

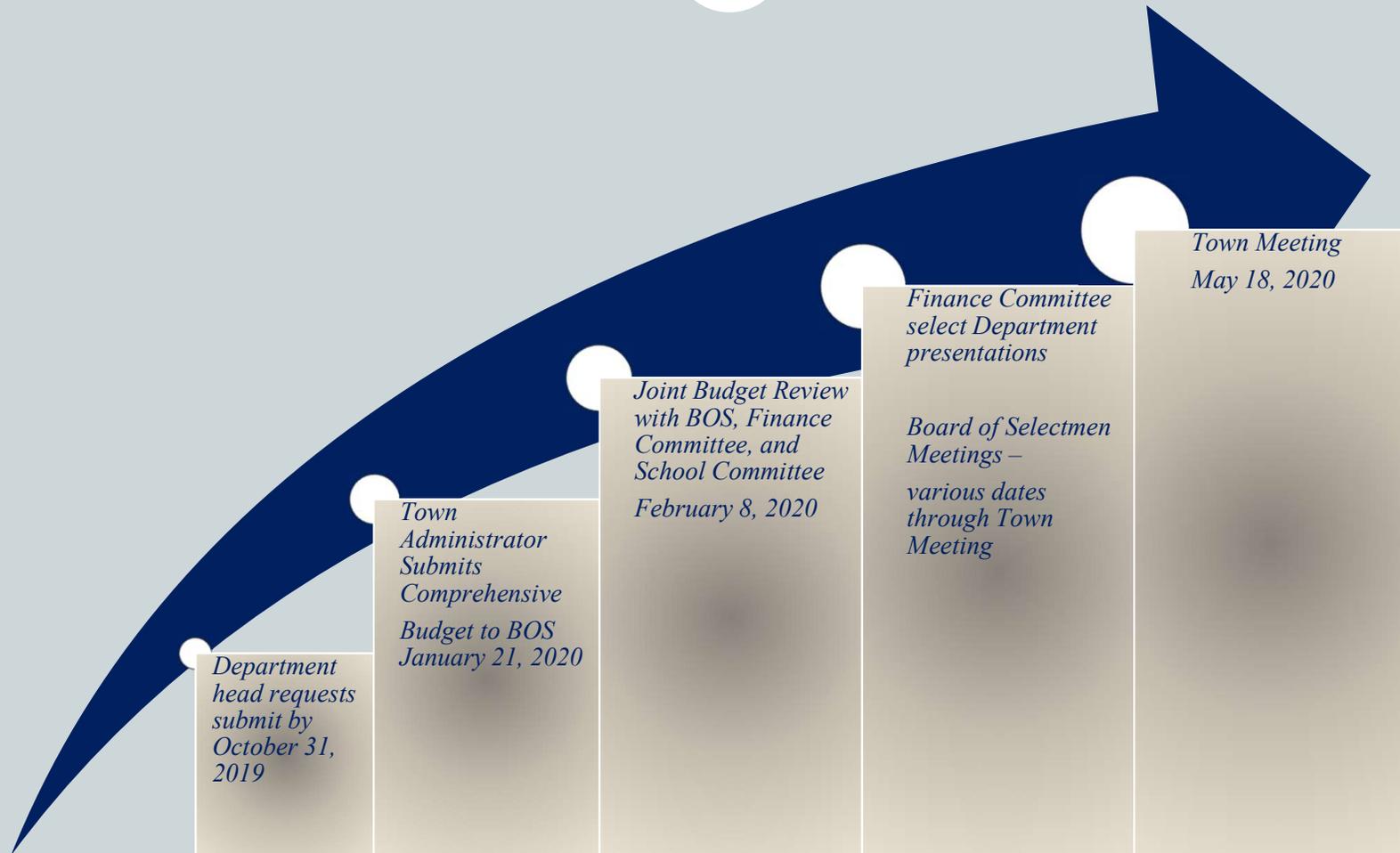


# TOWN OF MAYNARD BUDGET HEARING FISCAL YEAR 2021

Gregory Johnson  
Town Administrator

# Budget Process

2



## December 31, 2019 – 1/2 way there

3

- Year-to-date budget is on target
- Total expenditures at **45.9%**; (**47.4%** after removing debt which has timing fluctuations)
- Received **\$23.2** million in revenue receipts in the General Fund as of December 31, 2019 this is **52.8%** of 2020 target revenues.



Fiscal Year 2021  
Town Administrator  
Proposed Budget

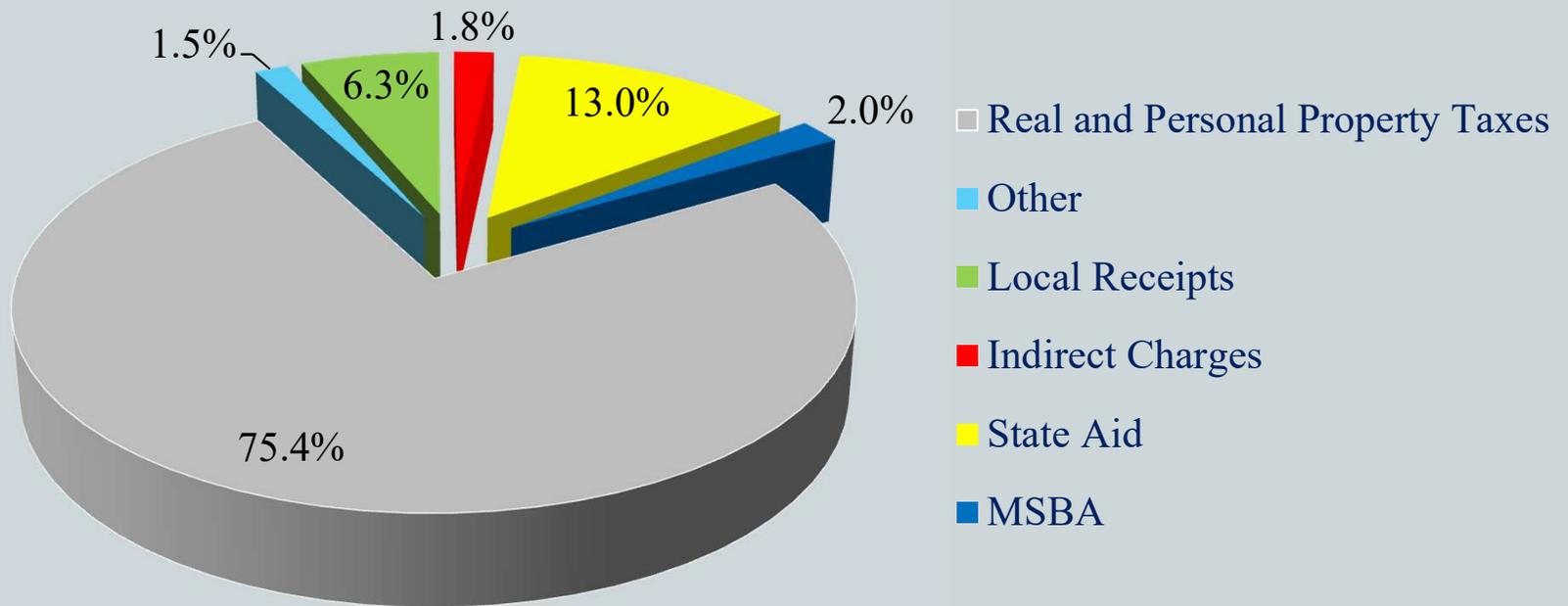


# BUDGET SOURCES

# Summary Budget Sources

6

## Source Types



# Summary of Budget Sources

7

Revenue Type	Amount
Real and Personal Property Taxes	\$ 34,459,543
State Aid*	5,961,045
Massachusetts School Building Authority	897,660
Local Receipts	2,890,000
Indirect Charges	834,268
Transfers From Other Funds	250,000
Transfers From PEG Access	360,574
Amortization of Bond Premium	<u>54,176</u>
<b>Total Budget Sources</b>	<b><u>\$ 45,707,266</u></b>

\*State Aid is inconclusive: Presented figure taken from Governor's "House 1" budget

# Real and Personal Property Taxes

8

<b>LEVY COMPONENT</b>	<b>AMOUNT</b>
Levy Limit 2020	\$ 30,432,490
Proposition 2 ½ % increase	760,812
New Growth Estimate	520,000
Debt Exclusions	2,746,241
Maximum Allowable Levy FY21	\$ 34,459,543

