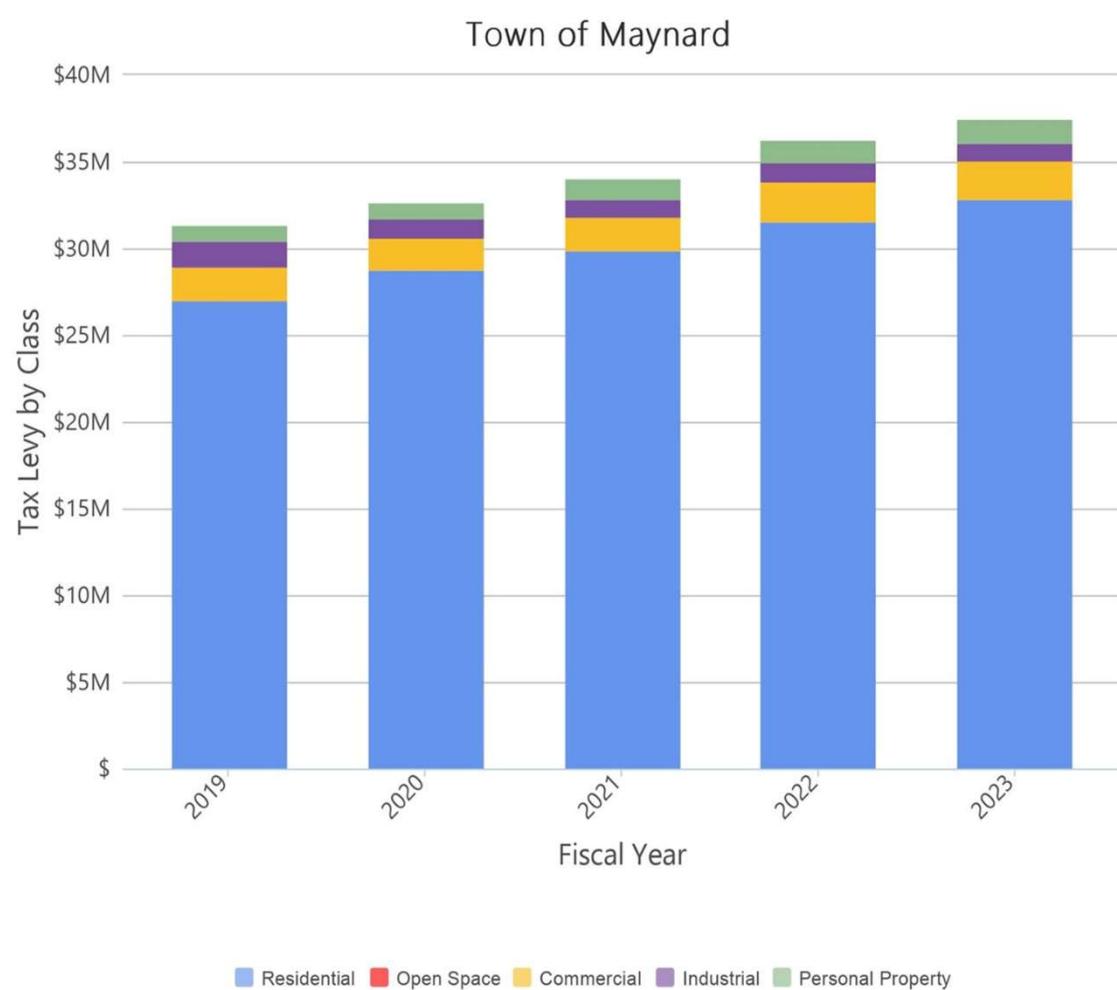




Finance Committee

Perspectives for Joint Budget Meeting

February 11, 2023



Who is paying for Maynard?

If we can expand our commercial and industrial tax base, we can lessen the burden on residents.

Avg single family tax bill in FY23

\$8,824

(Source: Mass Department of Revenue)

Development is Essential

- Three ways to meet budget needs:
 - Expand revenue
 - Development
 - Prop 2 ½ override or debt exclusions
 - Cut Services
 - Identify economic inefficiencies
- More commercial appeal → more foot traffic → more spending in town
- More students in Maynard Public Schools
- Expand tax base and spread the tax burden
- Master Plan goal Goal LU1 Ensure land development continues to be deliberate, balanced, and proactive to community needs and service capacities.



