



# Town of Reading



**Town Meeting  
April 24, 2023**

**FY24 Budget**





# FY24 Budget

	<u>Warrant Report</u>	<u>Budget votes</u>
Overview	pages 37-84	no votes
<hr/>		
<b>1. Shared Costs</b>	pages 85-88 & 270-297	lines B99 to F99
<b>2. Town Government</b>	pages 89-179	lines G91 to M92
<b>3. School Department</b>	pages 180-255	line U99
<hr/>		
<b>4. Enterprise Funds</b>	pages 256-269	lines W99 to Z99



# Overview - Reserve Status

April 2023

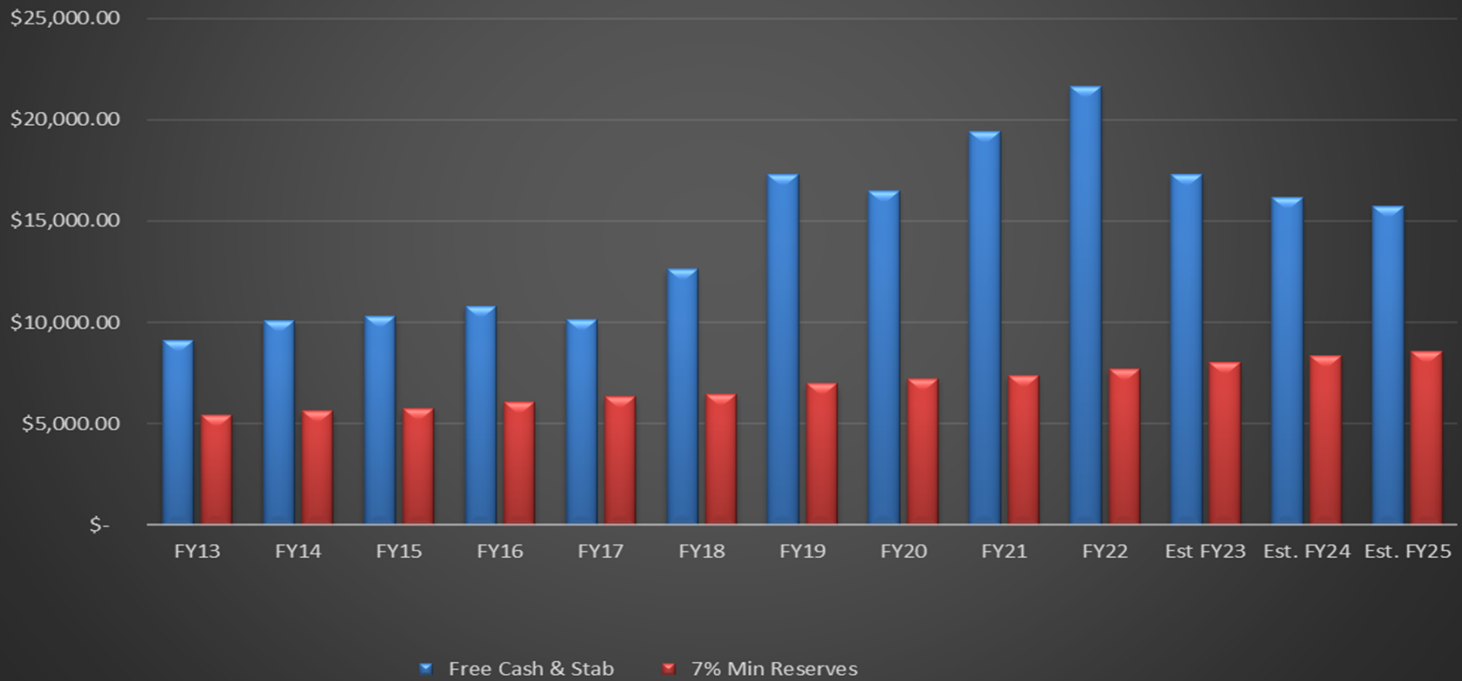
<b>FREE CASH July 1, 2022</b>	<b>\$ 19,927,025</b>
Nov 22 TM – Articles 4, 7, & 18	(2,905,000)
Apr 23 TM – FY23 budget	(388,500)
April 23 TM – FY24 budget	<u>( 3,280,000)</u>
	<b>\$ 13,353,525</b>
<b>GENERAL STABILIZATION FUND</b>	<b>\$ 1,769,433*</b>
<b>FINCOM Reserves</b>	<u>200,000</u>
<b>TOTAL</b>	<b>\$ 15,322,958</b>