# New Growth

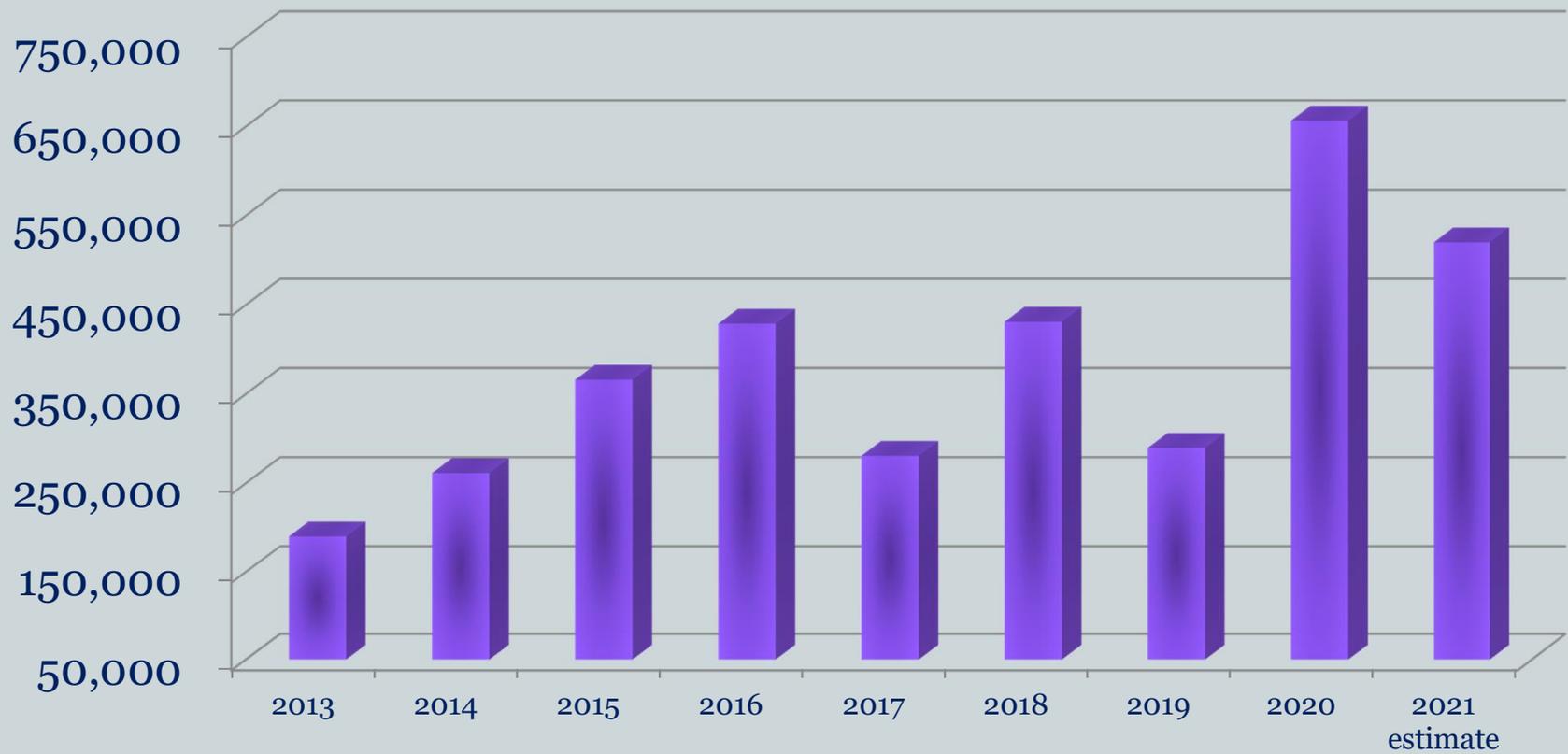
9

- Estimate \$520,000
- Based on permit activity and active projects
- Of which only \$248,000 is from 129 Parker (aka “Digital Way”)
- Final amounts are not available until after the budget has been presented to Town Meeting

# New Growth

10

## Historic New Growth \$



# State Aid and MSBA

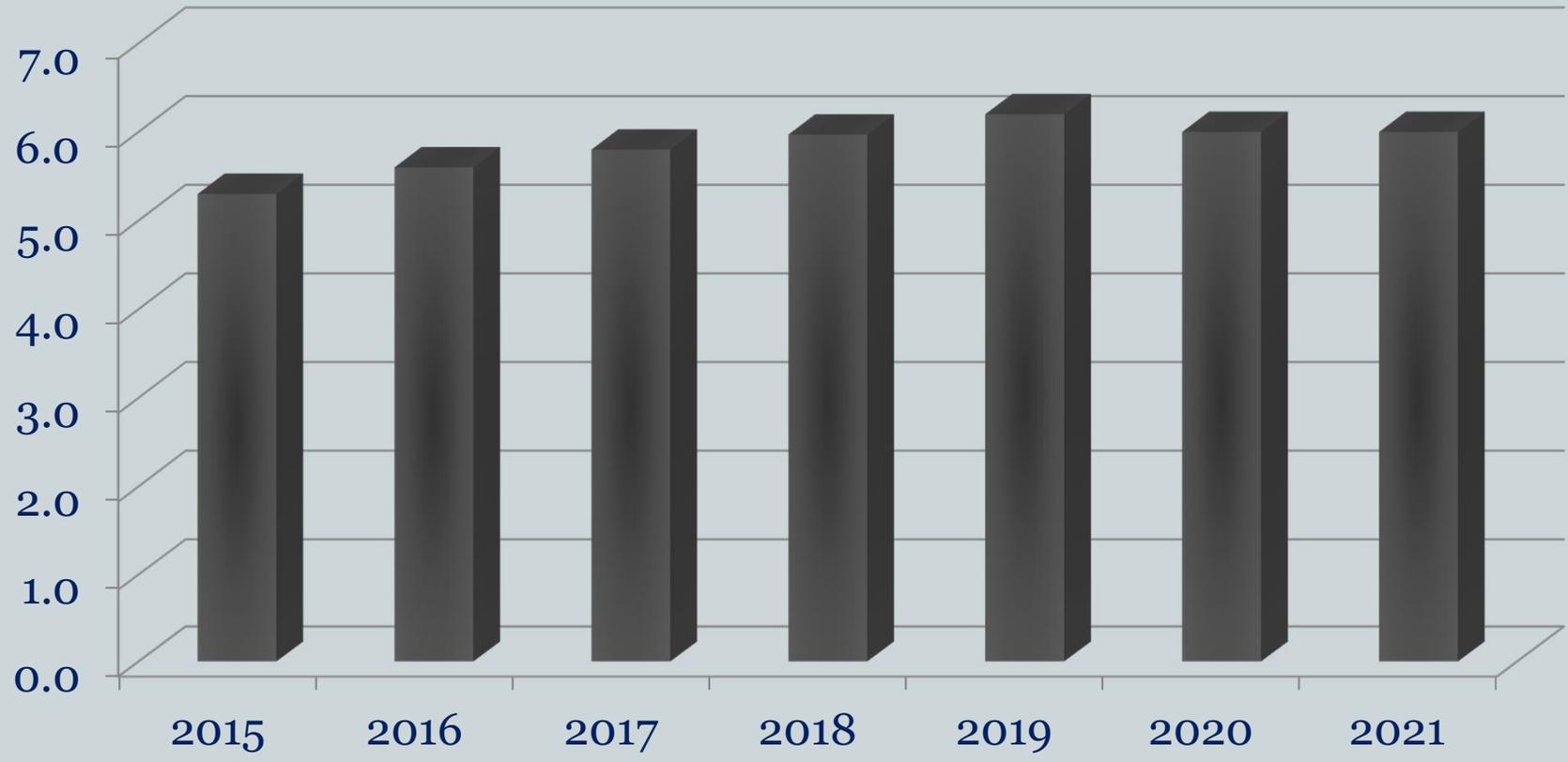
11

- Governor's budget \$5,962,150
  - Only \$1,105 increase over last year
  - TA Budget (Jan. 21<sup>st</sup>) projected flat from FY2020
  - House and Senate Ways and Means Committees, then Joint Committee, will submit their versions
  - Adjustments will be made as changes occur
  - Recommendations for town budget adjustments can be provided
- MSBA \$897,660
  - Consistent from year to year
  - Reimbursement for debt related to construction of the Fowler School
  - Town qualified for nearly 60% reimbursement
  - Expires in fiscal year 2023
  - New High School project was on a pay-as-you construct basis and has all been distributed w/ no additional debt burden

