



# Town of Reading



**Town Meeting  
April 25, 2022**

**FY23 Budget**





# FY23 Budget

	<u>Warrant Report</u>	<u>Budget votes</u>
Overview	pages 42-67	no votes
<hr/>		
<b>1. Shared Costs</b>	pages 69-77 & 207-217	lines B99 to F99
<b>2. Town Government</b>	pages 78-128	lines G91 to M92
<b>3. School Department</b>	pages 129-190	line U99
<hr/>		
<b>4. Enterprise Funds</b>	pages 191-204	lines W99 to Z99



# Overview - Reserve Status

## April 2022

<b>FREE CASH July 1, 2021</b>	<b>\$ 17,730,185</b>
October 2021 TM – Article 9	(450,052)
April 2022 TM – FY23 budget	<u>( 2,750,000)</u>
	<b>\$ 14,530,133</b>
<b>GENERAL STABILIZATION FUND</b>	<b>\$ 1,712,499*</b>
<b>FINCOM Reserves</b>	<u>200,000</u>
<b>TOTAL</b>	<b>\$ 16,442,632</b>

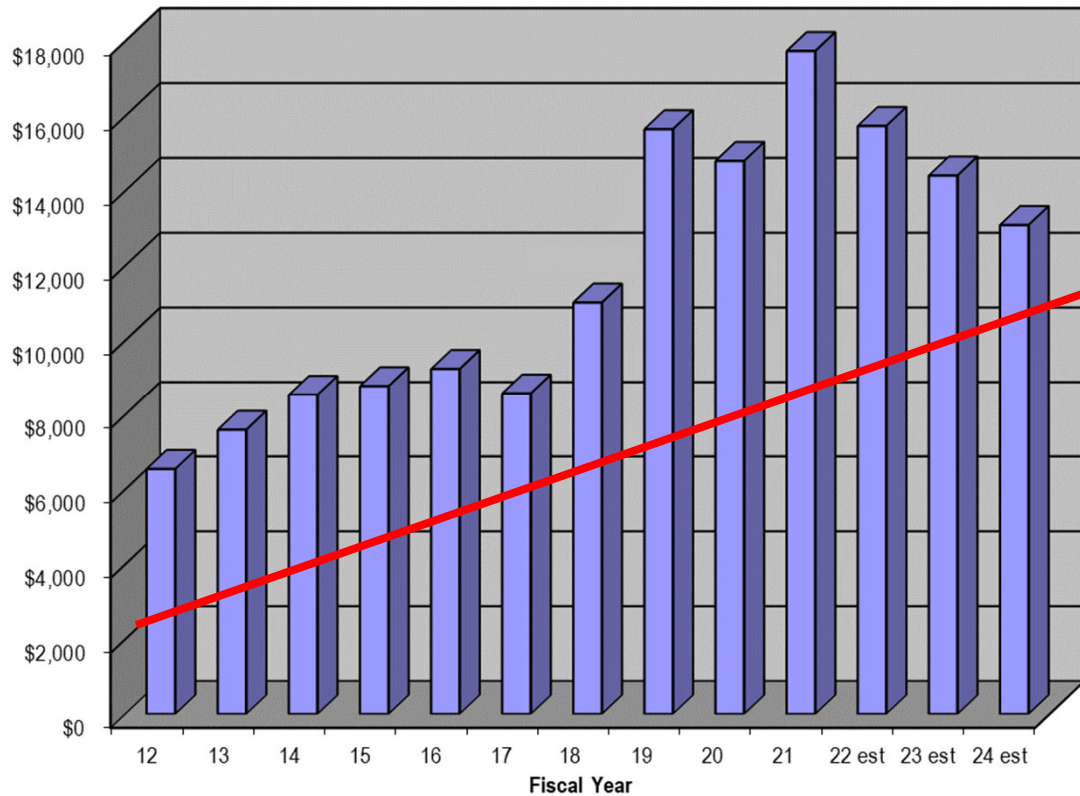
14.7% of estimated \$111.6 million FY23 net available revenue;  
FINCOM Policy is 7% minimum

*\*total excludes funds designated for specific purpose*



# Free Cash

## Ten Year Actual History Projected out 3 Years (\$ Thousands)



FINCOM Reserve Policy

*2022-2024 figures assumes \$1.5 million regeneration and \$2.75 million in uses in FY22 and \$2.5 million in uses in FY23 and FY24.*



## Regeneration of Reserves

- **A: Receive more revenues than expected**
  - Last six years range from +\$1.0 mil to +\$2.5mil;
  - State Aid, new growth and excise taxes vary widely;
  - Known one-time variances are purposely ignored in forecast
- **B: Spend less expenses than budgeted**

Average recent sources:

  - Town Government 68%
  - Schools 12%
  - Shared Costs & other 20%
- **Combination A+B is called ‘regeneration’**

\$1.5 million assumed minimum – serves as basis for spending that much Free Cash to balance annual budgets



# FY23 Projected General Fund Revenues

(\$ millions)

