



Town of Maynard Massachusetts Finance Committee
Annual Town Meeting May 19, 2025

Finance Committee Recommendations for ATM Not Printed in the Warrant

Article 4: Certified Free Cash Appropriation for Fiscal Year 2025 -

Fincom Recommendation: Recommends

Fincom Comments:

The Finance Committee recommends passage of Article 4, the Free Cash appropriation for FY25. "Free Cash" is the Department of Revenue term for surplus money from FY24, either revenue that exceeded the budget or expenses lower than the budget. Historically, Maynard has used the funds for the snow and ice deficit, to supplement reserve funds, and for capital purchases. The proposal for this year is in line with those purposes, and the capital projects funded have been prioritized by the Capital Planning Committee.

The proposed spending also includes \$92,026 to support Solid Waste and Recycling. While this has been part of the operating budget in the past and thus typically would not be a recommended use of free cash, the Select Board and town staff are working to transition Solid Waste and Recycling to a user fee system. The Finance Committee believes that a short-term use of Free Cash to ease that transition is appropriate.

Article 6: Town General Fund Budget Fiscal Year 2025

Fincom Recommendation: Recommend

Fincom Comments:

Passage of this article would adopt the proposed Town General Fund Budget for Fiscal Year 2026 (FY26) in the amount of \$53,696,102. The breakdown by ten major Town functions in the table above shows how the budget is to be allocated to various purposes. The budget process begins months in advance of Town Meeting and is discussed in numerous public meetings by town boards and committees. It is a combined effort of the Select Board, Town Administrator, FinCom, School Committee, and all department heads. FinCom encourages Town Meeting voters to participate in these discussions. FinCom acknowledges that there are always budget constraints, and difficult decisions are made during the budget process.

Particularly, this Town budget funds the School Department at a lower increase than requested for level service. To meet services in FY26, the Select Board has proposed an article for a contingent Maynard Public Schools budget (in addition to drawing on various Reserve and Revolving Funds to supplement the Town provided budget). FinCom notes the current amount of the proposed override has been halved from the amount initially requested. Additionally, the Select Board has proposed an article for a contingent Council on Aging budget so that space for a new senior center may be procured, the financing for which has not been able to fit within the standard operating budget.

Nevertheless, FinCom voted to recommend this article because it presents a balanced budget that weighs the needs of the Town with revenue available from the Prop. 2 ½ and New Growth increases (Please refer also to Appendix A in the Warrant for more context).

Article 7: Grant an Easement at Parker and Elmwood Streets –

Fincom Recommendation: Recommend

Fincom Comments:

Passage of this article will allow the completion of the redevelopment of the former “Coolidge School” to residences by granting access to public land owned by the town to establish a utility connection. Facilitating the completion of the conversion process will likely increase the assessed value of the property and contribute to further growth within the town.

Article 10: Contingent Budget For Maynard Public Schools –

Fincom Recommendation: Recommends

Fincom Comments:

The Finance Committee recommends passage of Article 10, a Proposition 2 ½ override in the amount of \$612,000 for Maynard Public Schools. The expected cost for the average single-family home valued at approx. \$540,000 would be about \$146.00 per year. Without the override, Maynard Public Schools are estimating reductions of up to 11 positions, or 4% of positions, spread throughout the system. Even with the override, the schools estimate the elimination of 2.5 positions for FY26.

Historically, the town has provided broad financial support to the schools. From FY18-FY22, the average increase in the budget for the schools has been 4.8%. However, for FY23-FY25, the average increase has only been 2.7%. To fill the gap in funding in this period, the schools have been relying on revolving funds in an unsustainable way. Passage of the override would bring the average increase in the school budget from FY22-FY26 to 3.6%.

The Finance Committee does not expect recurring overrides for the schools. The FY26 budget includes a one-time adjustment due to a new paraprofessional contract. In addition, the schools expect some retirements in the next few years that will result in lower increases in personnel costs.

Article 12: Transfer From General Stabilization: Solid Waste and Recycling Services

Fincom Recommendation: Recommends

Fincom Comments:

Passing this article would transfer the listed amount from the General Stabilization Fund to help cover the rising cost of solid waste and recycling processing, in addition to current sticker revenue and free cash (see Article 4). The General Stabilization Fund currently holds approximately \$2.56M.

A minority of FinCom voted against this recommendation, arguing that trash collection needs to be funded through other means such as new sticker rates or a solid waste enterprise fund rather than drawing from stabilization funds. The general stabilization account is intended as a “rainy day fund” for unforeseen emergencies and currently sits at only 4.8% of the prior year's budget despite

the Town's Financial Policy Manual recommending that it be maintained at 10%. At a time when we should be rebuilding this account the proposed transfer would reduce it to only 3.9%, limiting our ability to respond to a crisis.

