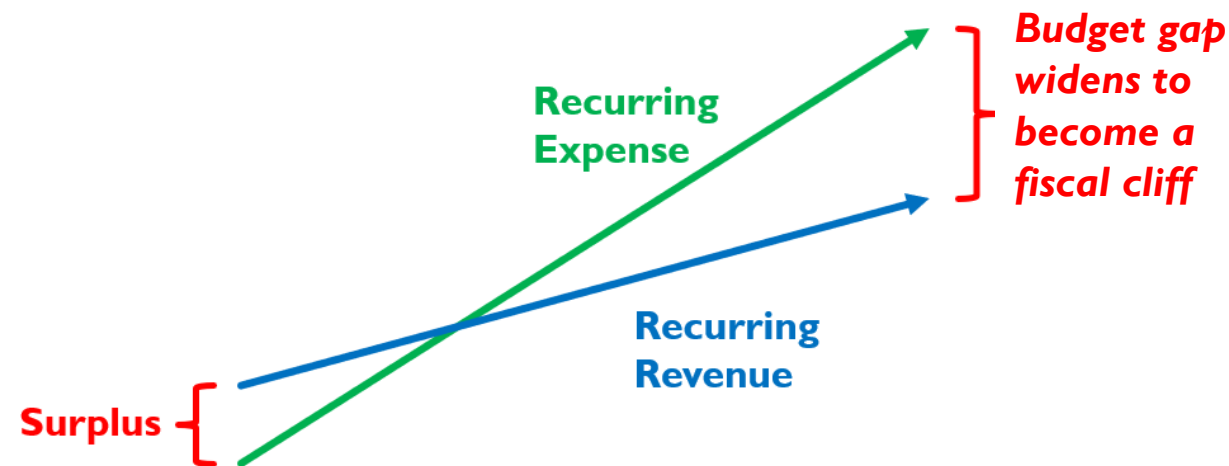
## RECAP ► WHAT IS A STRUCTURAL DEFICIT?

A **structural deficit** happens when recurring expenses increase faster than recurring revenues.

**Proposition 2½** is a Massachusetts law that provides for automatic property tax increases of 2½%. This is a significant constraint for a “town of homes” like Belmont with little commercial tax revenue.

A **fiscal cliff** happens when a structural deficit threatens to disrupt town finances by requiring deep cuts and/or a tax increase.

An **override** is the tool provided by Prop 2½ for voters to reset the baseline tax level more than 2½%.



Conceptual Diagram of a Structural Deficit

# MAKING DECISIONS IN UNCERTAIN TIMES

## UNCERTAINTY

### Normal Uncertainty

Every year, there are assumptions built into the budget to account for uncertainty.

- How much funding will the state budget give to municipalities?
- How many people will renovate their homes?
- Will the snow budget be enough?
- How do we fund unanticipated capital repairs?

### COVID Uncertainty

The pandemic and recession introduced much more uncertainty into the budgets for FY21 and FY22.

- Will consumer-based revenue be volatile?
- Will reserves be higher or lower than expected?
- Will state aid be negatively impacted by the recession?
- How fast enrollment rebound post-COVID?
- Will we still have (costly) remote and hybrid instruction?
- Will there be new federal grant programs for COVID?

# MAKING DECISIONS IN UNCERTAIN TIMES

## RESERVES

How much of our reserves do we need to address the structural deficit?

- Our annual allocation for the operating budget is \$2M
- The plan the Select Board has sent to voters at April town elections assumes a use of surplus\* reserves – \$8.2M – over the next three years to reduce the size of an override
- This results in the use of \$4.7M in the first year

### Considerations

- These are uncertain times – in the middle of a pandemic and recession – so we need to keep ample reserves\* to mitigate financial risk
- Without an override, we risk depleting nearly all surplus reserves to sustain town and school services

*\*These surplus reserves are above the 3% minimum Warrant Committee guideline*

## OVERRIDE

How much do we need in an override to address the structural deficit?

- The Financial Task Force modeled the town budget – revenues and expenses – to explore budget scenarios based on a variety of assumptions
- The Select Board accepted the Financial Task Force recommendation to put a \$6.4M override on the April 6 ballot in combination with a 3-year use of surplus\* reserves

### Considerations

- An override is an important tool for a “town of homes” like Belmont, unlike towns with large industrial and commercial zones
- An override is an action that has a permanent impact on the structural deficit, unlike reserves which help for one year and then are gone

# MAKING DECISIONS IN UNCERTAIN TIMES

## FINANCIAL PLAN

### The Value of a Plan in Normal Times

A financial plan provides the stability needed to make good management decisions.

- Staff can focus on delivering services, not the ups and downs of funding and freezes.
- Hiring can happen in a timely manner and purchases are not “on hold”
- We retain and attract good employees to fill vacancies because they want to work in Belmont.

### The Necessity of a Plan in Uncertain Times

A financial plan mitigates risk and protects the town in uncertain times.

Without a multi-year plan:

- At best, we are at risk of making short-sighted decisions out of budget necessity.
- At worst, we are seriously at risk if there is an adverse event – for example, a compromised roof, an expensive system failure, or economic downturn.