13.2% of estimated \$115.9 million FY24 net available revenue;  
FINCOM Policy is 7% minimum

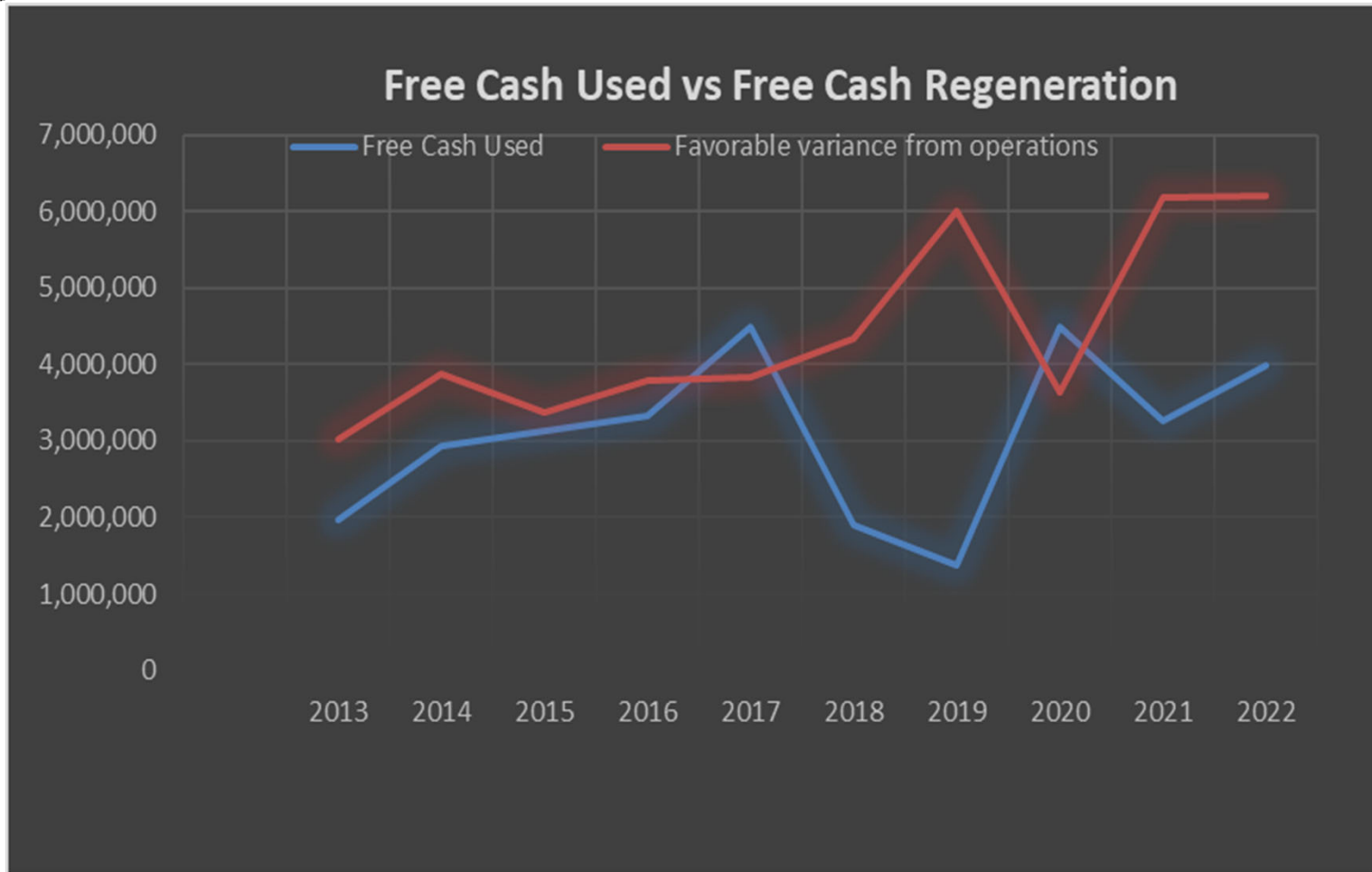
*\*total excludes funds designated for specific purpose*



