



Town of Maynard, Massachusetts
Finance Committee

June 2, 2020

To Maynard Town Meeting Voters:

The Finance Committee (FinCom) is a seven-member committee appointed by the Town Moderator and serves all Town Meeting voters—in accordance with Massachusetts General Laws (Chapter 39, Section 16) and Maynard’s Town Charter and By-laws—in three important ways:

1. Work throughout the year on behalf of Town Meeting voters—and in collaboration with the Board of Selectmen, School Committee, Town Administrator, and others—to (a) research impartially and gain a fuller understanding of the Town’s finances and important financial trends, and (b) take proactive steps to make this understanding more accessible to Town Meeting voters.
2. Provide independent oversight of Town finances, representing the interests of Town Meeting voters.
3. Review and analyze the Town Meeting warrant articles (especially those relating to the annual operating, capital, stabilization, enterprise, and other budgets) and make informed recommendations for consideration by Town Meeting voters as they decide how to vote.

The FinCom also manages the Town’s Reserve Fund, which is used to fund “extraordinary or unforeseen expenditures.”

The FinCom is required by the Town Charter to hold, prior to all Town Meetings, public hearings on the proposed Town budget and to “permit public discussion of the subject matter of all articles contained in the warrant.” Accordingly, the FinCom **held public hearings on June 1 on the 2020 Annual Town Meeting (ATM) warrant and on June 8 on the proposed Fiscal Year (FY) 2021 Town Budget.**

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 27 articles on this year’s ATM Warrant.** All of the FinCom’s recommendations and reasons/comments are detailed in the printed Warrant, with the exception of our recommendation on Article 13, which is provided below:

Article 13: Town General Fund Budget Fiscal Year 2021

FinCom Recommendation: Recommends

Reasons: Passage of this article would adopt the proposed Town General Fund Budget for FY 2021 in the amount of \$44,975,835. The break-down by nine major town functions in the table above, which shows how the budget is to be allocated to various purposes, is in line with prior Town budgets. The FinCom believes that the proposed budget balances revenues and expenditures and addresses the municipal services priorities established by the Board of Selectmen and School Committee, in consultation with the Town Administrator and the FinCom. *(Please refer also to Appendix A in the Warrant for more general comments and context.)*

As is the case for every Town across the Commonwealth, Maynard’s FY 2021 budget has substantial uncertainties, given the yet unknown financial impacts of the COVID-19 pandemic on the Massachusetts State budget. The Town Budget Subcommittee—which includes members of the Board of Selectmen, School Committee, Finance Committee, and Capital Planning Committee, as well as the Town Administrator, Town Finance Director, and Maynard Public Schools Administration—continues to monitor and assess the impact of potential reductions to State and Local Aid on the Town budget.

If there are significant reductions at the State level, this will likely necessitate changes to the Town General Fund Budget, which would be revisited and voted on at the Fall Special Town Meeting in October. Information and recommendations about these impacts will be shared as more data becomes available.

General Summary of Maynard’s Finances for Fiscal Year 2021

Maynard is a close-knit and vibrant Town, working to deal with the financial reality of providing various municipal services to a micro-urban community in a cost effective manner. To be sure, Maynard shares this reality with many Towns across our state and nation; however, our Town does have several distinctive challenges, including its **small size and limited development opportunities to fund the ever-increasing cost of municipal services**—educational, infrastructure, and social—that the members of our community desire, need, and deserve.

The FinCom continues to monitor and examine the following trends affecting the Town’s finances:

- a. **Dealing with the financial impact of the COVID-19 pandemic:** Like towns across Massachusetts, Maynard is experiencing increased expenses and reduced revenues due to the COVID-19 pandemic, and these impacts will need to be addressed through adjustment to the Town’s budget.
- b. **Funding for Maynard Public Schools (MPS):** Due to limits on increases for property tax revenues, the MPS continue to be funded at a level below level-service funding. Exacerbating this impact is the growth of funding going out to other schools, particular charter schools.
- c. **Capital Projects:** Maynard has a long list of important capital projects—including the proposed new fire station—for which funding needs to be planned.
- d. **Water/Sewer Infrastructure:** Although not technically part of Maynard’s operating budget, the adequacy of the Town’s Water and Sewer Enterprise Funds is of paramount importance.
- e. **Increasing Tax Revenue through Growth:** There are several proposed and planned development projects in Maynard that are expected to bring a limited amount of additional revenue to the Town.
- f. **Recreational Marijuana:** Within the next year or two, Maynard will likely begin seeing sales tax revenue and community impact fees generated from the sale of recreational marijuana.

The FinCom encourages all Town Meeting voters to attend meetings of the various municipal bodies—including the Board of Selectman, School Committee, Planning Board, Capital Planning Committee, and FinCom—to become more informed and express their views about these and other trends.

Respectfully submitted,

Ken Estabrook (Chair)
Tom Black

Jill Prendergast (Vice Chair)
Peter Campbell
Alannah Gustavson

P.J. Gauthier (Clerk)
Bob McCarthy