	2017	2018	2019	2020	FY21	
	<u>Final</u>	<u>Final</u>	<u>Final</u>	<u>Final</u>	<u>House 1 (Gov's)</u>	<u>FY21 House 1</u>
<u>LOCAL AID</u>						Vs FY20
Chapter 70						
	4,733,058	5,000,104	5,402,021	5,442,941	5,482,091	39,150
Charter Tuition Assessment Reimbursement	37,397	154,847	183,187	192,924	105,794	(87,130)
Unrestricted Government Aid	1,510,550	1,569,461	1,624,392	1,668,251	1,714,962	46,711
Exemptions - Vets , Blind & Surv Spouse, Elderly Veteran's Benefits	35,014	30,625	33,373	37,691	37,339	(352)
	50,027	45,020	30,662	43,627	36,784	(6,843)
<b>TOTAL GROSS LOCAL AID</b>	<b>6,366,046</b>	<b>6,800,057</b>	<b>7,273,635</b>	<b>7,385,434</b>	<b>7,376,970</b>	<b>(47,980)</b>
<u>ASSESSMENTS</u>						
Air Pollution	3,020	3,089	3,178	3,178	3,205	(47)
MAPC	5,259	5,417	5,562	5,717	5,726	(9)
RMV non-renewal surcharge	13,240	11,440	11,440	14,000	13,680	320
Regional Transit	77,239	79,170	81,149	83,178	85,257	(2,079)
Special Education		15,485	6,108		0	0
School Choice Sending Tuition	66,572	65,098	97,252	198,847	215,043	(16,196)
Charter School Sending Tuition	403,365	645,603	854,236	1,119,489	1,091,909	27,580
<b>TOTAL ASSESSMENTS</b>	<b>568,695</b>	<b>825,302</b>	<b>1,058,925</b>	<b>1,424,389</b>	<b>1,414,820</b>	<b>9,569</b>
<b><u>TOTAL NET LOCAL AID</u></b>	<b>5,797,351</b>	<b>5,974,755</b>	<b>6,214,710</b>	<b>5,961,045</b>	<b>5,962,150</b>	<b>1,105</b>

# Historic State Aid

## State Aid in millions



# Local Receipts

14

Receipt Type	Amount
Motor Vehicle excise	\$ 1,340,000
Meals Tax excise	117,000
Penalties and interest	100,000
Payment in lieu of taxes	36,000
Licenses and permits	270,000
Fines and forfeits	70,000
Investment income	82,000
Solid Waste Fees	540,000
Other (Medicaid, Fees, Rentals, etc.)	335,000
<b>Total Local Receipts</b>	<b>\$ 2,890,000</b>

# Indirect Charges

15

- Charges incurred by the General Fund on behalf of the Water and Sewer Enterprise Funds
- Allocated back to Water and Sewer Enterprise Funds based on a reasonable and methodical allocation process
- Includes administrative fees such as Accounting, Treasury, Collector, and Data Processing etc. as well as employee benefits

# Transfers From Other Funds - Ambulance Receipts

16

- Annually, amounts are transferred from the “Ambulance Receipts Reserved for Appropriation Fund” to the General Fund
- This is to subsidize the cost of the ambulance services and capital repairs or replacement which are charged directly to the General Fund within the Fire Department appropriation
- 2021 proposed amount is **\$250,000** for ambulance operations

# Transfers From Other Funds - PEG Access Funds

17

- Annually, amounts are transferred from the “PEG Access Reserved for Appropriation Fund” to the General Fund
- This is to subsidize the cost of cable-related services, benefits, IT and associated infrastructure which is charged directly to the General Fund within the General Government appropriation
- 2021 proposed transfer amount is **\$360,574**
  - **11.1%** - Town
  - **88.9%** - School

# Amortization of Bond Premium

18

- Typically, when a municipality issues bonds, proposers offer premiums with the sale
- These premiums become revenue to the municipality at the time of sale
- When the premium arises from an excluded debt situation, the Department of Revenue (DOR) does not allow the use of this revenue all in one year
- Therefore the premium is required to be amortized over the length of the debt payback
- In the 2021 budget, the Town is using **\$54,176** as a budget source against debt service as the current year amortization
- Remaining premium balances after 2021 approximate \$300,911 and are being amortized over time

# Debt Exclusion

19

- It is challenging for the Town to carry out a sufficient capital improvement plan without assistance from the taxpayer outside the boundaries of Proposition 2 1/2
- This is accomplished through debt exclusions, which, when approved by the voters, allows the Town to assess taxes above the Proposition 2 1/2 limits set by law
- Debt exclusion amounts for fiscal 2021 equal \$2,746,241
- Total debt service for 2021 is expected to be \$3,954,216 for governmental funds
- This includes \$300,000 for the new fire station, and \$267,875 for the Green Meadow roof (as originally proposed plan considered \$2.2M full roof replacement)
- Debt service for Enterprise funds for FY2021 is proposed to be \$614,477 for Water and \$843,115 for Sewer

# Historic Debt Exclusion

20

## Excluded debt amount (millions \$)





# BUDGET USES

# Summary Budget Uses

22

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>Budget</u>	<u>FY21</u>
	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>FY2021 vs</u>	<u>% vs</u>
					<u>FY2020</u>	<u>FY20</u>
<b><u>TOTAL EXPENSES</u></b>						
General Government	\$ 2,996,058	\$ 2,941,460	\$ 2,908,545	\$ <b>2,952,058</b>	\$ 43,513	1.50%
Public Safety	\$ 4,858,821	\$ 4,919,011	\$ 5,017,543	\$ <b>5,098,744</b>	\$ 81,201	1.62%
Public Works	\$ 1,958,551	\$ 2,004,875	\$ 2,082,146	\$ <b>2,135,089</b>	\$ 52,943	2.54%
Cultural & Recreation	\$ 548,224	\$ 561,005	\$ 577,274	\$ <b>590,844</b>	\$ 13,570	2.35%
Education - Maynard	\$ 17,426,410	\$ 18,550,151	\$ 19,490,953	\$ <b>20,292,760</b>	\$ 801,807	4.11%
Education - Assabet	\$ 893,191	\$ 1,025,434	\$ 1,122,297	\$ <b>1,223,163</b>	\$ 100,866	8.99%
Employee Benefits	\$ 7,949,445	\$ 8,144,187	\$ 8,302,255	\$ <b>8,619,816</b>	\$ 317,561	3.82%
Debt Service	\$ 3,647,253	\$ 3,549,595	\$ 3,467,245	\$ <b>3,954,218</b>	\$ 486,973	14.04%
Reserve Fund	\$ 300,000	\$ 250,000	\$ 250,000	\$ <b>250,000</b>	\$	
PEG Access	\$ 374,688	\$ 285,821	\$ 365,398	\$ <b>360,574</b>	\$ (4,824)	(1.32)%
<b>TOTAL EXPENSES</b>	\$ <b>40,952,641</b>	\$ <b>42,231,539</b>	\$ <b>43,583,656</b>	\$ <b>45,477,266</b>	\$ <b>1,893,610</b>	<b>4.34%</b>

# Annual Budget Comparison

23

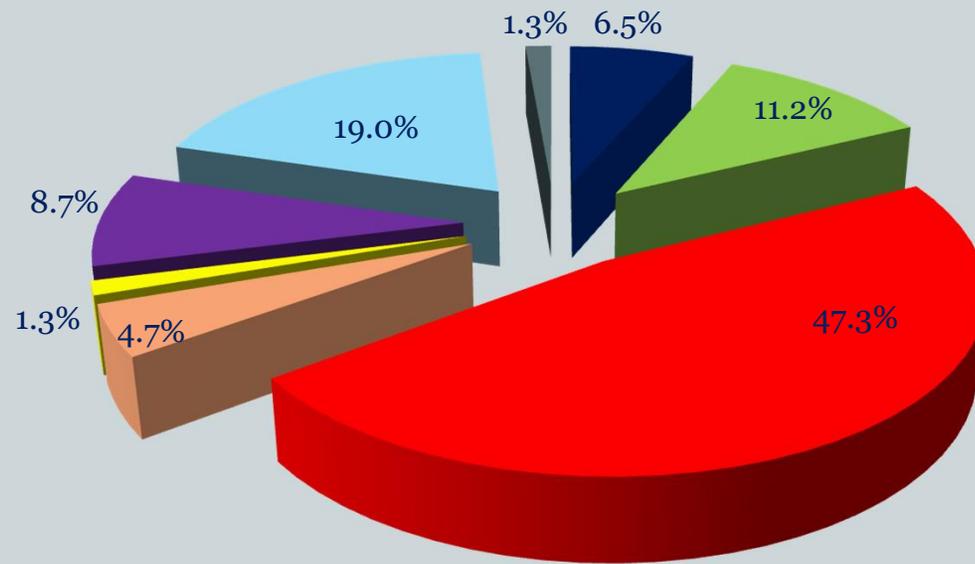
## Annual Budget (millions)