### Certified "Free Cash" & Stabilization vs 7% Min Reserve (Amounts Expressed in Thousands)



*2023-2025 figures assumes \$2.5 million regeneration and \$3.28 million in uses in FY24 and FY25 \$2.58 million in uses in FY26.*



**Over the last 10 years free cash use exceeded free cash regeneration only twice in 2017 & 2020. In most years, free cash regeneration outpaces free cash use.**



# FY24 Projected General Fund Revenues

(\$ millions)

	FY23	FY24	Change
Prop Taxes	84.40	87.35	+3.5%
Local Revs	7.79	8.75	12.3%
State Aid	15.16	15.54	+2.5%
Transfers & Avail	4.18	4.31	+3.1%
<b>Sub Total</b>	<b>111.53</b>	<b>115.95</b>	<b>+4.0%</b>
Reserves Used	3.23	3.28	+1.7%
<b>TOTAL</b>	<b>114.76</b>	<b>119.23</b>	<b>+3.9%</b>



# FY24 Spending Scorecard *Page 83*

(\$ millions)

	FY23	FY24	Change
Shared Costs	29.78	30.79	+3.4%
Town Gov't	32.32	33.63	+4.1%
Schools	51.78	54.01	+4.3%
<b>General Fund</b>	<b>113.88</b>	<b>118.43</b>	<b>+4.0%</b>
Water	8.15	7.97	-2.2%
Sewer	7.33	7.51	2.4%
Storm Water	0.78	0.47	-39.9%
PEG Access	0.63	0.62	-0.5%
Landfill	.04	.04	+0.0%
<b>Enterprise Funds</b>	<b>16.93</b>	<b>16.61</b>	<b>-1.9%</b>
<b>TOTAL</b>	<b>130.81</b>	<b>135.04</b>	<b>+3.2%</b>



## Shared Costs

(\$ millions)

		FY23	FY24	Change
B99	Benefits	\$19.84	\$20.68	+4.3%
C99	Capital	2.89	2.94	+1.8%
D99	Debt	5.98	6.07	+1.4%
E99	Vocational Schools	0.87	0.90	+4.0%
F99	FINCOM Reserves	0.20	0.20	0%
	<b>Shared Costs</b>	<b>\$29.78</b>	<b>\$30.79</b>	<b>+3.4%</b>

*Purposefully high figure for Capital + Debt: extra Free Cash added to fund this so as to not detract from the funding of the Operations of the Schools or Town.*



# FY24 Benefits (Line B99)

(\$ millions)

<b>Employee &amp; Retiree Benefits</b>				<b>\$20.68 + 4.3%</b>
Retirement				\$ 6.68 + 5.6%
Pension Assessment	6.14		+ 6.1%	
OPEB	0.50		+0.0%	
Other	0.04		+ 0.0%	
Medicare				\$ 1.01 + 0.5%
Health Insurance				\$ 12.40 + 4.0%
Premiums	12.10		+ 4.1%	
Other	0.30		+ .97%	
Worker Compensation				\$ 0.39 + 1.3%
Indemnification				\$ 0.14 + 3.8%
Unemployment				\$ 0.08 + 0.0%