# MAKING DECISIONS IN UNCERTAIN TIMES

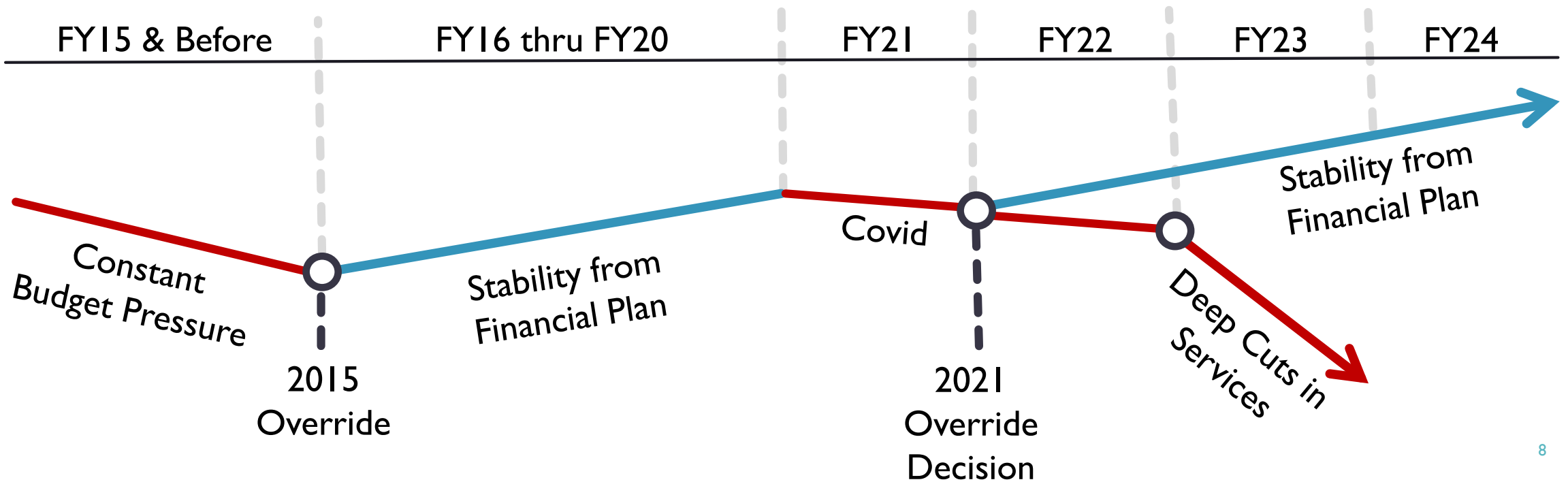
## *THE BOTTOM LINE*

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1. Uncertainty is higher than usual due to the pandemic and recession
2. Reserves are available to reduce the override, but we must be prudent in maintaining appropriate levels of reserves to protect the town
3. A multi-year financial plan brings stability and fiscal responsibility in a time with many unknowns

# SERVICES FOR RESIDENTS

## Trajectory of Services for Residents





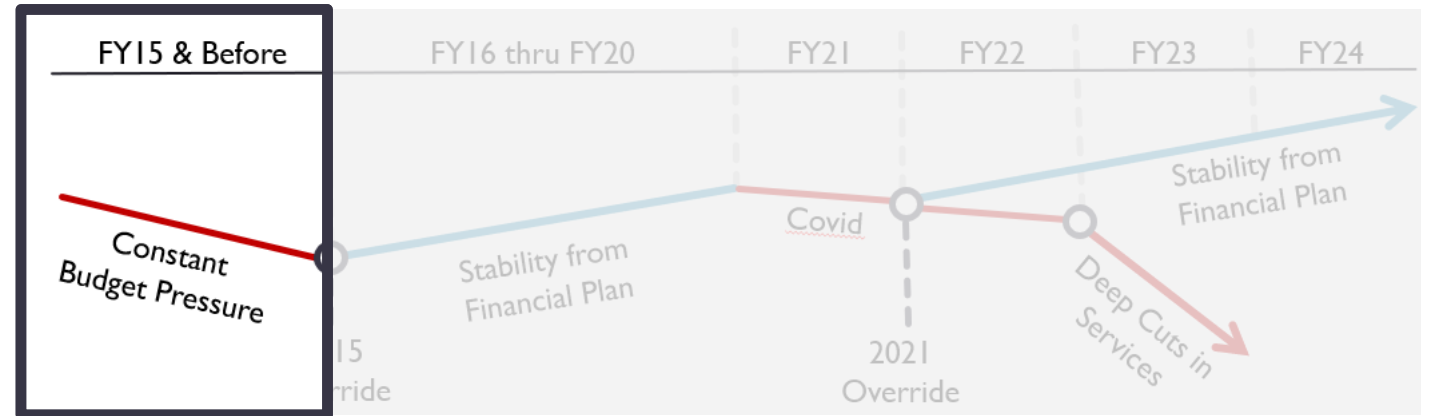
# FY15 & BEFORE

## Budget Squeezes

Thirteen years without an override to address the structural deficit

Squeezed budgets led to many accumulated cuts over the years – a path to “death by 1,000 cuts”

Hard to retain and hire when frequent budget scrambles threaten freezes & layoffs



## Impact on Services for Residents

- Skyrocketing school enrollment created overcrowding and excessively large class sizes
- Stopped replacing & maintaining sidewalks – jeopardizing pedestrians and children on bikes
- Deferred maintenance created an increased backlog of costly replacements and major repairs
- Volatility of special education expenses impacted funding for the rest of school services
- Plus ... incremental loss of services each year

# FY15 & BEFORE: IMPACT ON SERVICES FOR RESIDENTS

## Schools

- High class size due to a dramatic increase in enrollment impacted student learning and individual attention from teachers (especially important for the younger grades)
- Lack of space hampered our ability to address overcrowding
- Teens & tweens had too many “free periods” and not enough time in classes
- Loss of course offerings at the high school and shrinking of foreign language at the middle school
- Eliminated librarians and other positions that shaped the learning experience
- Sizable fees for sports, activities, and full-day kindergarten
- Volatility of special education costs put the squeeze on the rest of school funding

## Parks

- Squeezed resources for mowing, tree planting, playground maintenance, field restoration, etc.

## Buildings

- Deferred maintenance led to costly failures and unanticipated needs for capital funds for repairs

## Infrastructure

- Stopped fixing and replacing sidewalks, which is a safety issue for pedestrians and children on bikes
- Began a pavement management program to address the impact of decades of underinvestment in roads

## Services for Seniors

- Reduced staffing meant loss of programming, resulting in<sup>0</sup> fewer interactions with seniors

## FY15 AND BEFORE

### *THE BOTTOM LINE*

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1. After 13 years without an override, squeezed budgets risked “death by 1,000 cuts”
2. School enrollment suddenly began skyrocketing, causing budget pressure and losses in the schools
3. Deferred maintenance resulted in a costly backlog of capital projects