# Summary Budget Uses

## Budget Uses by Function

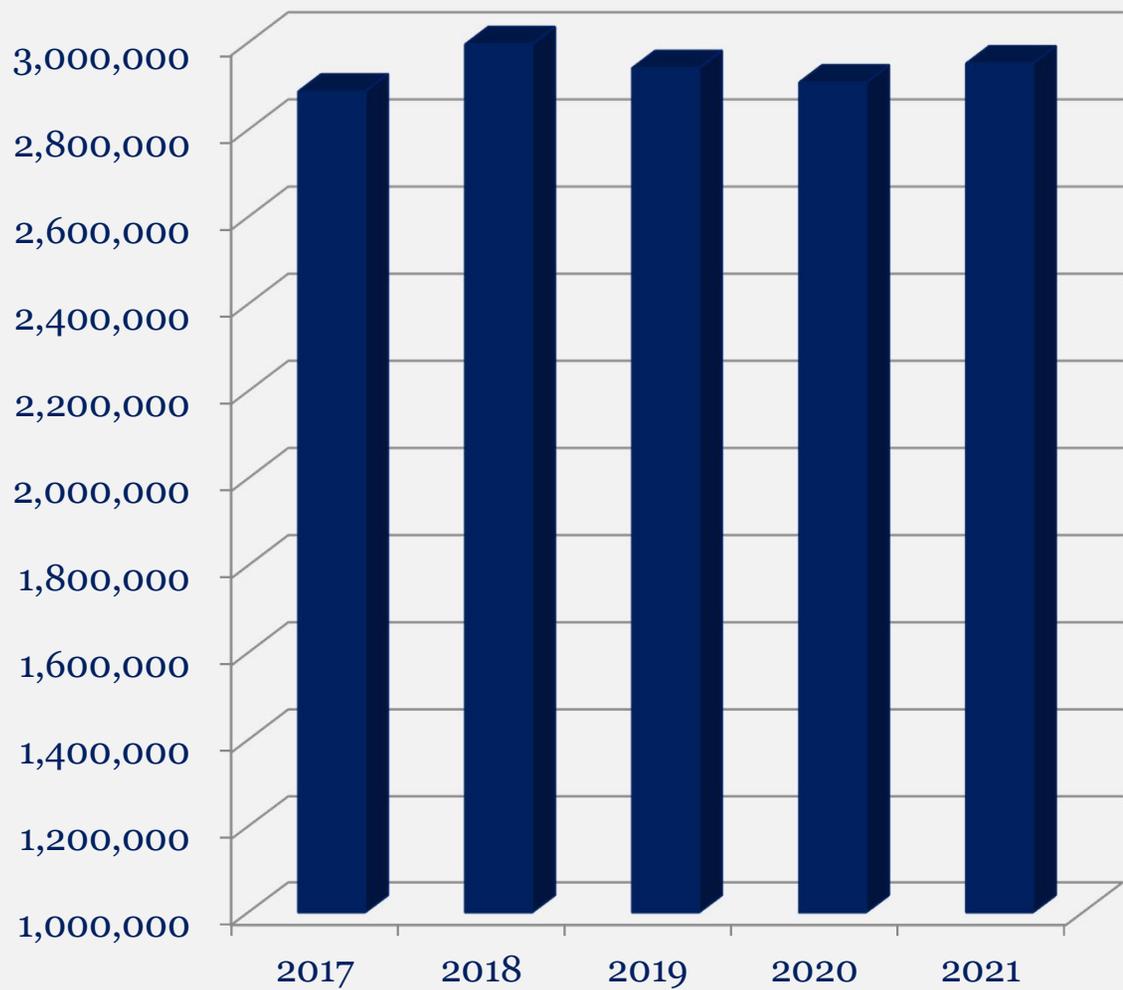
- General Government
- Public Safety
- Education
- Public Works
- Culture and Recreation
- Debt Service
- Fringe Benefits and Other
- Other Budget Uses



# General Government

- ❑ An increase of \$43,513 which is 1.5% over the FY2020 budget.
- ❑ This reflects contractual obligations for salaries and increasing to a full-time Assistant Town Clerk, instead of the part-time position from FY20.
- ❑ Increases the General Government function by consolidating \$55,000 of fuel expenses into a single line, and withdraws the budgeted amounts from all individual departments.
- ❑ To support the shared Director of Building Operations position with the Maynard School District, \$75,000 is transferred out of the FY21 budget.
- ❑ Reductions were made based on previous spending trends and estimated future expenses

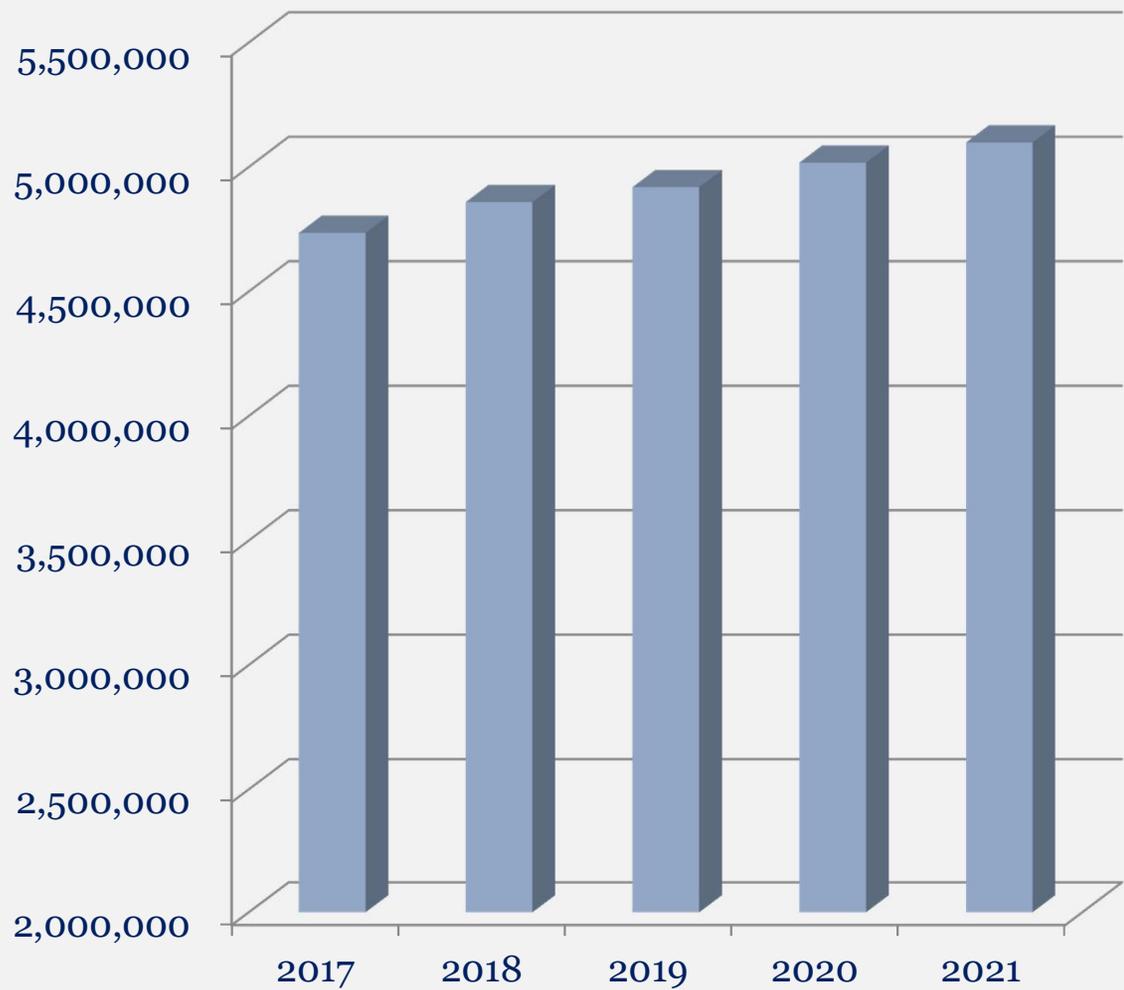
### General Government Budget



# Public Safety

- ❑ Increase of \$81,201 which is 1.62% over the FY2020 budget.
- ❑ This reflects contractual obligations for salaries for Maynard Police, Fire and Dispatchers
- ❑ The addition of a single dispatcher to counter the current budget demands for over-time, as well as easing the operational burden due to over-timed staff, for an increase of \$15,905.
- ❑ Additional \$7,500 for dispatchers' education and certifications support
- ❑ An increase of \$29,479 to meet the trend in overtime by Firefighters.
- ❑ One police cruiser costing \$45,000.
- ❑ The Maynard Fire Department's administrative support staff personnel is recommended to be hired as a part-time position.

