



Town of Maynard Massachusetts
Finance Committee
Annual Town Meeting June 11, 2022

To Maynard Town Meeting Voters:

The Finance Committee had these additional recommendations and comments to add to the Annual Town Meeting 2022 Warrant.

Article 8 Certified Free Cash

Finance Committee recommends

Comments: Passage of this article would appropriate the excess cash flow that was generated through town operations to various town priorities. These include various appropriate uses of excess cash flow to address needs across town. Certain items were discussed at greater length at Fincom meetings, including the following:

- Snow and ice is a line item which is intentionally under budgeted every year and will need to be contributed to in order to cover the actual annual costs. These costs need to be defrayed which at this time is coming from free cash.
- Other Post-Employment Benefits (OPEB) is a nearly \$70 million long term liability of the town and the token contribution from free cash covers a legal obligation. This is a larger issue that is not addressed by this control, but it was informative in flagging the liability.
- Engineering and design work for the bleachers at Alumni Field is an estimate with the final cost of such a project unknown.

Fincom has accepted these uses of free cash flow but notes the above items as important discussions that should be addressed going forward through other controls and processes.

Article 10 Citizen's Petition to Appropriate to the Schools Fiscal Year 2023 Budget Appropriation
Finance Committee does not recommend

Comments: FinCom voted to not recommend passage of this article. Fincom did not feel that this appropriation could be found within our tight FY23 budget. The Town and School Department had the opportunity to use government COVID funds (CARES, ESSER, ARPA) to cover this type of revenue loss. See also our comments on Article 11.

Article 11 Citizen's Petition to Appropriate the difference in the Fiscal Year 2023 budget of \$22,028,934.00 to exceed this appropriation for the schools

Finance Committee does not recommend

Comments: Fincom voted to not recommend this article. Fincom encourages citizens to participate in the budgeting process and appreciates the enthusiasm of the citizens who brought forth this petition. Passage of this article would reallocate \$366,256, currently budgeted across multiple departments and give it to the school department. This would significantly impair the ability to provide their current budgeted level of service. The Town of Maynard increases its general fund budget every year by the allowed 2 1/2 percent plus New Growth. This year the increase to the budget will be approximately \$1,059,382. We did not recommend Article 10 nor Article 11 because, along with the General Fund

Article 9, these three would set aside the majority of the FY22 to FY23 budget increase, a \$1,012,733 increase, to the Maynard Public Schools, leaving all the other budget lines (General Government, Public Safety, Public Works, Cultural and Recreation - etc.) with only an increased budget of \$46,650 between them. FinCom's opinion is that this distribution of funds would greatly stress the other aspects of the Town and would likely result in service cuts in other areas. Other options for raising the funds appropriated in this article and article 10 were discussed and include using Free Cash or Stabilization funds - both of which would go against financial policy and the use of Stabilization funds could negatively affect our bond rating. The Town could raise the money by pursuing a Prop 2 ½ override, which would require a Town Meeting and ballot vote. This would raise the money via an increase to Town Meeting voters' property tax bills. Fincom weighed the need for new borrowing for the new Green Meadow school next year heavily in its deliberations and determined that anything that could negatively affect our bond rating, or adds more tax burden to residents, is not appropriate at this time.

Article 21 Community Preservation Reserve Fund Appropriation Fiscal Year 2020

Finance Committee does not recommend

Comments: The article at Annual Town Meeting 2020 which allocated funds from the Community Preservation Act read "From the Budgeted Reserve Fund, the amount of \$50,000 for the Maynard High School Front Field Irrigation, with unexpended funds as of June 30, 2023 being returned to their funding source." After this article was accepted, the project leaders determined the need for additional studies and plans to be done prior to implementation of the irrigation system. The CPC thought the 2020 wording was too vague to encompass this need. They are bringing this change forward to town meeting voters in order to be fully transparent on how this money is being spent. The cost of the study is estimated at \$20,000, with the remaining \$30,000 going to begin the project. This is the same allocation of funds from 2020 that has not yet been spent, and has until June 2023 to be used, otherwise it will be returned to the Budget Reserve Fund.

The initial irrigation project was expected to be \$50,000 total. Fincom voted to not recommend (not unanimous decision) this article due to the uncertainty around the full additional costs to this project. A full cost is not yet estimated, but could possibly range between \$30,000 and \$100,000 or more, and it will likely require further CPA funding to complete.

Respectfully submitted,

Alannah Gustavson

Chair, Finance Committee