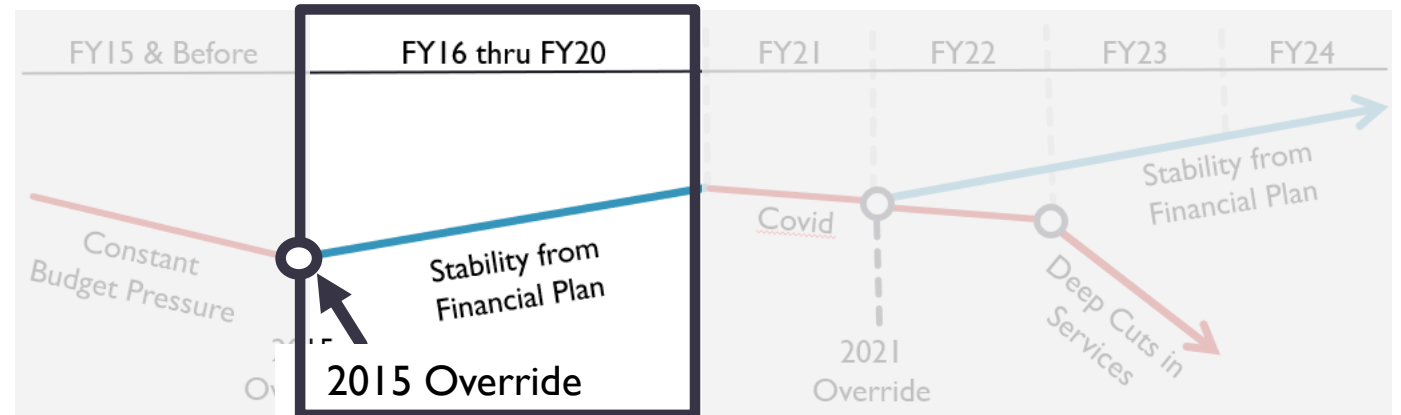
## FY16 THRU FY20

A \$4.5M override in 2015 – the first in 13 years – stabilized the level of town and school services for residents

The plan, funded by the override, addressed critical needs in schools, roads, and sidewalks

The override also created the stability needed to manage the town strategically

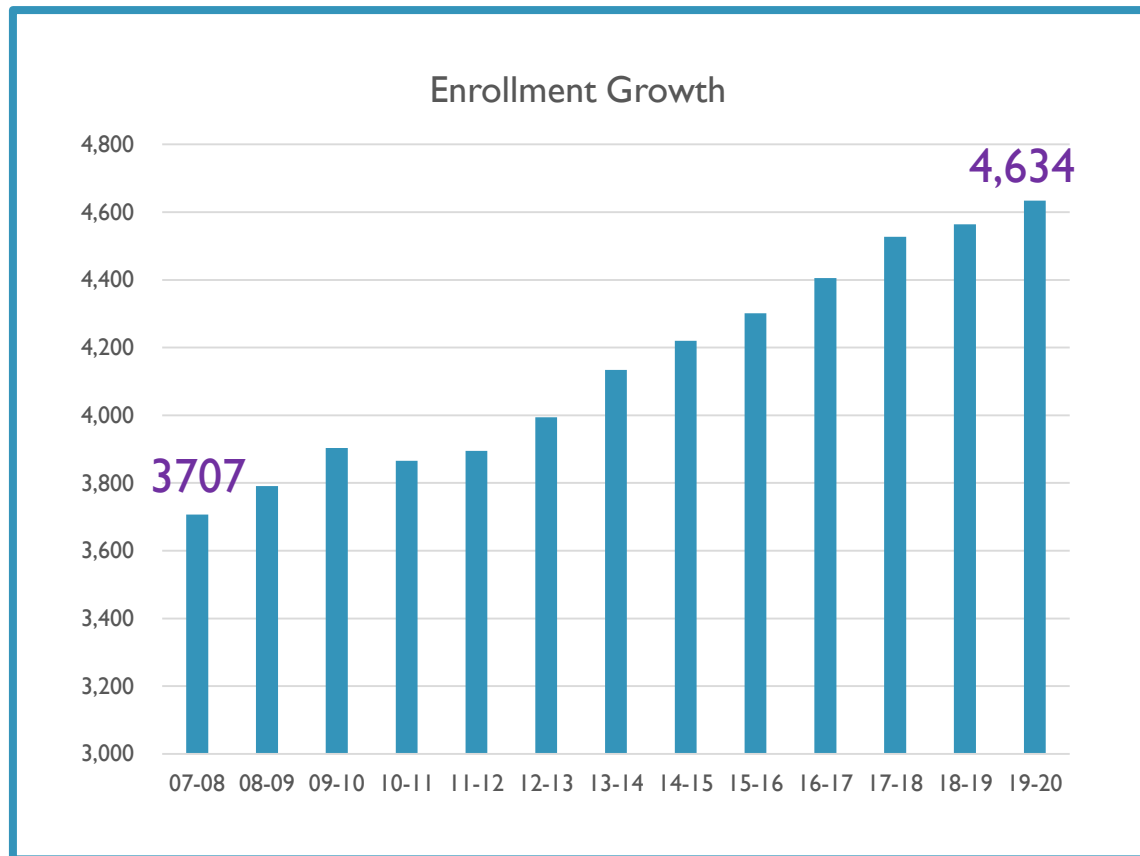
### Stability from Financial Plan



### Impact on Services for Residents

- Increased funding for repairing road & sidewalks
- Addressed surging enrollment, including a wave of students in grades K-4
- Reduced “free periods” for middle & high school students
- Mitigated the volatility of special education expenses
- Plus ... many additional accomplishments

## FY16 THRU FY20: WHAT PROBLEMS DID THE OVERRIDE ADDRESS?



The biggest driver of the structural deficit has been the skyrocketing growth in enrollment that began in 2008.

- In 12 years, enrollment grew by 927 students – or the size of two new elementary schools.
- Our demographers forecast that we will soon reach a “new normal” student population of nearly 5,000 students.
- The 2015 override provided \$4M in funding for schools to begin addressing the impact of the 513 new students already here, as well as the 414 students who arrived from FY16 – FY20. During this period, we added 51 FTEs (staff and teachers) and 10 modular classrooms

# HISTORICAL IMPACT ON SERVICES FOR RESIDENTS

In general, how have overrides benefitted the residents of the town?

## *Direct Benefits:*

Overrides provided direct, tangible benefits that are easy to see.

For example:

- Added teachers and staff (2001 & 2015)
- Safeguarded town and school services (2001 & 2002)
- Funded trash collection (1990)
- Invested in roads (2001 & 2015) and sidewalks (2015)

## *Indirect Benefits:*

Override funding also provided stability that allowed us to manage responsibly, without the constant pressure of looming cuts.