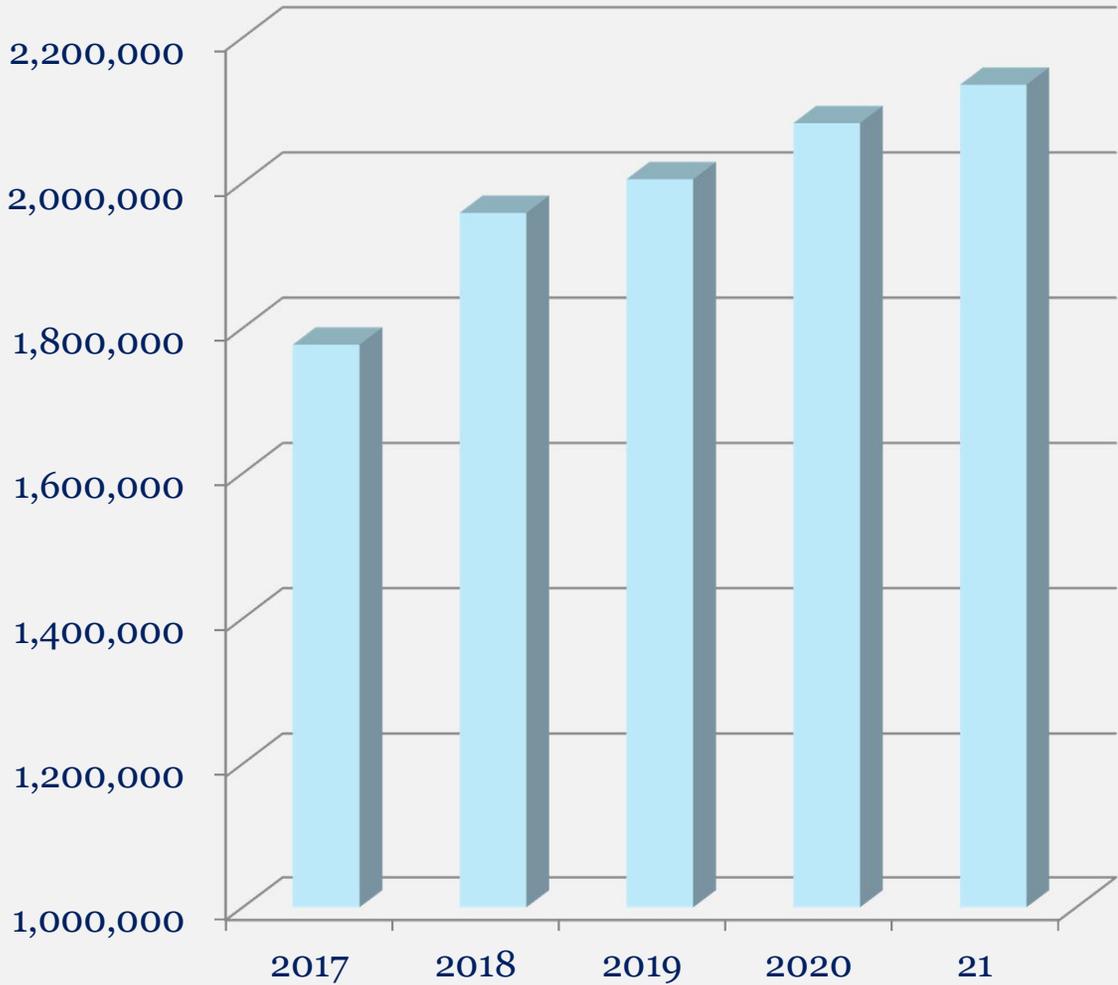
### Public Safety Budget



# Public Works

- ❑ Increase of \$52,943 which is 2.54% over the FY2020 budget.
- ❑ This reflects contractual obligations for salaries.
- ❑ An increase of expenses towards solid waste and recycling processing.
- ❑ Additional funding to meet demands to address municipal separate storm sewer systems (MS4s) management.

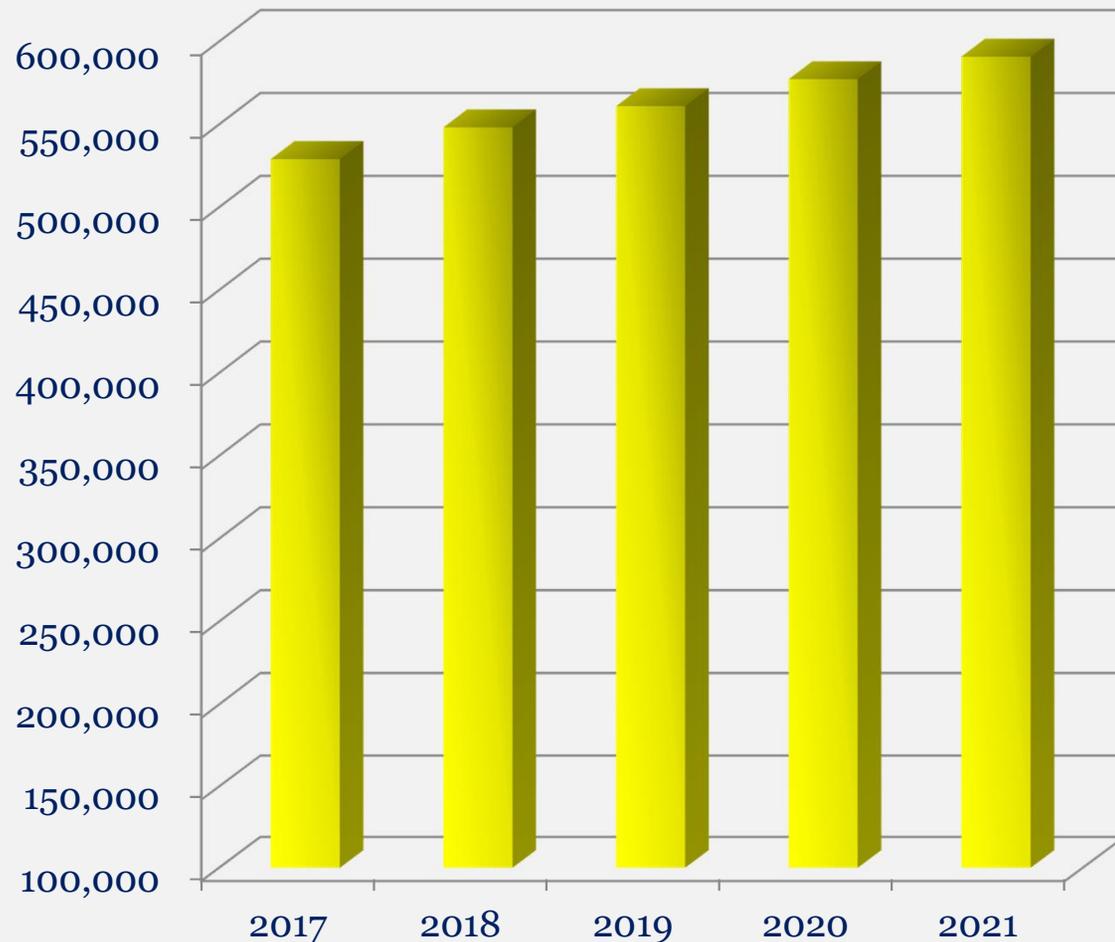
### Public Works Budget



# Culture and Recreation

- ❑ Culture and recreation relates primarily to the activities of the Town Library.
- ❑ The Town Administrator proposes for Culture and Recreation minimal increases of \$13,570 which is 2.35% over the FY2020 budget.
- ❑ This reflects contractual obligations for salaries.
- ❑ No increase for non-salary expenses.
- ❑ The Culture and Recreation budgets have remained relatively flat year to year.

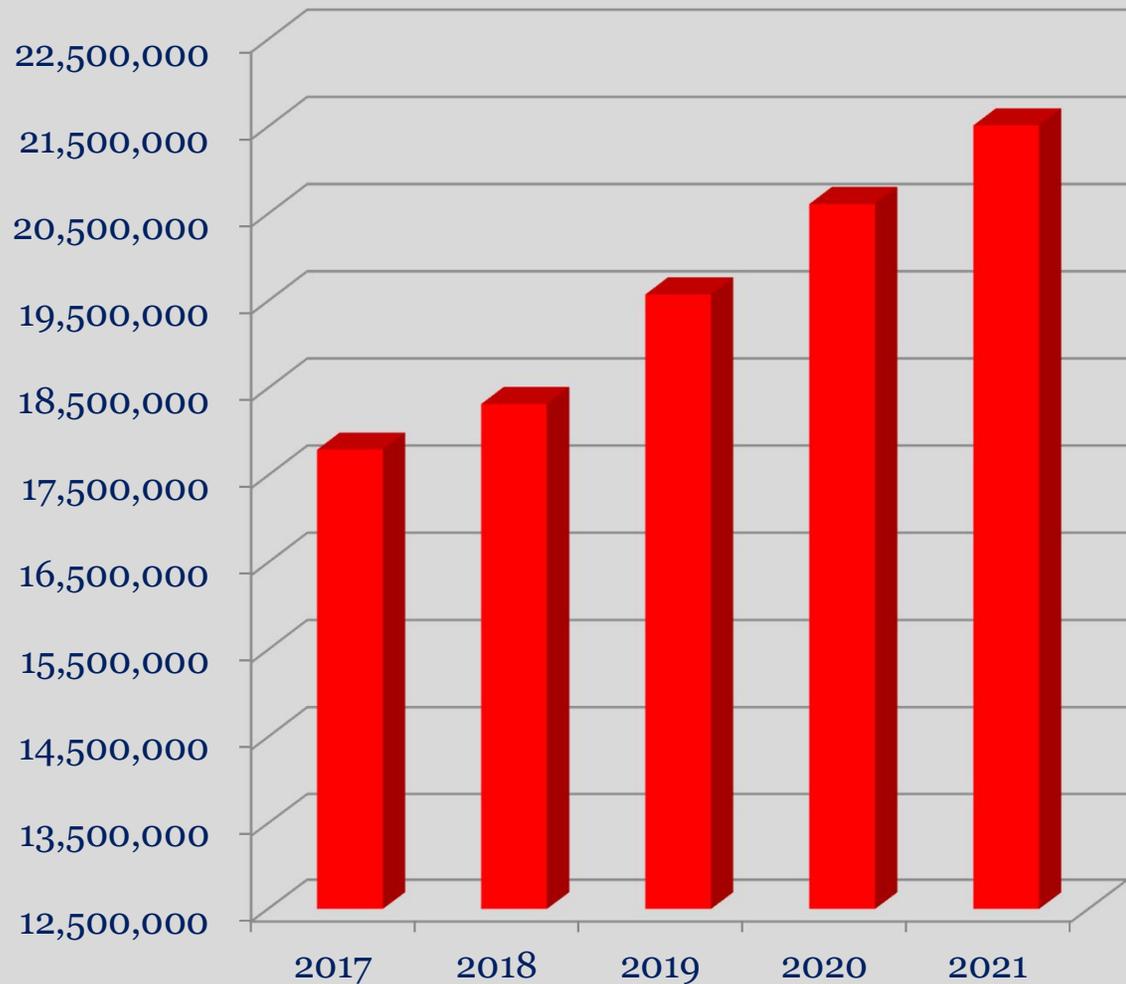
### Culture (Library) and Recreation Budget