## FY24 Capital (C99)

<b>Proposed Capital spending</b>		<b>\$2,938,000</b>	<b>-4.8%</b>
\$ 190k	Permanent Building Committee, RISE playground improvements		
\$ 200k	Glycol Reclamation		
\$ 163k	ARC Flash Hazard Study for school buildings		
\$ 175k	School – card readers, phone system work & technology projects		
\$ 100k	Town large-scale technology projects		
\$ 10k	Library –shelving and equipment		
\$ 65k	Replacement of Fire passenger car # 2		
\$ 625k	Road repairs, skim coating, seal crack & sidewalk repairs		
\$ 75k	Parking lot and fence improvements		
\$ 100k	Rock Wall repairs at Memorial Park		
\$ 200k	Field, playground and court improvements		
\$ 480k	Replacement of trucks 7 & 11 (both are 2008)		
\$ 235k	Replacement of car 3 (2008), 2 Parks pickups (2011 & 2015)		
\$ 280k	Loader to replace Sicard		
\$ 40k	Replace trailer (2013) and SKAG mower (20080)		



# FY24 Debt (D99)

Pages 270-272  
Pages 298-303

<b>Debt Service</b>	<b>\$6,066,806</b>	<b>+1.4%</b>
debt premiums paid	\$ 3,407	
within levy	\$3,380,694	
<i>School buildings</i>	\$ 916,688	
<i>All buildings - energy</i>	\$ 796,731	
<i>Building security</i>	\$ 446,100	
<i>RMHS Turf II &amp; Turf I</i>	\$ 561,025	
<i>Police Station/Public Health</i>	\$ 182,250	
<i>Community Improvements</i>	\$ 477,900	
excluded from the levy	\$2,686,112	
<i>Schools (ends 2024)</i>	\$1,357,012	
<i>Library (ends 2025)</i>	\$1,329,100	



# Debt Authorizations

	Date Authorized	Article Number	Amount Authorized 30-Jun-22	Appropriation made for the					Amount Authorized 30-Jun-23	BANS Issued	Authorized Net of BANS Issued	
				Authorized	Issued	SBA or other Grant	Retirement Of BANS	MWRA Issued				Rescinded
			\$	\$	\$	\$	\$	\$	\$	\$		
MWRA Sewer I & I Phase 13	11/15/18	9	1,040,000					1,040,000		1,040,000		
Turf II W Lighting	04/22/19	15	402,000					402,000		402,000		
MWRA Water Lead Mitigation	11/09/20	8	1,500,000		1,500,000			—		—		
Auburn Water Tank Additional Funding	10/18/21	7	2,000,000					2,000,000	2,000,000	—		
MWRA Water Lead Mitigation	11/21/22	14	—	1,543,800	1,543,800			—		—		
Maillet, Sommes and Morgan Stormwater Systems	11/21/22	15	—	3,000,000				3,000,000		3,000,000		
Haven Street Roadway Design	11/21/22	16	—	750,000				750,000		750,000		
			\$ 4,942,000	\$ 5,293,800	\$ 3,043,800	\$ —	\$ —	\$ —	\$ —	\$ 7,192,000	\$ 2,000,000	\$ 5,192,000



# Vocational Education (Line E99) & FINCOM Reserves (Line F99)

Page 87-88

<b>Vocational Education</b>	<b>\$904,800</b>	<b>+4.0%</b>
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This figure annually estimates enrollment, and sometimes needs to be amended at a future Town Meeting.

<b>FINCOM Reserves</b>	<b>\$200,000</b>	<b>+0.0%</b>
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- Ends presentation on Shared Costs -



# Town Government Overview

(\$millions unless specified)

	FY23	FY24	Changes
Admin Services	2.65	2.68	+1.3%
Technology	1.02	1.08	+6.3%
Public Services	1.76	1.73	-1.5%
Finance	1.04	1.09	+4.6%
Public Safety*	13.46	14.04	+4.3%
Public Works	6.71	6.90	+2.9%
Public Library	2.02	2.11	+4.2%
Facilities	3.66	4.00	+9.4%
<b>TOTAL</b>	<b>32.32</b>	<b>33.63</b>	<b>+4.1%</b>



## **Administrative Services +1.3%** **Wages (G91) and Expenses (G92)**

**Wages \$1,208,975 (+.2%)**

**Expenses \$1,472,700 (+2.3%)**

### Wages

- Decrease in the number of elections
- Removal of funding for the results of the non-union compensation study which was paid for in FY23.
- Director of Admin. Services is now changed to Assistant Town Manager
- The Assistant Town Manager manages both Admin and Public Services, and his salary is split between the two departments.
- Technology is a separate department starting in FY24.