- We tackled challenges and opportunities in a planned way, rather than reacting to the most pressing needs of the day.
- We took on projects – like CPA funded playgrounds – that required staff support which would not have been possible if staffing was repeatedly whittled down.
- We absorbed new state laws that were costly but came with no additional funding

# FY16 THRU FY20: IMPACT ON SERVICES FOR RESIDENTS

## Direct Benefits to Residents from 2015 Override

- Added money for roads and sidewalks – our first dedicated sidewalk budget
- Addressed dramatic enrollment increases of an average of 83 children per year
- Reduced large class sizes for young children in critical K-4 grades
- Replaced “free periods” at BHS and “study halls” in middle school with electives/enrichments to keep students in class and learning
- Addressed the volatility of special education by managing SPED tuition funding to smooth out the impact on the rest of the budget

## Indirect Benefits – examples of additional things we accomplished thanks to a multi-year plan and stable funding & staffing

### Parks (using CPA funds)

- Designed the community path; rebuilt playgrounds & tennis courts; built new walking paths

### Buildings (using debt exclusion, free cash, and operating funds)

- Launched the new Belmont Middle & High School project;; renovated police station and DPW building and added 10 modular classrooms

### Services for Seniors

- Expanded programming and brought more seniors on site, which also helped many connect to social services

### Recreation

- Restructured recreation department and programming

### Library

- Added evening hours in Children’s Room so working parents could bring their kids; added full Saturdays and Sundays; added many new programs and digital resources

Retaining and recruiting of top quality employees, less interrupting in services from turnover

FY16 THRU FY20

## *THE BOTTOM LINE*

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A \$4.5M override in 2015 – the first in 13 years – provided a stable financial plan that:

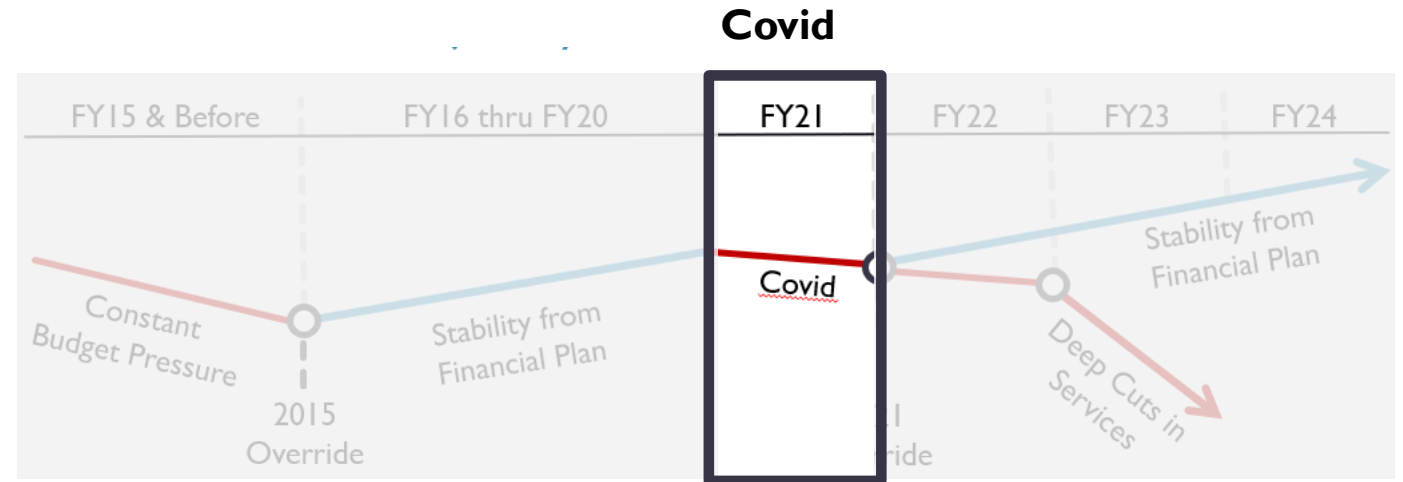
1. Addressed the enrollment explosion that brought 927 new students in a 12-year period
2. Preserved town services that could have been whittled away without the override
3. Provided more funding to repair roads and sidewalks



# FY21 - COVID

The Town immediately responded to the pandemic in order to:

1. Safeguard the health of residents & employees
2. Protect Belmont from a potential fiscal crisis in FY20 and rewrite the FY21 budget
3. Aggressively pursue \$3.7M in grants to cover cost of COVID expenses



## Impact on Services for Residents

- Eliminated \$1.7M for roads and deferred \$1.0M in vehicles, equipment, buildings
- Forfeited plans to address large class sizes as the wave moves through middle school
- Cancelled the Underwood Pool summer season
- Eliminated overtime, resulting in cancelling recycling events, weekend trash pickup at parks, etc.
- Limited hours and services at the library and senior center
- Plus ... additional loss of services

# FY21 - COVID: IMPACT ON SERVICES FOR RESIDENTS

## Cut nearly \$1.0M in services, including:

- Schools Forfeited plans to address the enrollment wave for students in grades 6 & 7 and high school
- Recreation Cancelled Underwood Pool summer season
- DPW Lost weekend support for recycling events, community events, trash pickup in parks & business centers
- Library Loss of services and hours due to reduced staffing and building closure
- Facilities Deferred and regular maintenance took a back seat to COVID mitigation
- Senior Ctr Loss of building, programs, and volunteer corps  
Harder to connect seniors with services when people aren't coming & going

## Cut \$1.7M in roadwork

## Cut nearly \$1M in repairs and purchases

- Schools Chenery cafeteria A/C compressors (failed)
- Schools Two elementary school secure vestibules
- Schools Butler window replacement
- Library Computer equipment
- Police & Fire Vehicles
- Fire Portable radio replacement
- Fire Turn out gear
- Fire EMT and fire suppression equipment
- DPW Vehicles & aging parks equipment
- Facilities Deferred repairs

We cannot keep delaying repairs and purchases.  
Equipment fails and causes bigger and more costly problems when it does.