# Education

- ❑ Increase of \$801,807 which is 4.11% over the FY2020's final budget (the final budget reflects the appropriations of the Special Town Meeting held in October 2019).
- ❑ The TA recommended appropriation is \$(150,000) less than their originally requested budget increase.
- ❑ With no accurate estimation of Local Aid for the School District from the state until the spring/summer, the Board of Selectmen can consider adjusting the District's budget appropriation when information is received.
- ❑ Assabet Valley Regional Technical High School's assessment increased by nearly 9% for FY21, as an increase of \$100,866.

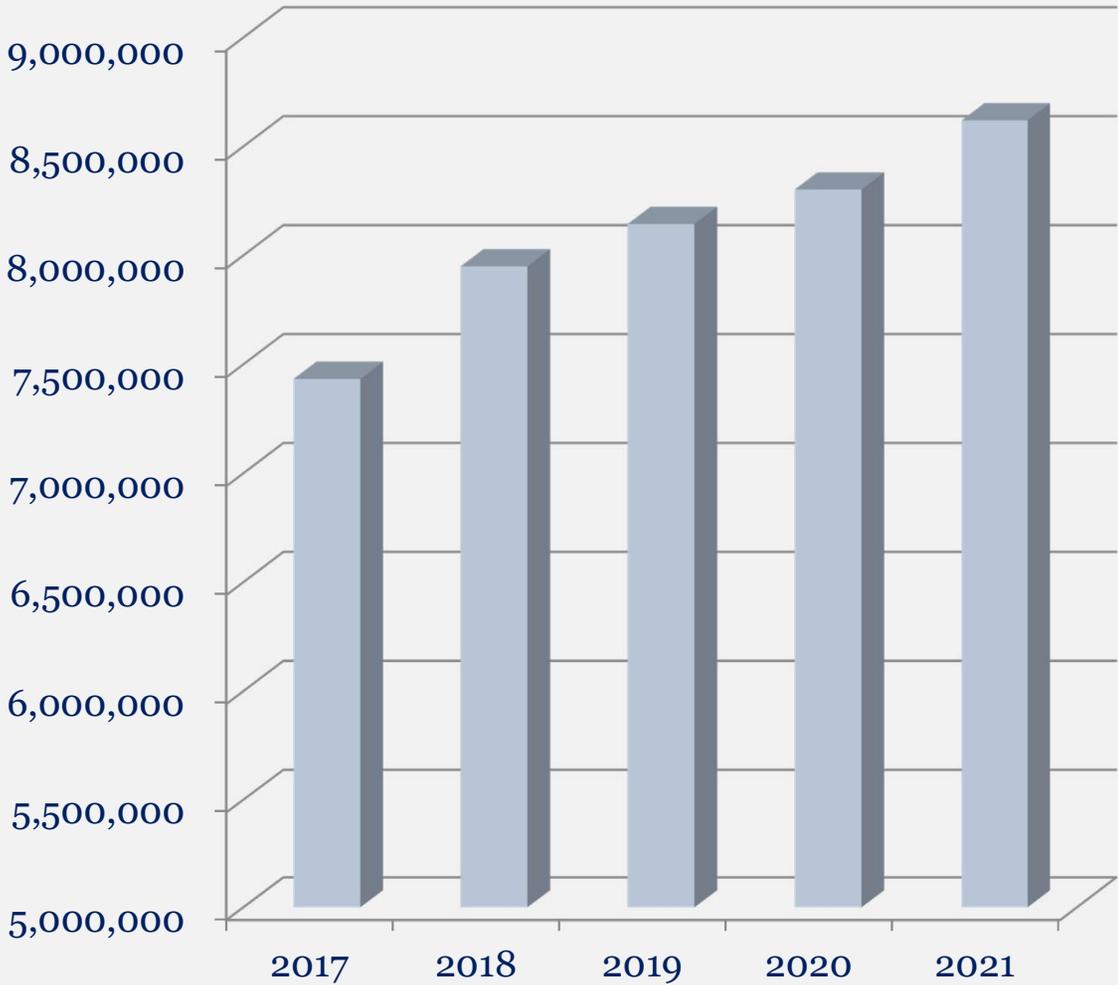
### Education Budget



# Employee Benefits

- ❑ Increases by \$317,561, or 3.82%.
- ❑ This reflects increases to retirement of \$139,821 and a 7% increase for the cost of health insurance to employees over this current fiscal year.
- ❑ Health insurance costs decrease by \$93,000 from an one-time employee premium reimbursement, and another decrease of \$31,000 because an additional PEG-funded communications staff's benefits will be covered through PEG revenue.
- ❑ Employee benefits include fixed costs related to payroll that consist of pensions, health insurance, medicare, unemployment and life insurance.
- ❑ MIIA Health and Liability insurance premium final costs will not be known until March or later.