The majority recommends this article, considering it a temporary workaround accomplished via a one-time transfer before the newly approved solid waste and recycling enterprise fund is implemented in fiscal year 2027. Indeed, FinCom's recommendation is explicitly contingent upon this transfer not recurring. The article further avoids the alternative solution of doubling sticker prices for residents already facing a tax increase.

FinCom considered guidance from the Town's financial policy manual indicating that the General Stabilization Fund should be no less than 10% of the prior year operating budget, suggesting that the General Stabilization Fund's current balance is approximately half of what it should be. However, considering that the manual was never officially adopted, and in light of guidance from the Division of Local Services' Financial Management Resource Bureau suggesting a lower target balance of no less than 5-7% of the operating budget, the majority found the financial policy manual's guidance to be persuasive but not binding.

Article 16: Sewer Enterprise Fund Budget Fiscal Year 2025 -

Fincom Recommendation: Recommend

Fincom Comments:

Passage of this article would adopt the proposed Sewer Enterprise Fund Budget for FY26, total \$4,225,809.50, and appropriate \$3,815,196 for Direct Expenses. While the \$410,613.50 in Indirect Expenses is appropriated through the Town General Fund Budget, this amount is reimbursed by the Sewer Enterprise Fund. FinCom supports this increase in the Sewer Enterprise Fund Budget of 10.73% in line with industry inflationary drivers.

Article 17: Transfer From Sewer Retained Earnings, Sewer Enterprise Reserve FY2026 -

Fincom Recommendation: Recommend

Fincom Comments:

This article would use \$200,000 of the \$768,157 of Sewer Retained Earnings to the reserve fund for FY26 within the Sewer Enterprise operating budget for unanticipated expenses. Sewer Retained Earnings are the surplus funds from the Sewer Enterprise Fund from FY23. Aging infrastructure and unforeseen circumstances are concerns that potentially require swift action. The transfer to the Reserve Fund allows emergency expenses to be paid in a timelier manner as these funds are controlled by the Finance Committee and Select Board votes.

Article 18: Water Enterprise Fund Budget Fiscal Year 2025

Fincom Recommendation: Recommend

Fincom Comments:

Passage of this article would adopt the proposed Water Enterprise Fund Budget for FY26, total \$3,280,992.79, and appropriate \$2,768,064.75 for Direct Expenses. While the \$512,928.04 in Indirect Expenses is appropriated through the Town General Fund Budget, this amount is reimbursed by the Water Enterprise Fund. The Finance Committee supports this increase in the

Water Enterprise Fund Budget of 9.56%, acknowledging the need to spend on water infrastructure. To support new growth, we must also support the growing water capacity demands.

Article 19: Water Retained Earnings Transfer For Water Enterprise Reserve Fiscal Year 2025 – draft meeting 28th –

Fincom Recommendation: Recommend

Fincom Comments:

This article would use \$500,000 of the \$1,248,337 of Water Retained Earnings to the reserve fund for FY26 within the Water Enterprise operating budget for unanticipated expenses. Water Retained Earnings are the surplus funds from the Water Enterprise Fund from FY23. Aging infrastructure and unforeseen circumstances are concerns that potentially require swift action. The transfer to the Reserve Fund allows emergency expenses to be paid in a timelier manner as these funds are controlled by the Finance Committee and Select Board votes.

Article 20: Transfer From Water Retained Earnings, Capital Improvements –

Fincom Recommendation: Recommend

Fincom Comments:

This article would transfer \$180,000 of Water Retained Earnings for the DPW to use for Capital Equipment procurement. These funds would allow for the purchase of a new truck to replace a fifteen-year-old truck. This will allow the Department of Public Works to properly service the Town's water operations and repairs. Maintaining an aging fleet of vehicles can add additional costs to the Town through vehicle maintenance repairs. Finance Committee supports this transfer to strengthen the DPW's fleet, as rates will not be affected.

Article 39 :Citizen Petition: Senior Resident Real Estate Tax Relief (only state legislature can authorize) –

Fincom Recommendation: No recommendation

Fincom Comments:

FinCom is not able to recommend this article as it is not legally permissible. However, it does call attention to the very real issue of affordability for many seniors living in Maynard. Although this article may not be the solution, there are several existing programs in town that seniors should be aware of that may provide some relief:

- Tax Exemptions – Seniors and veterans meeting income and residency requirements are eligible for exemptions on their property taxes
- Tax Deferral – Seniors meeting income and residency requirements may defer some or all of their property taxes each year up to 50% of the total property value, due upon sale of the house.
- Work-off Abatement – Seniors can volunteer with the town work-off program for up to a \$1500 abatement

Please see <https://townofmaynard-ma.gov/DocumentCenter/View/3224/FY25-Exemption-Info> for additional information on these other existing programs.