



Town of Maynard, Massachusetts
Finance Committee

September 16, 2020

To Maynard Town Meeting Voters:

The Finance Committee (FinCom) is a seven-member committee appointed by the Town Moderator and serves Town Meeting voters in accordance with Massachusetts General Laws (Chapter 39, Section 16) and Maynard's Town Charter and By-laws. The FinCom is required by the Town Charter to hold public hearings prior to all Town Meetings on the proposed Town budget and to "permit public discussion of the subject matter of all articles contained in the warrant." Accordingly, the FinCom will hold a **public hearing on September 28**.

The FinCom is also required by the Town Charter to "report, in writing, its recommendations on every article contained in a town meeting warrant together with a statement of the reasons for each such recommendation." Accordingly, the FinCom has **voted to recommend to Town Meeting voters passage of all 19 articles on this year's STM Warrant**. The FinCom's recommendations and reasons/comments are detailed in the printed Warrant for all articles, except Articles 9 and 17, which are provided below:

Article 9: Amend the Town General Fund Budget for Fiscal Year 2021

FinCom Recommendation: Recommends

Reasons: Passage of this article would amend the initial Town General Fund Budget for Fiscal Year 2021 passed at Annual Town Meeting in June from \$44,975,835 to \$44,533,465, an overall reduction of \$442,370, achieved through significant budget line reductions listed in the article. *(See also sponsor's comments in the Warrant.)*

These reductions are necessary due to changes in initial projections in Local Aid from the State and in Local Receipts. Examples of Local Receipts impacted by the current COVID-19 pandemic include meals tax, permit charges, and excise taxes. The reductions were derived from projections made with the best information available at this time from Federal, State, and Town governments and take into account pandemic-related grant funding that the Town has received or anticipates receiving.

The FinCom is mindful that these reductions are substantial, especially for the Maynard Public Schools (MPS). Nevertheless, after discussions with the School Committee and the Board of Selectmen, the FinCom believes that this budget balances revenues and expenditures and is a responsible approach to meeting the Town's financial needs. This budget is aligned with our Town's Financial Policies and appropriately utilizes available resources to address municipal service priorities established by the Board of Selectmen and School Committee, in consultation with the Town Administrator, the MPS Superintendent, and the FinCom.

The current fiscal situation presents unprecedented challenges to our Town and is likely to continue evolving in the coming months. As the pandemic situation improves, the FinCom is focused on replenishing our Town's stabilization accounts while ensuring that important municipal service priorities are funded to adequate levels.

Article 17: Debt Exclusion Appropriation for Borrowing Authorization – Fire Station

FinCom Recommendation: Recommends

Reasons: Passage of this article would authorize the appropriation, transfer from available funds, borrowing, or other action to provide \$16,000,000 to pay costs of construction of a new fire station for the Town, subject to ratification via a separate election ballot action by Maynard voters. In the initial Fiscal Year (FY) 2021, the

property tax increase from this debt exclusion action will be approximately \$75 for the average single-family house (property value approximately \$393,000). In FY 2022 through the end of the proposed 30-year bond, an additional \$150 (for a total impact of \$225) will be levied for the average single-family house. (The reason for the difference is that, during the initial year, the Town would pay interest only.) *(See also sponsor's comments in the Warrant.)*

In making this recommendation, the FinCom considered the following factors:

1. Construction of a new fire station is a long overdue facility replacement project. At previous Town Meetings, voters have approved funding for (a) the purchase of land on Sudbury Street for the new fire station and (b) development of design and construction plans. Each year that the project is delayed further, construction costs will continue to climb, resulting in increased costs to Maynard taxpayers.

2. If the Town decides not to build a new fire station, significant renovations will be required in the near term to bring the existing fire station up to code and up to modern standards, including asbestos removal, installation of a sprinkler system, additional space to accommodate the largest fire truck (which is currently being housed in an outdoor tent), and much needed updates to electrical, plumbing, and other systems. The total cost of these renovations is estimated to be as much as \$20,000,000, which exceeds the cost of building the proposed new fire station. Town Meeting voters should consider that there is no “zero cost” option regarding the question of replacing or renovating the fire station, and the significant expenditures associated with renovating the current fire station would be invested in a building that will continue to fall short of the community's needs.

3. The FinCom also believes that, as Town Meeting voters consider their vote on the proposed new fire station, they should be aware that the Town is facing other significant budget challenges that may require additional property tax increases in the future, including the following:

a. Article 18 in this Warrant is requesting \$1,000,000 for a feasibility study for the replacement or renovation of the Green Meadow Elementary School. The results of the feasibility study are, of course, unknown, and the timeframe for action is at least 3-5 years from now. Even so, the property tax impact of an estimated \$20,000,000 project—net cost after reimbursement by the Massachusetts School Building Authority (MSBA)—would be in the range of \$280 per year for the average single-family house.

b. Over the past few years, the FinCom has been monitoring the Town's long-term revenue and cost trends for the upcoming 3-5 years. Some FinCom members believe that, without significant new growth in the Town's tax base, a Proposition 2 1/2 operational override will be necessary to provide adequate funding for the Town and Maynard Public Schools. As an example, a \$1,500,000 operational override would cost approximately \$375 per year per average single family household.

c. Maynard also faces significant challenges with the aging water and sewer infrastructure. The Town's water capacity may be a significant limit on opportunities for new development projects that would generate much needed revenue. Water and sewer charges increased this year in the range of \$85 per year for the average user. Based on information provided by the Department of Public Works (DPW), the FinCom anticipates that similar annual increases will continue into the future.

For more information on the proposed new fire station project page:

<https://maynardfd.com/about-maynard-fire/maynard-fire-station/>

Respectfully submitted,

Ken Estabrook (Chair)

Tom Black

Elliot Bruce

Jill Prendergast (Vice Chair)

Peter Campbell

Alannah Gustavson (Secretary)

Kelly Kane