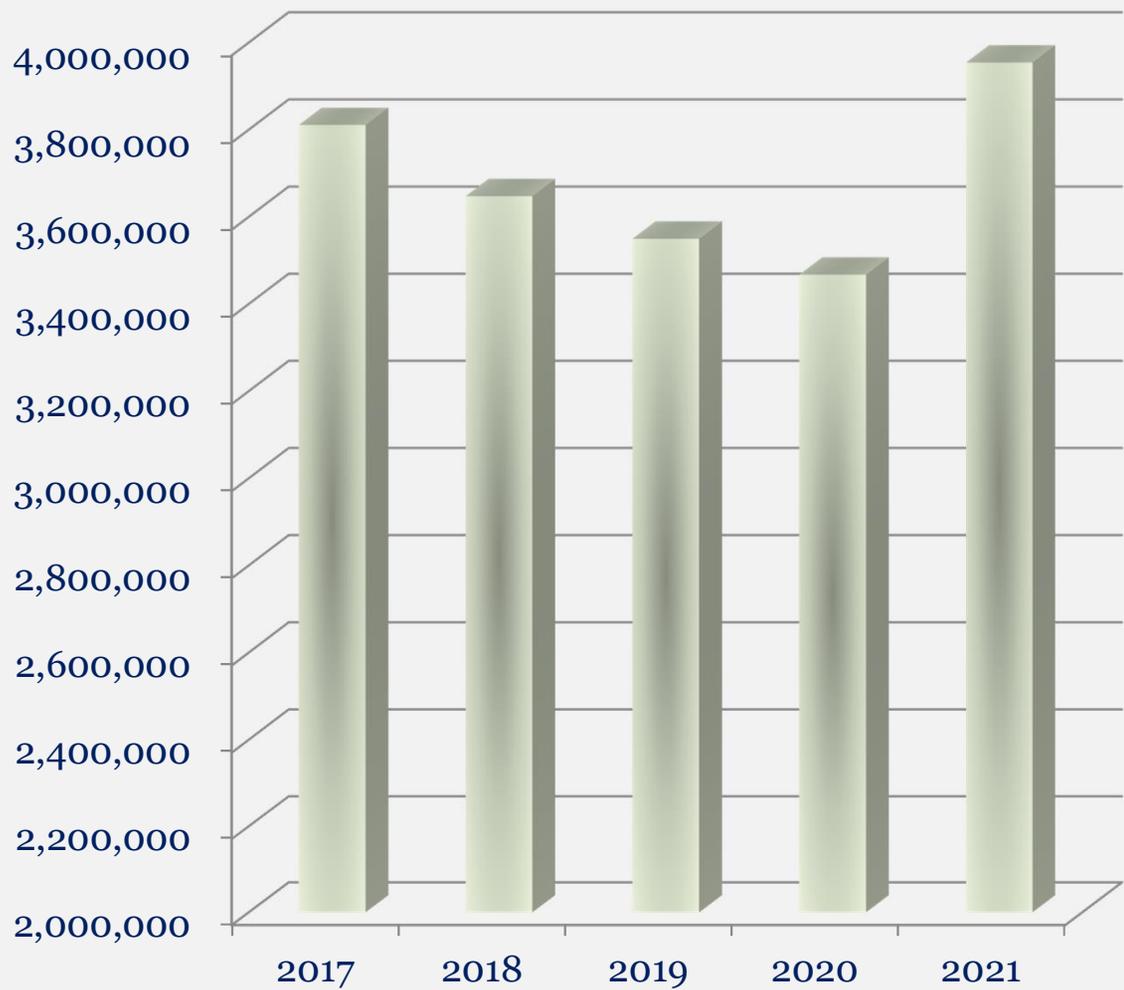
### Employee Benefits Budget



# Debt Service

- ❑ Debt service represents the principal payback and interest costs associated with the Town's prior year bond issuances.
- ❑ Increases excluded debt service by \$495,179, which is 15.46% over FY20 budget.
- ❑ Reflects retiring debt of \$(72,696) against the additional debt of \$567,875 for the new fire station and full GMES roof replacement.
- ❑ Non-excluded debt service decreases by \$(8,206) or (3.1)%, for a total of \$256,140.
- ❑ Non-excluded debt is 0.6% of the total General Fund budget.
- ❑ Excluded debt increases to 8.1% of the total General Fund budget.

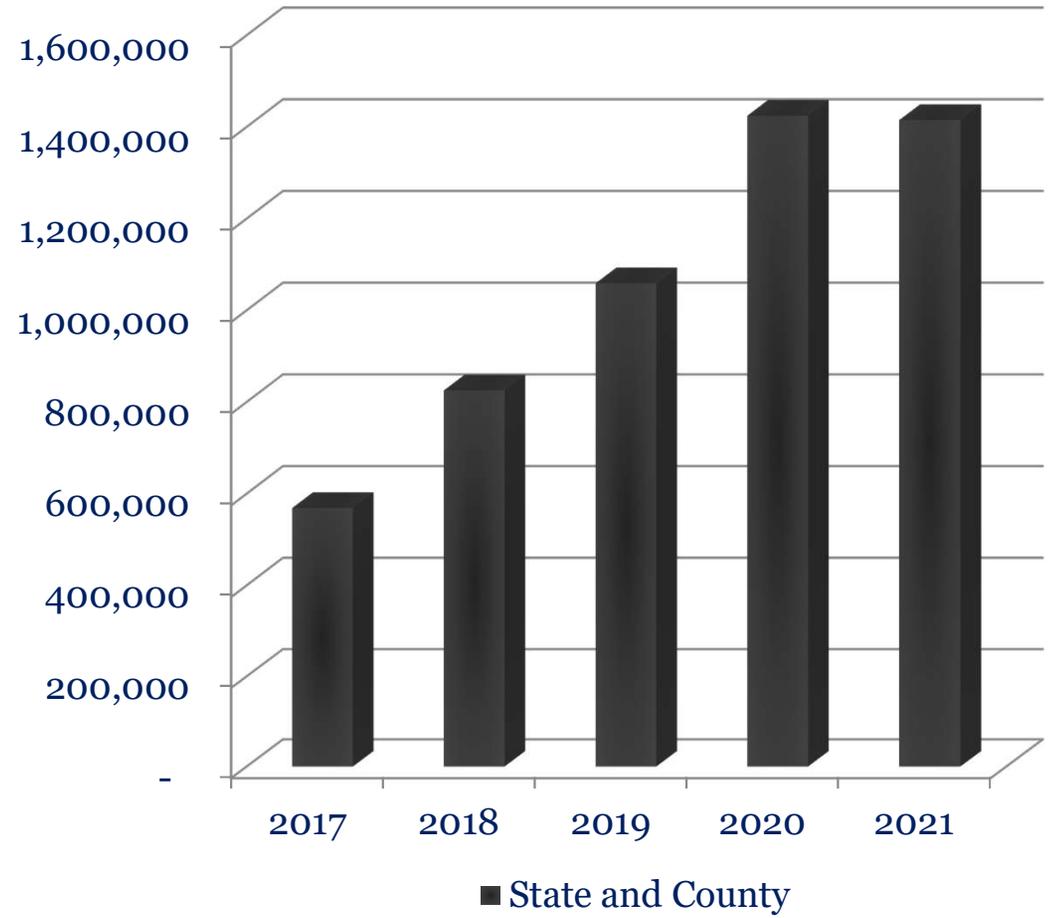
### Debt Service Budget



# Other Budget Uses

- ❑ Reserve Fund is an amount annually appropriated for unanticipated expenditures. The Town Administrator proposes this amount be **\$250,000**.
- ❑ Reserve For Abatements are amounts raised on the tax recap to account for abatements that will be filed by the taxpayers. This is not included in the Town Meeting vote. Amount to be budgeted for is \$230,000
- ❑ State and County Assessments are beyond the control of the Town Administrator and assessed annually by the State. The amount included, **\$1,414,820**, is from the Governor’s initial budget proposal which was released following the January 21<sup>st</sup> submission of the TA budget.

## State and County





# TOWN OF MAYNARD BUDGET HEARING FISCAL YEAR 2021

Gregory Johnson  
Town Administrator



# Capital Planning

# Free Cash Analysis

35

- Free cash is historically replenished if revenues exceed forecast and/or if appropriation turn-backs exist
- The Town's free cash was certified by the Department of Revenue (DOR) at \$658,277 a decrease of \$(1,474,941) from the prior year
- The Town typically appropriates all free cash to stabilization funds and one-time capital items
- Stabilization transfers of any excess free cash have become "mandatory" as part of financial planning goals
- An additional \$99,882 from dormant or completed-use accounts is proposed to be "closed out" that can supplement the Free Cash contribution to stabilization and capital items

# Free Cash Recommendation

36

Free Cash FY19 available	\$658,227		FY20 Balance	Total New Balance
Snow/Ice	\$400,000		\$117,000	\$517,000
Capital Stabilization	\$33,000		\$771,452	\$804,452
General Stabilization	\$49,882		\$2,231,785	\$2,281,667
OPEB	\$34,227		\$1,285,674	\$1,319,901
<i><u>One-Time Capital</u></i>				
Downtown Enhancement Fund	\$45,000			
Police Cruiser	\$45,000			
Fowler Bathrooms	\$12,000			
Green Meadow Bathrooms	\$40,000			
School District Wide WiFi	\$72,000			
Green Meadow Smart Projectors	\$27,000			

# Capital Improvement Plan (CIP)

37

<b><i>Funding Source</i></b>	<b><i>Items</i></b>	<b><i>FY20 (starting amount)</i></b>	<b><i>FY21 Available</i></b>	<b><i>FY21(withdrawing)</i></b>
Free Cash	One-time expenses	\$ 658,227	\$ 758,109	\$ 241,000
General Government Data Processing	Library software update			\$ 13,000
Public Safety operating fund	Police Cruiser			\$ 45,000
Golf Course revenue	Golf Course repairs (ie roof)	\$ 16,000	\$ 16,000	\$ 16,000
School Roof Maintenance	Roof study; potentially envelope study	\$ 100,000		
Capital Stabilization	Ambulance (first of 5 year lease); Florida Road bridge replacement town costs	\$ 771,452	\$ 804,452	\$ 359,413
General Stabilization	Feasibility Study for GMES replacement	\$ 2,231,785	\$ 2,281,667	\$ 1,000,000
Water Enterprise Stabilization	Rockland Well Expansion	\$ 476,334		\$ 150,000
Sewer Enterprise Stabilization	BioWinn Waster Water Treatment analysis	\$ 189,476		\$ 80,000
Ch 90 state aide	Roads and Sidewalks	\$ 293,469	\$ 293,469	\$ 293,469
Debt Exclusion	Fire Station and GM roof full replacement			\$ 568,000



# Supplemental Information

# Capital Planning FY21 and beyond

39

- TA Office is working with newly formed Capital Planning Committee to develop a town-wide capital policy and review all capital items in the FY21 budget and beyond.
- TA Office applied through the state's Community Compact portal for support from the state Department of Revenue's Division of Local Services (DLS) to develop financial policies, long-range fiscal planning and budget fore-casting. If accepted, the TA Office will form a working group of town staff, Finance Committee, Capital Planning Committee, Board of Selectmen, School Committee, Superintendent's Office, and others, to assist and provide input on the project.