### *THE BOTTOM LINE*

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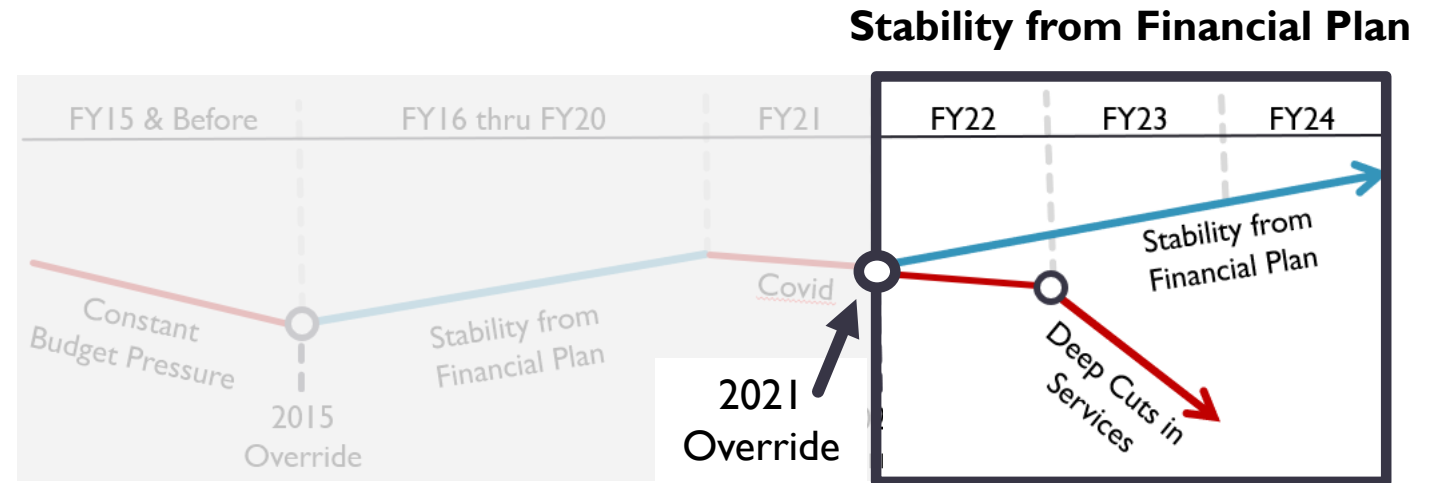
1. Immediate town action protected town residents, employees, and finances
2. Conservative measures contributed to reserve surpluses (certified in November 2020)
3. FY21 budget revisions postponed capital purchases, deferred hiring, and cancelled services, which impacted services for residents

# FY22 THRU FY24 WITH COMBINATION OF RESERVES & OVERRIDE

Financial plan provides stability and roadmap for town and school services

Prudent use of reserves over 3-years reduces the impact of override for taxpayers and reduces risk for town and schools

Preserves town and school services and protects investments in infrastructure



## Impact on Services for Residents

- Supports reconfiguration of the entire school district to reduce class size and eliminate overcrowding
- Adds a social worker to support the needs of at-risk seniors
- Provides additional staff to maintain our investments in buildings, parks, and grounds
- Reduces the backlog of capital purchases and repairs
- Plus ... prevents loss of town and school services from cuts without an override

# IMPACT ON SERVICES TO RESIDENTS: FY22 THRU FY24 WITH COMBINATION OF RESERVES & OVERRIDE

## Schools

The new Belmont Middle & High School will open during the next three years.

- High school wing in September 2021
- Middle school wing in September 2023
- Athletic fields in September 2024

The plan for reserves and override will allow the schools to:

- Reduce class sizes in middle and high school
- Support the reconfiguration of the entire school system
- Address student achievement, equity, and support for students and families
- Support new demands on and approaches to teaching and learning

## Services for Seniors

- Add a social worker to support growing population of seniors facing isolation, dementia, hoarding, neglect

## Parks

- Add two laborers to maintain new fields, playgrounds, walking paths, and grounds, making sure that our investment in these assets is protected

## Buildings

- Adding a building systems specialist to get the most out of today's sophisticated systems (e.g. HVAC) in both old and new buildings, leverage green infrastructure opportunities, and manage energy efficiency throughout the town

## Capital

- Add \$500K annually to reduce the backlog of building repairs and vehicle and equipment replacements

## Townwide

- Adding a project manager to manage the portfolio of essential capital projects and procurement, including project schedule, specification, bidding, coordination, and oversight <sup>21</sup>

# FY22 THRU FY24 WITH COMBINATION OF RESERVES & OVERRIDE

## *THE BOTTOM LINE*

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1. A plan including reserves and an override provides financial stability for the next three years
2. Protects and maintains investments in capital and facilities and town and school services
3. During this time, the new school building will open – finally addressing space and (many) enrollment issues with a new K-12 student reconfiguration plan.

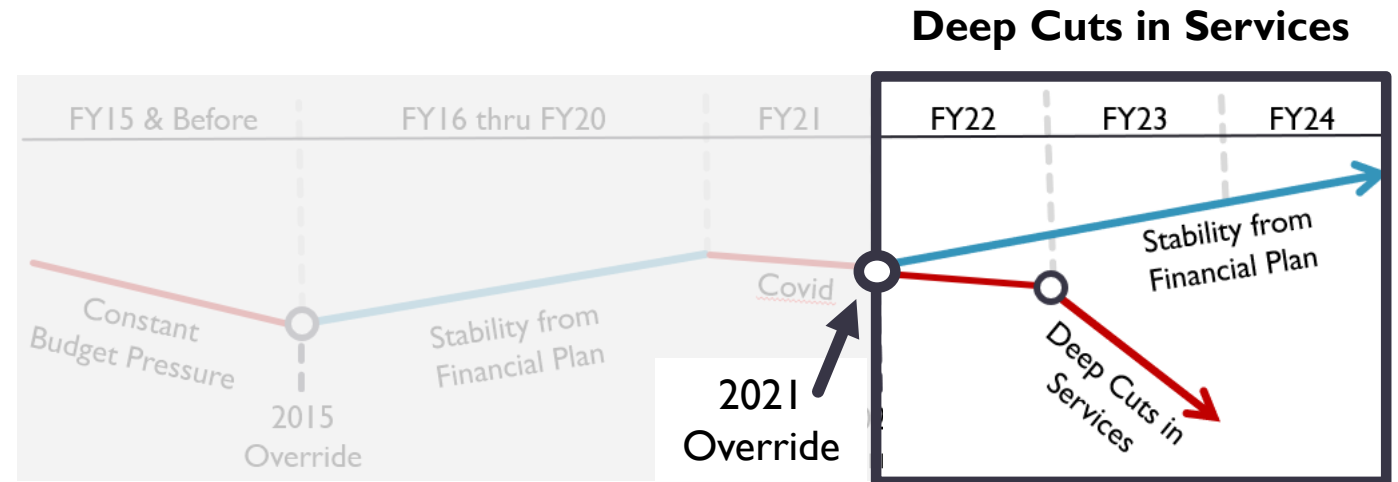
# FY22 THRU FY24 WITH COMBINATION OF ADDITIONAL RESERVES AND CUTS, BUT NO OVERRIDE

Second year of “doing without” continues the reduction in town and school services

Creates a steep fiscal cliff that will require deep cuts to services – that will significantly impact all residents – if there is no override by 2022

Puts town finances at risk by substantially depleting our surplus reserves during a pandemic & recession

Jeopardizes the AAA bond rating that reduces our cost of borrowing



## Impact on Services for Residents

The budget for a failed override is currently being developed and will be influenced by feedback tonight.