Budget Drivers

All Departments constrained by 2 ½ percent plus New Growth

- New Growth is not covering the delta between the 2 ½ increase and budget requests
- City services - micro urban community
- Recent inflation adding further burden

Employee benefits

- 8% increase in budget (split roughly 74% school department, 26% other town departments)
- OPEB obligation - FY21 audit at \$57 million

School Department

- SPED costs
- Charter School tuition



Budget Drivers Continued

Capital Projects

- Capital budget line item repeatedly removed
- Historically reactive rather than proactive - maintenance deferrals
- Multiple large project overlapping debt exclusions
- Major increases in capital project costs due to inflation/supply chain/worker shortage



DPW - Water/Sewer Infrastructure

- City Services on a Town Budget (98% households on town water/sewer)
- New water supplies needed (especially for any large development additions)
- New/evolving DEP mandates (ex PFAS)

*Water and Sewer are in Enterprise Funds, which are not subject to prop 2 ½

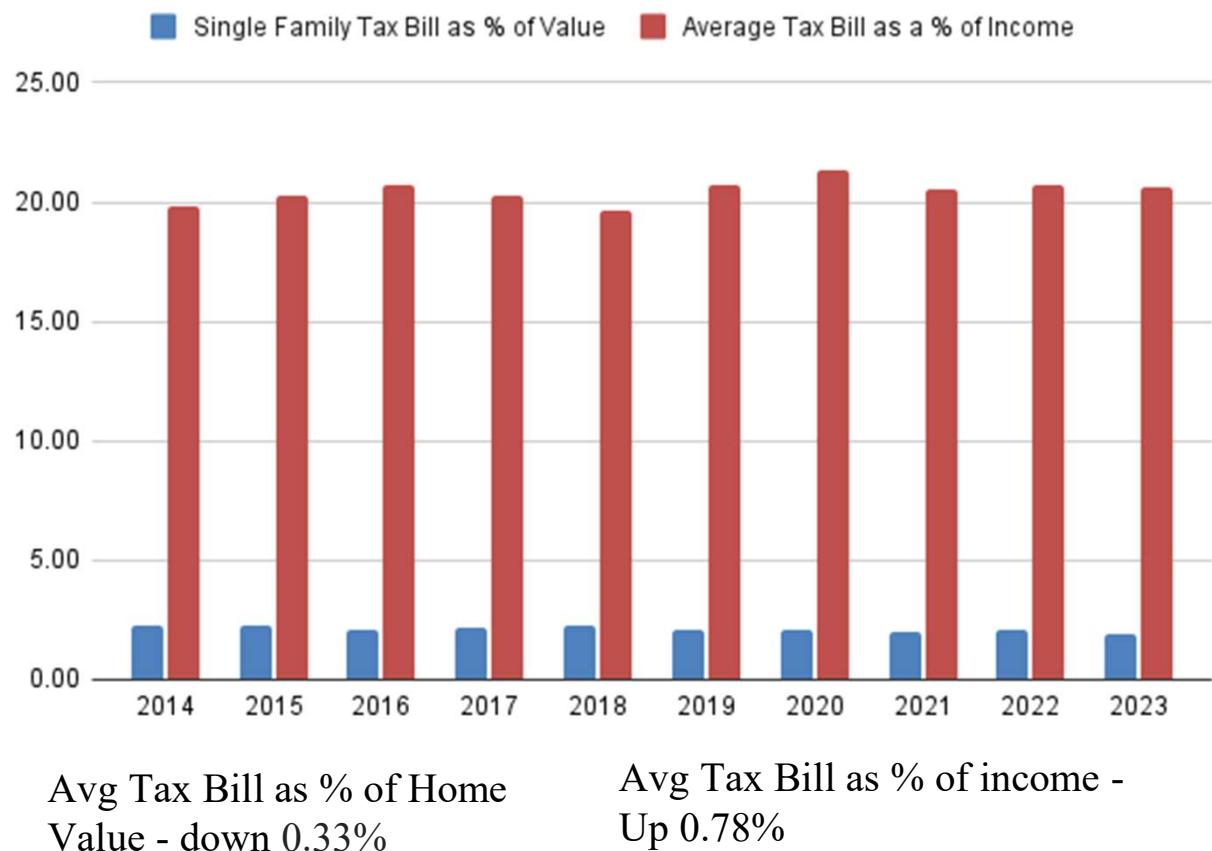
As we look to the future

The 2 ½ % + new growth increase to taxes is not meeting the budget requests from many departments.

The Town may be better served by actions other than denying department requests to balance the budget.

Additional actions include:

- 1) Development to increase our tax base - particularly commercial/industrial
- 2) An operational 2 ½ % override
- 3) Identifying and correcting economic inefficiencies



Source - Mass Department of Revenue