# Levy Limit and Ceiling

40

- The Town's assessed valuation as reported on the fiscal 2020 tax recap was \$1.534 billion, a \$99.8 million increase from fiscal 2019 when it was reported as \$1.435 billion
- The expected tax levy limit in the current year (fiscal 2020) is \$30,432,490
- The FY20 levy ceiling that taxes \$25 per \$1,000 of assessed valuation is \$38,360,336
- Tax bills also reflect the debt exclusion collectable amount of \$2,246,149 in FY20

# Levy Limit and Ceiling

41

- FY21 levy limit starts with FY20 limit and adds new growth, currently projected at \$520k
- FY21 levy limit is calculated at \$31,713,302
- Plus debt exclusion collectable amount of \$2,746,418
- The current estimated FY21 maximum allowable levy limit is \$34,459,543

# Levy Limit and Ceiling

- Average Single Family (ASF) Tax Bill Impact
  - In current FY20
    - ✦ ASF value is \$393,611
    - ✦ Applying tax rate of \$20.64
    - ✦ ASF Tax bill is \$8,124

## AVERAGE SINGLE FAMILY TAX BILL

Fiscal Year	Assessed Value	Number of Parcels	Average Value	Tax Rate	SF Tax Bill	Tax \$ Change	State Rank
2016	872,832,200	2,665	327,517	21.25	\$6,960	\$280.00	58
2017	874,863,800	2,671	327,542	22.01	\$7,209	\$249.00	58
2018	878,774,700	2,674	328,637	22.64	\$7,440	\$231.00	59
2019	985,202,900	2,674	368,438	21.04	\$7,752	\$312.00	55
2020	1,052,908,460	2,675	393,611	20.64	\$8,124	\$372.00	?



# Tax Bill Estimates

43

- FY21 TA Budget estimated impact on tax bills with current tax split of 1.31
  - Using full 2.5% levy limit
    - ✦ And full amount of projected new growth of \$520K
      - Estimated FY21 Tax Rate = \$20.61
      - Estimated ASF Tax Bill = \$8,437
      - Est. ASF Tax bill increase from current year = \$313
- Proposed FY21 Debt Exclusions
  - Fire Station: est. addition of \$74.79 to ASF tax bill
  - Full GM Roof: est. addition of \$66.91 to ASF tax bill

# Fire Station

44

- Conservative estimate of \$16m cost
- 30 year bond at conservative 3.75% interest rate
- FY21 budget proposal is \$300,000 for first year interest alone
  - Estimated ASF tax bill impact for debt exclusion: \$74.79
- FY22 premium and interest raises to \$900,000/year
  - Estimated ASF tax bill impact for debt exclusion: \$224.36
- Cost for construction increases yearly
- Fire Station Building Committee is being reformed

# Green Meadow Elementary School roof

45

- **Full roof replacement conservative estimate: \$2.2m**
  - Proposed funding is through 10-year bond at conservative 3.57% interest rate
  - Debt exclusion each year would fund \$267,875
    - ✦ Estimated ASF tax bill impact: \$66.91
- **Flat section (1974 wing) repair and steel replacement estimate: \$313,000**
  - May appropriate Capital Stabilization: \$445,039 available based on proposed CIP uses
  - Requires Special Town Meeting vote in May to use within current Fiscal Year

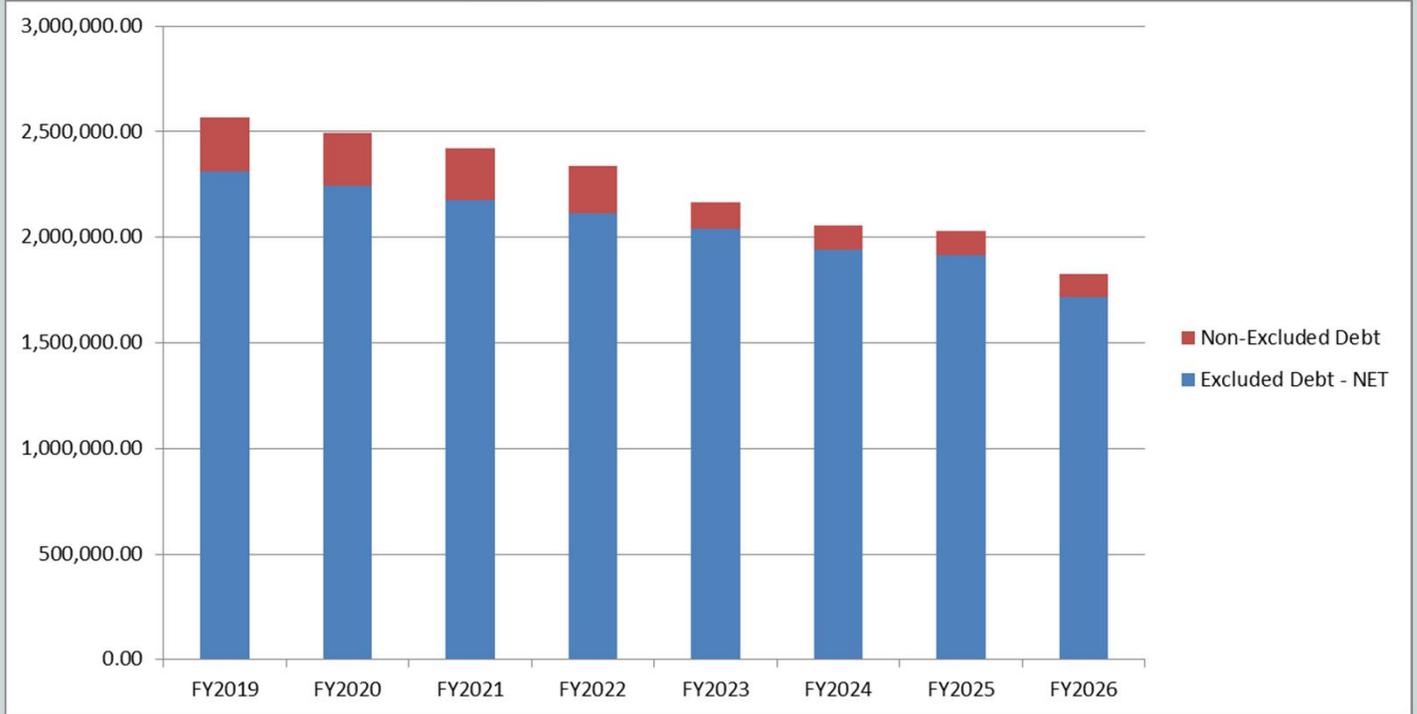
# Green Meadow Elementary School replacement

46

- **Appropriation for Feasibility Study required**
  - \$1,000,000 conservative estimate
  - Study may take 1-3 years
  - Town Meeting vote required by MSBA by January 2021
    - ✦ Annual Town Meeting of May 2020
    - ✦ or possible Special Town Meeting traditionally October 2020
  - Funding available through General Stabilization
    - ✦ FY20 General Stabilization = \$2,231,785
  - MSBA Reimbursement rate unknown (30-50%)
- **Construction**
  - \$40-50 m conservative estimate
  - Length of construction: unknown
  - Commencement of construction: unknown (immediately following Feasibility study or institute a pause before construction following results of study)
  - MSBA Reimbursement rate unknown

# Debt

- Non-Excluded Debt
- Green Meadow System Upgrade
- Green Meadow Carpet Replacement
- Remediation-Petroleum
- Remediation-Landfill
- Remediation-Winter St Sidewalk
- Roads
- Playground/Park Improvement
- Athletic Field
- Fowler Gym Deconstruct
- Excluded Debt
- School
- School Boilers
- High School I
- Library, Refunded '16
- Police Station



Decrease in Debt each year:	FY 20	FY 21	FY 22	FY 23	FY 24	FY25	FY 26
Non-Excluded Debt	\$8,050	\$8,200	\$18,000	\$96,000	\$9,175	\$3,775	\$3,300
Excluded Debt - Net	\$64,803	\$67,784	\$66,085	\$71,709	\$101,344	\$22,175	\$200,760

# PEG

48

- Maintaining FY21 current expense request, PEG Access funds will be exhausted by the end of FY23
- Current request includes the additional WAVM teacher. The FY21 budget is \$4,824 less than FY20 budget
- Meeting the demands of program may require additional revenue

Current Funding Balances		
	Comcast	\$ 188,461
	Verizon	\$ 213,872
Estimated FY20 Additional Revenue		
	Comcast	\$ 50,000
	Verizon	\$ 50,000
Est FY21 Receipt		
	Comcast	\$ 100,000
	Verizon	\$ 100,000
Expenses		\$ (360,564)
balance ending FY21		\$ 341,769
FY23 ending balance		\$ (43,738)

# Discussion – Future of Maynard

49