In FY22, if no override:

- Failure to address school enrollment for a second year
- Lack of progress on school reconfiguration
- Ill-advised deferral of the large backlog of capital needs
- Deferral of other critical positions

In FY23, if no override again:

- Widespread layoffs (50+ FTEs)
- \$5-9M deep cuts in town and school services
- Every resident would be impacted by loss of services
- These would be very difficult decisions

# FY22 THRU FY24 WITH COMBINATION OF ADDITIONAL RESERVES AND CUTS, BUT NO OVERRIDE

## *THE BOTTOM LINE*

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1. Without an override, the impact on town and school services will be painful this year and could be devastating next year.
2. The unintended consequences of an overreliance on reserves and a failed override will ripple out and:
  - Create a high degree of risk
  - Jeopardize our low cost of borrowing
  - Challenge staff retention and recruiting
  - Require a larger override or deep cuts in services next year



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# FINANCIAL TASK FORCE II RECOMMENDED PLAN

*Developed by Financial Task Force II. Incorporates feedback from many boards and committees (e.g. SB, SC, WC, CBC) and community members.*

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Financial model built off UMass Collins Center grant-funded work for Belmont in Fall 2018

Projects multiple years of revenue and expenses for Belmont Town and Schools

Not a one-year budgeting exercise, but rather a multi-year financial forecasting tool

Models structural deficit, override scenarios, and options for use of Free Cash

Provides a transparent look at the dollars and cents with a five-year horizon

Inherent uncertainty when looking five years out

# FORECASTING IN UNCERTAIN TIMES

## UNCERTAINTY

In the best of times, forecasting is based on assumptions that rely on the best information available at the time.

These are not the best of times.

There is more uncertainty now than ever before. Actual performance will vary if (when) these assumptions change.

- Consumer-based revenue is not reliable in a recession
- Replenishment of reserves could be higher or lower than assumed
- State aid could be impacted by lower than usual state revenue collection or a change in priorities
- School enrollment could continue to grow or the COVID effect could permanently change the growth rate
- The pandemic may or may not continue to require (costly) remote and hybrid instruction in the fall
- Federal COVID grant programs may or may not be available for municipalities

# FY22-FY24 MODEL REVENUE ASSUMPTIONS

Model Driver	Assumption	Context
New Growth	<ul style="list-style-type: none"><li>• \$740K</li></ul>	<ul style="list-style-type: none"><li>• Assessor's Baseline Assumption increased \$500k over FY21.</li></ul>
Tax Levy	<ul style="list-style-type: none"><li>• 2.5% annual growth</li></ul>	<ul style="list-style-type: none"><li>• Baseline tax levy growth as allowed by Proposition 2½.</li><li>• Taxing to the full levy capacity each year.</li></ul>
High School Debt Exclusion	<ul style="list-style-type: none"><li>• \$14M for FY22-FY24</li></ul>	<ul style="list-style-type: none"><li>• Driven by voter-approved high school debt exclusion.</li></ul>
State Aid	<ul style="list-style-type: none"><li>• FY22 - Level funded from FY21 + Chapter 70 addition</li><li>• FY23- 2% increase</li><li>• FY24- 2% increase</li></ul>	<ul style="list-style-type: none"><li>• Added \$1.3M in Chapter 70 funding, includes state funding for full-time kindergarten.</li></ul>

# FY22-FY24 MODEL REVENUE ASSUMPTIONS

Model Driver	Assumption	Context
Local Receipts	<ul style="list-style-type: none"> <li>1%-2.5% increase</li> </ul>	<ul style="list-style-type: none"> <li>Conservative estimates given the slowdown in the economy due to COVID.</li> </ul>
Enterprise Funds	<ul style="list-style-type: none"> <li>2%-2.5% increase</li> </ul>	<ul style="list-style-type: none"> <li>Incremental 2.5% salaries and 2% in general expenses over FY21.</li> </ul>
Other Available Funds	<ul style="list-style-type: none"> <li>\$1.6M Available Funds FY23-FY24</li> <li>Belmont Light Pilot adjustments                             <ul style="list-style-type: none"> <li>FY22: \$150k</li> <li>FY23: \$350k</li> <li>FY24: \$450k</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Use of reserves to fund Structural Deficit in FY23-FY24.</li> <li>Belmont Light Pilot is less in FY22-FY24 due to prepayment of PILOT in FY21.</li> </ul>
Free Cash Utilization	<ul style="list-style-type: none"> <li>\$4.7M each year</li> </ul>	<ul style="list-style-type: none"> <li>Record level of Free Cash is being used to offset the structural deficit FY22-FY24.</li> </ul>

# FREE CASH DISTRIBUTION ASSUMPTIONS

## Free Cash utilization assumptions

- Warrant Committee “3-5% Free Cash Guideline” minimum level used
- 10% target for aggregate reserve funds

## Free Cash recommendation

1. Baseline utilization of \$2 M of Free Cash annually based upon historical budgeting approach
2. Additional \$8.2 M (\$2.7M per year) utilization of Free Cash spread across FY22 to FY24 to reduce size of override
3. Additional \$1.6 M utilization in FY23 and FY24 based upon anticipated excess Free Cash from FY21 State Aid approved in December

Revenues	FY2022	FY2023	FY2024
Property Tax Levy	111,342,074	114,508,674	117,206,845
State Aid	13,453,715	13,728,744	13,995,510
Local Receipts	8,533,805	9,153,716	8,797,827
Enterprise Funds	16,947,848	17,371,544	17,805,833
Other Available Funds	2,204,127	2,419,127	2,519,127
1. Free Cash	2,000,000	2,000,000	2,000,000
2. Additional One-time Funds	2,746,392	2,746,392	2,746,392
3. One time Funds from FY21 State Aid Level Funded	0	1,607,800	1,607,800
<b>Total Revenues</b>	<b>157,227,960</b>	<b>163,535,997</b>	<b>166,679,333</b>

# FY22-FY24 MODEL EXPENSE ASSUMPTIONS

Model Driver	Assumption	Context
School Staffing	<ul style="list-style-type: none"> <li>Roll forward of all existing staff (<i>excluding temporary/one-year COVID FTEs</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide level services to residents.</li> <li>Assumes 4% growth compensation rate for school rollover, informed by five-year actuals.</li> </ul>
Department- Adds	Additional staffing: <ul style="list-style-type: none"> <li>COA Social Worker</li> <li>Systems Manager</li> <li>Project Manager</li> <li>DPW Laborers (2)</li> <li>Increase contractual Services</li> <li>Schools: 11, 10, 12 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>With the new high school coming on-line in FY22 and growing demands on specific core town services, the town proposes additional staff positions and extra funding to maintain recent investments in facilities.</li> <li>The school department proposes additional headcount to address increasing enrollment, new grade configurations, and the vision for teaching and learning.</li> </ul>
Town Staffing	<ul style="list-style-type: none"> <li>Roll forward of all existing staff</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide level service to residents.</li> <li>Assumes 2.5% growth compensation for town rollover.</li> </ul>