### Expenses

- Elections cost are down due to fewer elections in FY24
- \$20k was allocated for the Select Board to allocate funds to their appointed boards and committees, a \$5k increase over prior year.
- Town Manager reserves increased by \$5k to \$20k to fund more community events in the Town Common.



## **Technology +6.3%** **Wages (G91a) and Expenses (G92a)**

**Wages \$484,600 (+8.9%)**

**Expenses \$600,360 (+4.2%)**

### Wages

- Technology is a separate department starting in FY24.
- Salary increases from the pay and class study results

### Expenses

- Rising costs for software licensing and subscriptions for hosted solutions
- Options were added to further support the Town's ability to offer more online solutions to residents.



Pages 106-127

## **Public Services -1.5%** **Wages (H91) and Expenses (H92)**

**Wages \$1,429,100 (-4.5%)**

**Expenses \$302,000 (+15.9%)**

### Wages

- The Assistant Town Manager manages both Admin and Public Services, and his salary is split between the two departments.
- New employees hired at a lower step than their predecessors
- Recreation Program Coordinator goes from part-time to full-time to allow for increased programming, program support, and community visibility.

### Expenses

- More veterans are being served through aid and outreach initiatives.
- Increased Elder Services programming including bringing back nutritional congregate lunches for our growing 60+ population.



## **Finance +4.6%** **Wages (I91) and Expenses (I92)**

**Wages \$931,750 (+5.0%)**

**Expenses \$159,6150 (+2.2%)**

### Wages

- Pay and Class adjustments for management level staff

### Expenses

- Maintain Regional Assessing arrangement with Wakefield
- Professional development expenses increased slightly
- Tax Title expenses were slightly over budget in recent years, FY24 increased to align with prior year actuals.



## Public Safety +4.3%

### Wages (J91) and Expenses (J92)

**Wages \$13,307,475 (+4.3%)**      **Expenses \$728,151 (+3.5%)**

- **Public Health**                      \$ 434,125                      - 5.9%      *Pages 138-139*
- **Fire/EMS**                              \$6,136,176                      + 4.9%      *Pages 140-142*
- **Police**                                      \$6,451,575                      + 4.4%      *Pages 143-145*
- **Coalition**                              \$ 290,550                      + 5.2%      *Pages 146-147*
- **Dispatch**                              \$ 723,250                      + 3.9%      *Pages 148-149*

*Funding may not move between any of these areas above without the approval of the CFO/Town Accountant*



# Public Health

**Wages \$ 321,125 (-9.5%)**

**Expenses \$113,000 (+6.1%)**

## Wages

- Part-time nurse position eliminated in FY24 that was dedicated to COVID response.

## Expenses

- Added professional development budget that was not there last year
- Small increase in health supplies and equipment line



# Fire and EMS

**Wages \$5,927,275 (+5.1%)**

**Expenses \$280,901 (-0.3%)**

## Wages

- Union staff are moving through the step system in accordance with the collective bargaining agreement.
- Non-union pay adjustments as a result of the Pay and Class study.

## Expenses

- Most lines are level funded to prior year
- The only change in the expense budget is an increase to the stipend paid to the physician who serves as Medical Director.



# Police

**Wages \$6,126,025 (+4.4%)**

**Expenses \$325,500 (+6.0%)**

## Wages

- Union staff are moving through the step system in accordance with the collective bargaining agreement.
- Non-union pay adjustments as a result of the Pay and Class study.

## Expenses

- Office supplies increased due to inflation
- Budget added for vet care, food and supplies for K-9 and comfort dogs.