## FY22-FY24 MODEL EXPENSE ASSUMPTIONS

Model Driver	Assumption	Context
Capital	<ul style="list-style-type: none"><li>• \$500k additional discretionary capital annually</li></ul>	<ul style="list-style-type: none"><li>• Add back in Capital and Road funds deferred in FY21.</li><li>• Provide additional capital to address deferred maintenance backlog and avoid future costs.</li></ul>
School expenses	<ul style="list-style-type: none"><li>• 2.5% annual increase</li></ul>	<ul style="list-style-type: none"><li>• Indexed growth of supplies, materials, equipment expense.</li></ul>
SPED	<ul style="list-style-type: none"><li>• 5% increase for SPED tuitions &amp; contracts</li><li>• 7% increase for Transportation</li><li>• SPED replenishment</li></ul>	<ul style="list-style-type: none"><li>• Estimated increase based on five-year actuals.</li></ul>
Health Insurance	<ul style="list-style-type: none"><li>• 5% annual increase</li></ul>	<ul style="list-style-type: none"><li>• Informed by recent plan changes, anticipated claims reductions, and potential future movement to group plans.</li><li>• Refined with guidance from health insurance consultant</li></ul>

# FINANCIAL PROJECTION DEFICITS

	FY22	FY23	FY24
Revenues	\$157,227,960	\$163,535,997	\$166,679,333
% Year-over Year	4.5%	4.0%	1.9%
Expenditures	\$162,915,719	\$169,258,702	\$175,007,327
% Year-over Year	8.2%	3.9%	3.4%
Annual Surplus/Deficit	(\$5,687,759)	(\$5,722,705)	(\$8,327,995)
Year-over-Year Surplus Deficit	(\$5,687,759)	(\$34,946)	(\$2,605,290)

Anticipated Override required to provide 3-years of financial stability: **\$6.4 M**



## ESTIMATED IMPACT ON TAXES

For the recommended \$6.4 million override:

Assessed Home Value in 2021	Estimated Tax Impact
\$500,000	\$335
\$1,000,000	\$670
\$1,326,300 <i>(average assessed value in Belmont)</i>	\$888
\$1,500,000	\$1,005

Source: Belmont Assessors Office

# RECOMMENDATIONS OF FINANCIAL TASK FORCE II

## *THE BOTTOM LINE*

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1. The Financial Task Force II, over two years working with other boards, committees, and the public, created a financial model to explore budget assumptions and scenarios.
2. FTF unanimously recommended a combination of reserves and a \$6.4M override to address the structural deficit.
3. This recommended financial plan represents a fiscally-responsible approach to providing stability for three years.

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# WHAT'S IN THE PLAN? TOWN AND SCHOOL SERVICES

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On January 22, the Select Board unanimously voted to put a \$6.4M override on the ballot for the April 6, 2021, town election to let voters decide whether to support the recommended tax increase.

In the financial plan outlined in the model, the override would be combined with the use of \$4.7M of reserves in year FY22 and \$6.3M in FY23 & FY24 to keep the override amount as low as possible.

What follows is an outline of the town and school services included in the plan.

# WHAT'S IN THE PLAN? ... TOWN DEPARTMENTS

Headcount in town departments has been flat for more than 10 years in spite of an increase in mandated/added services. There are needs in every department, but we can only fund the ones that are most acute.

- **Senior Center:** Adding a social worker to work with our growing population of at-risk seniors facing isolation, dementia, hoarding, and neglect
- **Townwide:** Adding a project manager to manage the portfolio of essential capital projects and procurement, including project schedule, specification, bidding, coordination, and oversight
- **DPW:** Adding two laborers to maintain new fields, playgrounds, walking paths and grounds, making sure that our investment in these assets is protected
- **Facilities:** Adding a building systems specialist to get the most out of today's sophisticated systems (e.g. HVAC) in both old and new buildings, leverage green infrastructure opportunities, and manage energy efficiency throughout the town
- **Capital:** Adding \$500K to increase our chronically underfunded capital budget, addressing the deferred maintenance, repairs, and replacements that are more costly to fix later

# WHAT IS IN THE PLAN? ... SCHOOL DEPARTMENT

## Goals for the FY22 – FY24 Plan

- **Enrollment:** Continue progress toward staffing that matches enrollment by decreasing class size at the middle and high school level
- **District Reconfiguration:** Deliver on the solution for system-wide overcrowding with the anticipated district reconfiguration enabled by the new Belmont Middle and High School
- **Student Support:** Provide support for student success in our continuing work in social and emotional learning, equity and access
- **Vision of Teaching:** Expand on our growing vision of teaching and learning that employs student-centered activities and project-based learning, with teachers working across departments, as a foundation for the educational experience of Belmont students for the next 10-20 years

## Benchmarks

Belmont is in the bottom 3% in the state of Massachusetts in teachers per 100 students (i.e. class size)

Belmont is in the bottom 6% in the state of Massachusetts in per pupil expenditure

# WHAT IS IN THE PLAN? ... SCHOOL DEPARTMENT

What will the  
Belmont Public  
Schools look like?

September 2020

Four Elementary Schools  
Grades K-4 & preK-4  
Burbank, Butler, Wellington, Winn Brook

Middle School  
Grades 5-8  
Chenery Middle School

High School  
Grades 9-12  
Belmont High School

September 2024

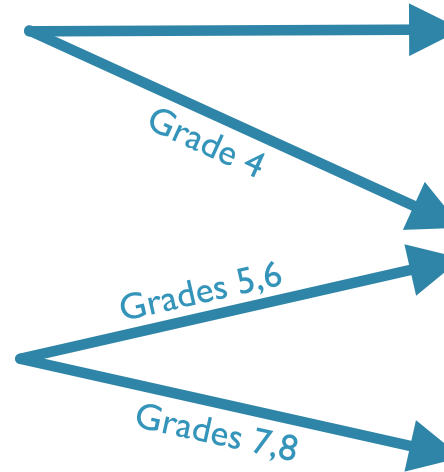
Four Primary Schools  
Grades K-3 & preK-3  
Burbank, Butler, Wellington, Winn Brook

Upper Elementary School  
Grades 4-6  
Chenery Upper Elementary School

Middle School  
Grades 7-8

Belmont Middle and High School

High School  
Grades 9-12



# WHAT IS IN THE PLAN? ... SCHOOL DEPARTMENT

## What do we accomplish?

Leverage the town's investment in a new school to:

- Address the enrollment challenges and high class size facing the district
- **Incrementally** add educators and staff to match the increased enrollment needs
- Shift our existing staff to their new buildings and provide the necessary positions to open a new school and configuration
- Involve all BPS teachers and staff to increase access and support for all students

## How will this change and improve our schools?

- Primary school students (K-3) will be in focused early learning settings with expanded space for needed programming
- Upper elementary school students (4-6) will be in an “age-appropriate” setting that will support instructional models that match their learning needs and stages of development
- Middle school students (7-8) will be in a teaching environment designed to serve this unique age group in a team-based model that supports their academic growth
- High school students (9-12) will be in a dynamic new facility with the faculty and learning tools needed to engage and challenge them as they develop as independent thinkers, communicators, collaborators, and citizens.

# WHAT IS IN THE PLAN? ... SCHOOL DEPARTMENT

1

Address equity, access, and social-emotional learning (SEL)

- High School Social Worker
- Special Education Chairs
- Director of Diversity & Equity
- Professional Development and Training

2

Incrementally grow into new district configuration (K-3, 4-6, 7-12)

- Expand to four teams in grades 6-8 as part of the long-term plan to address enrollment
- HS teachers to decrease class size
- Elementary Math Specialists
- Upper Elem. Curriculum director
- BMHS administrator & assistant

3

Re-focus on district reconfiguration and visioning work

- Equity/Access CRT
- Project-based learning with Buck Institute
- Work with McLean Hospital
- Move forward with “Community Consult” for vision work
- Technology professional devt



## MORE ABOUT THE PLAN

### *THE BOTTOM LINE*

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The plan preserves the important town and school services that the Belmont community values. By the end of our 3-year horizon:

1. In the schools, the new BMHS building will be open – housing a new grade 7-12 middle and high school. System-wide reconfiguration will address overcrowding and class size for all K-12 students, and teaching and learning will continue to evolve to support 21<sup>st</sup> century needs.
2. In the town departments, a meaningful step toward addressing our backlog of capital repairs & equipment with enhanced project management will be underway, and some of the needed resources to prevent deferred maintenance will be in place. Plus, our vulnerable seniors will have more resources to receive the assistance they need.

# MAKING THE DECISION

BALANCED USE OF RESERVES (\$4.7M in year one)  
SMALLER OVERRIDE (\$6.4M)

Financial stability with a solid plan that allows responsible fiscal management

Addressing critical gaps in the school and town departments

Cheaper and less risky to address the structural deficit now

UNPRECEDENTED USE OF RESERVES (\$7-9M in year one)  
BIGGER OVERRIDE NEXT YEAR (\$9-12M)

An imprudent level of financial risk in the middle of a pandemic and recession

A second year of cuts makes the problems worse while kicking the can down the road

Deep cuts if no override next year, which creates a hole it will be hard to dig out of

# MAKING THE DECISION

## What happens if override passes

### SCHOOLS

- Address class sizes in middle and high schools
- Take incremental approach to K-12 reconfiguration of the school district
- Provide expanded support for student needs and achievement
- Manage new demands on teaching & learning

### TOWN

- Support at-risk seniors (esp. acute during pandemic)
- Manage sophisticated building systems & energy efficiency
- Manage portfolio of 25+ capital projects
- Maintain our investment in new fields, playgrounds, courts, walking paths, landscaping, etc.

### OTHER

- Reduce backlog of capital replacements and repairs

## What happens if override fails

### THIS YEAR

A second year of loss of services

- Failure to address the wave of students moving through the middle and high schools
- Lack of progress on school reconfiguration
- Insufficient support for at-risk seniors (esp. acute needs now)
- Difficult to properly manage sophisticated building systems, energy efficiency, capital projects, and outdoor assets
- Another year of ill-advised deferral of capital purchases
- Potential loss of AAA bond rating – higher cost of borrowing
- Difficulty recruiting and retaining employees

### NEXT YEAR if no override

Widespread layoffs (50+ FTEs) across school and town

- \$5-9M deep cuts in town and school services
- Would take a long time to recover from the consequences

# MAKING THE DECISION

If we don't pass an override by 2022, many resident services will be impacted  
– either delayed, reduced, or eliminated.

Some examples include:

- |                          |                               |                           |                         |
|--------------------------|-------------------------------|---------------------------|-------------------------|
| ■ Snow plowing delays?   | ■ Class size?                 | ■ Fire station?           | ■ Building maintenance? |
| ■ Trash & recycling?     | ■ Art & music?                | ■ Fire engines?           | ■ Building repairs?     |
| ■ Road repairs?          | ■ Elective & AP classes?      | ■ Ambulance service?      | ■ Senior programming?   |
| ■ Sidewalk construction? | ■ School sports & activities? | ■ Policing patrols?       | ■ Support for seniors?  |
| ■ Recreation programs?   | ■ Library hours?              | ■ Police detectives?      | ■ Support for veterans? |
| ■ Pool & rink?           | ■ Minuteman library system?   | ■ Crossing guards & SROs? | ■ Health inspections?   |
| ■ Playgrounds & fields?  | ■ Library programs?           | ■ Building permits?       | ■ Vehicle replacement?  |
|                          | ■ Digital & print resources?  | ■ Zoning & planning?      | ■ Open space mgmt.?     |

These will be difficult choices.

# MAKING THE DECISION

## THE BOTTOM LINE

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1. Belmont has a structural deficit – largely caused by a decade of extraordinary rises in school enrollment, health care and pension costs. Despite successful initiatives to control costs and expand revenue, we now face a fiscal cliff.
2. To address the structural deficit, the Select Board unanimously agreed to put a **\$6.4M override** on ballot for the April 6, 2021, town election. In addition, our current surplus of reserves would be spread over 3-years to reduce the size of an override – using **\$4.7M of reserves** in FY22.
3. In these uncertain times, this is a fiscally-responsible, multi-year plan that provides stability, mitigates risk, and sustains the services residents depend on.

# MAKING THE DECISION

We have now reached a fork in the road, and it is time for voters to choose the path for Belmont's future.

*Please keep an eye out for the next forum in early February about this important decision – a discussion of the two FY22 budget scenarios, either with or without an override.*