# Coalition

**Wages \$248,800 (+5.2%)**

**Expenses \$41,750 (+0.0%)**

## Wages

- No change in staffing;
- Pay adjustments due to Pay and Class study results

## Expenses

- Expenses are level funded to FY23



# Dispatch

**Wages \$684,250 (+4.0%)**

**Expenses \$39,000 (+1.3%)**

## Wages

- Union staff are moving through the step system in accordance with the collective bargaining agreement.
- Grant shown as offset to wages only; per CFO/Town Accountant

## Expenses

- Uniform and clothing budget increased slightly



Pages 150-166

## **Public Works +3.3% total**

### **Division Wages (K91) and Expenses (K92)**

**Wages \$3,106,600 (+2.9%)**      **Expenses \$950,700 (+4.8%)**

#### Wages

- Full-time staffing remains unchanged
- Union staff are moving through the step system in accordance with the collective bargaining agreement.
- Trust fund continues to pay a portion of Cemetery wages

#### Expenses

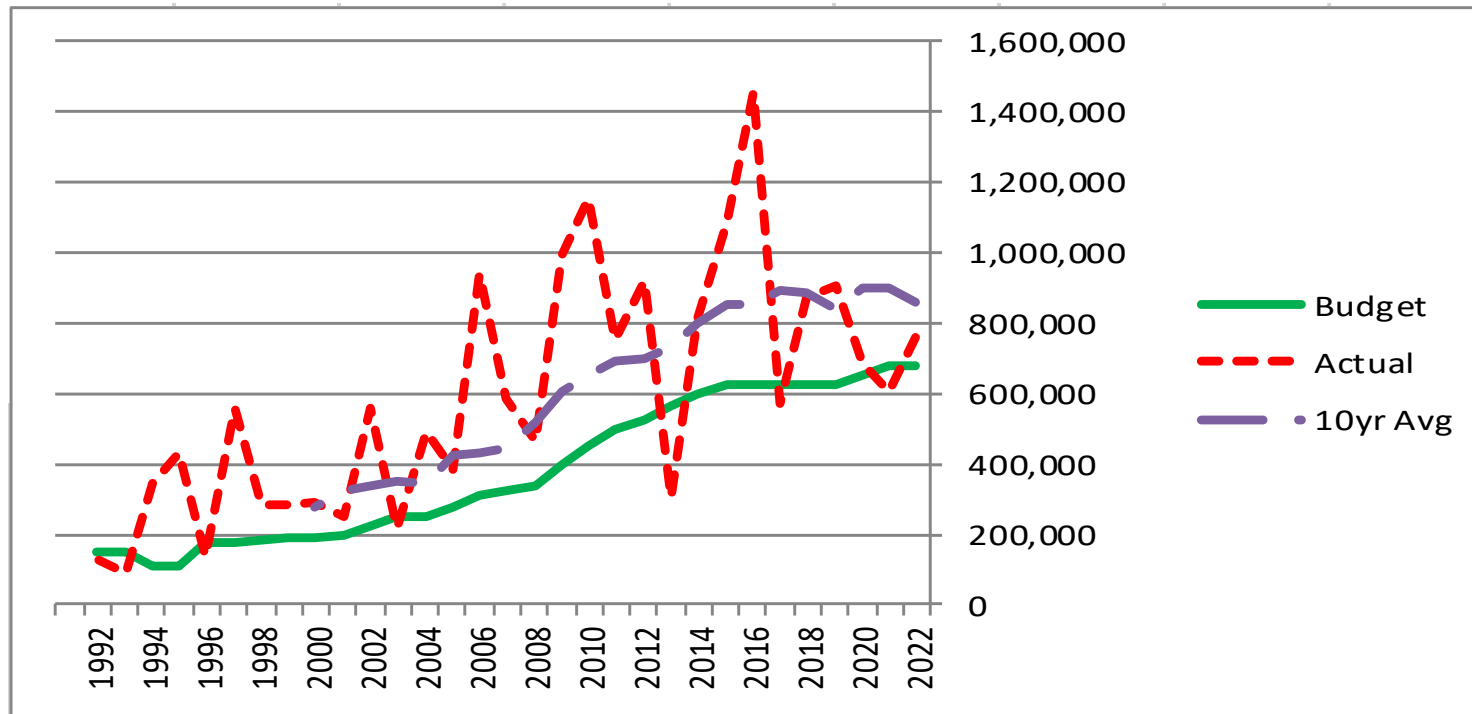
- Increase in expenses is associated with an increase in traffic control, line painting, outsourced repairs, and fuel.



# Public Works

## Snow & Ice (K93)

Snow & Ice funding level funded at \$675,000 (+0%)



'Underfunded' on purpose: why eliminate teachers & public safety in case we have a light winter (FY12 & FY16 & FY20) ?



## Public Works

### Street Lights (K94) and Rubbish (K95)

#### Street Lighting \$135,000 (+3.8%)

- Costs continue to be modest

#### Rubbish \$2,034,250 (+3.0%)

- Rubbish Disposal– long term 5 year contracts expires June 30,2025, +3% increase for FY24
- Rubbish and Recycling collection continues to enjoy a 10-year contract at a +3% increase for FY24



Pages 167-174

## **Public Library +4.2%** **Wages (L91) and Expenses (L92)**

**Wages \$1,698,150 (+4.8%)**      **Expenses \$406,875 (+1.9%)**

### Wages

- Non-union wage adjustments from Pay and Class study

### Expenses

- Materials budget complies with 13% Municipal Appropriation required to be eligible for State Aid.



## **Facilities +9.4%** **CORE Facilities (M91) and Town Buildings (M92)**

**CORE \$3,633,780 (+10.7%)      Town Bldgs \$369,650 (-1.8%)**

- No change in staffing levels.
- Custodian salaries increase per a collective bargaining agreements
- Increased overtime to setup events at Town Common
- Increased energy costs for electric, gas and water and sewer
- Increase in alarm contract and elevator expenses

*- Ends presentation on Town Departments -*



*Pages*

# School Department



*Pages 256-269*

# **Enterprise Funds Overview**

- The Select Board will hold a Public Hearing to set rates, probably in May 2023
- Significant ongoing capital expenses in Water and Sewer
- ARPA funds in the amount of \$930,314 will be used to support Water Capital Improvements in FY24



# Water Enterprise Fund (W99)

**Rates estimated at +0.0 to + 5.3 % (Select Board Hearing upcoming)**

- Wages +3.1%
- Overhead expenses +1.1%
- Operating expenses +2.3%
- Support to general fund costs +4.0%
- Capital & Debt planned at -8.9%
- = Total Local costs - 3.9%
- MWRA assessment +3.0%
- = Gross budget -1.7%
- Use \$850k Reserves to minimize rates (estimated pending Hearing)
- = **Net budget 3.5%**

\$145k in ARPA funds to cover capital cost to assist in stabilizing the rate



# Sewer Enterprise Fund (X99)

**Rates estimated at +0.0% to +4.1% (Select Board Hearing upcoming)**

- Wages +2.6%
- Overhead expenses +1.0%
- Operating expenses +0.9%
- Support to general fund costs +4.0%
- Capital & Debt planned at -0.3%
- = Total Local costs +1.1%
- MWRA assessment +3.0%
- = Gross budget +2.5%
- Use \$650k Reserves to minimize rates (estimated pending Hearing)
- = **Net budget -1.5%**



# Storm Water Enterprise Fund (Y99)

**Rates estimated as \$60/residential SF home (unchanged, SB Hearing)**

- Wages -6.0%
- Overhead expenses +0.0%
- Operating expenses +0.0%
- Support to general fund costs +4.0%
- Capital & Debt planned at -141%
- = Total Local costs -34.5%
- No Reserves used (estimated pending Hearing)
- = **Net budget -27.2%**

## **FUTURE**

- => FY25 Draining Master Plan for the community
- => FY25 Annual drainage funding is increased by \$200k to carry out prioritized findings of the Draining Master Plan

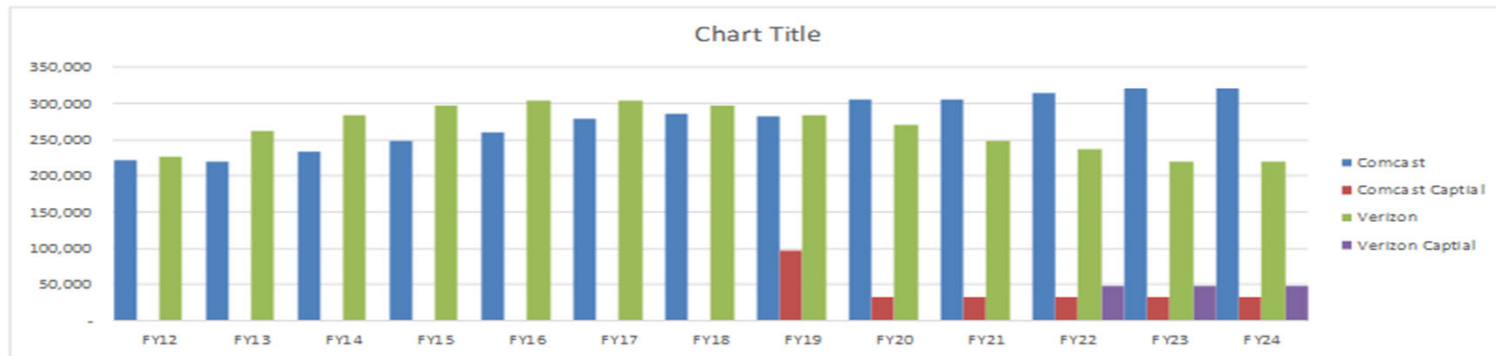


# PEG Access Enterprise Fund (Z99)

**PEG Access \$623,000**

**PEG ACCESS REVENUES RECEIVED**

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Projected		5 yr Ave	10 Yr Ave
												FY23	FY24		
Comcast	222,324	220,564	233,001	248,340	261,345	279,553	286,324	282,892	306,204	305,728	314,101	321,760	321,750	306,137	283,925
Comcast Captial	-	-	-	-	-	-	-	97,500	32,500	32,500	32,500	32,500	32,500	45,500	22,750
Verizon	226,884	262,959	284,657	298,382	303,624	303,583	297,655	284,055	270,740	248,253	236,753	220,350	220,000	252,030	274,805
Verizon Captial	-	-	-	-	-	-	-	-	-	-	48,750	48,750	48,750	19,500	9,750
<b>Total</b>	<b>449,208</b>	<b>483,523</b>	<b>517,658</b>	<b>546,722</b>	<b>564,969</b>	<b>583,136</b>	<b>583,979</b>	<b>664,447</b>	<b>609,443</b>	<b>586,481</b>	<b>632,104</b>	<b>623,360</b>	<b>623,000</b>	<b>623,167</b>	<b>591,230</b>



	FY20 Actual	FY21 Actual	FY22 Actual	Projected FY23	FY24 BUDGET	FY23-24 Town Manager Change
GENERAL FUND SUPPORT	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	0.0%
PROFESSIONAL SERVICES	\$ 599,000	\$ 585,481	\$ 631,104	\$ 625,250	\$ 622,000	-0.5%
<b>PEG EXPENSES</b>	<b>\$ 600,000</b>	<b>\$ 586,481</b>	<b>\$ 632,104</b>	<b>\$ 626,250</b>	<b>\$ 623,000</b>	<b>-0.5%</b>



# Landfill Enterprise Fund (ZZ9)

Pages 268-269

## **Landfill \$37,000**

- The Landfill Enterprise fund was created on December 9, 2002, to establish a financial assurance mechanism per the DEP requirements relative to the closure of the Landfill and the post-closure maintenance and monitoring.
- The Developer is required to provide monitoring of the Landfill up to and including the limit of \$40,000 per year, with a 3% cost of living factor applied each year.
- The Town's obligation is escalated for amounts above \$40k per year appropriately escalated.
- The Town hasn't had an obligation relative to the Landfill monitoring since December 2011.
- Each January the Developer provides a \$37k performance deposit and the Town reimburses the Developer from this deposit when proof of monitoring is provided. DOR would like this \$37k appropriated each year.



## Budget Motion

Move that the Town appropriate the sum of: \$135,045,333 for the operation of the Town and its Government for Fiscal Year 2024, beginning July 1, 2023, with the amount appropriated to be raised as set forth below.

-FINCOM