	FY22	FY23	Change
Prop Taxes	81.84	84.80	+3.6%
Local Revs	7.73	7.60	-1.7%
State Aid	14.78	15.15	+2.5%
Transfers & Avail	3.98	4.05	+1.7%
<b>Sub Total</b>	<b>108.33</b>	<b>111.60</b>	<b>+3.0%</b>
Reserves Used	2.87	2.75	-4.2%
<b>TOTAL</b>	<b>111.20</b>	<b>114.35</b>	<b>+2.8%</b>



# FY23 Spending Scorecard *Page 67*

(\$ millions)

	FY22	FY23	Change
Shared Costs	28.43	29.79	+4.8%
Town Gov't	31.03	32.02	+3.2%
Schools	49.70	51.78	+4.2%
<b>General Fund</b>	<b>109.16</b>	<b>113.59</b>	<b>+4.1%</b>
Water	7.66	8.28	+8.1%
Sewer	7.30	7.50	+2.7%
Storm Water	0.54	0.78	+46.1%
PEG Access	0.61	0.63	+2.2%
Landfill	.37	.37	+0.0%
<b>Enterprise Funds</b>	<b>16.15</b>	<b>17.23</b>	<b>+6.7%</b>
<b>TOTAL</b>	<b>125.31</b>	<b>130.81</b>	<b>+4.4%</b>



## Shared Costs

(\$ millions)

		FY22	FY23	Change
B99	Benefits	\$19.11	\$20.08	+5.1%
C99	Capital	3.96	2.68	-32.2%
D99	Debt	4.76	5.98	+25.6%
E99	Vocational Schools	0.79	0.84	+6.6%
F99	FINCOM Reserves	0.20	0.20	0%
	<b>Shared Costs</b>	<b>\$28.43</b>	<b>\$29.79</b>	<b>+4.8%</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*



## FY23 Benefits (Line B99)

(\$ millions)

### Employee & Retiree Benefits

**\$20.08 + 5.1%**

#### Retirement

**\$ 6.47 + 13.3%**

Pension Assessment	5.93	+ 6.5%
OPEB	0.50	+400.0%
Other	0.04	+ 0.0%

#### Medicare

**\$ 1.00 + 0.0%**

#### Health Insurance

**\$ 12.00 + 1.7%**

Premiums	11.71	+ 1.7%
Other	0.29	+ .69%

#### Worker Compensation

**\$ 0.41 + 2.5%**

#### Indemnification

**\$ 0.13 + 0.0%**

#### Unemployment

**\$ 0.08 + 0.0%**



## FY23 Capital (C99)

<b>Proposed Capital spending</b>		<b>\$2,681,000</b>	<b>-24.9%</b>
\$ 62k	Permanent Building Committee, RISE playground design		
\$ 110k	School technology projects and phone upgrade		
\$ 100k	Town technology projects		
\$ 15k	School – carpeting/flooring at Parker MS		
\$ 15k	Town Buildings – various doors & window repairs		
\$ 10k	Library –shelving and equipment		
\$ 25k	Playground improvements at Memorial Park		
\$ 435k	PS – replace ambulance, related equip, and fire hoses		
\$ 925k	Road repairs		
\$ 200k	Skim coating, seal crack road repairs & sidewalk repairs		
\$ 100k	Parking lot and fence improvements		
\$ 100k	Rock Wall repairs at Memorial Park		
\$ 210k	Chipper/Loader (2008)		
\$ 185k	Snow holder (2015)		
\$ 150k	Gang lawn mower (2007)		
\$ 39k	Trailer for stump grinder and replacement trailer (1985)		



# FY23 Debt (D99)

Pages 76-77  
Pages 207-217

<b>Debt Service</b>	<b>\$5,978,366</b>	<b>+25.7%</b>
debt premiums paid	\$ 5,175	
within levy	\$3,245,784	
<i>School buildings</i>	\$ 984,115	
<i>All buildings - energy</i>	\$ 857,004	
<i>Building security</i>	\$ 460,300	
<i>RMHS Turf II &amp; Turf I</i>	\$ 602,125	
<i>Police Station/Public Health</i>	\$ 197,939	
<i>Roadway Improvements</i>	\$ 144,300	
excluded from the levy	\$2,732,582	
<i>Schools (ends 2024)</i>	\$1,364,082	
<i>Library (ends 2025)</i>	\$1,368,500	



# Debt Authorizations

	<u>Date Authorized</u>	Article Number	<u>Amount Authorized 30-Jun-21</u> \$	<u>Authorized</u> \$	<u>Issued</u> \$	Appropriation made for the			<u>Amount Authorized 30-Jun-22</u> \$	<u>BANs Issued</u> \$	<u>Amount Authorized Net of BANs Issued</u> \$
						<u>SBA or other Grant</u> \$	<u>Retirement Of BANs</u> \$	<u>MWRA Issued</u> \$			
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		1,500,000
MWRA Downtown Water Improvements	11/09/20	9	1,500,000						1,500,000		1,500,000
RMHS Turf Replacement and Track Resurfacing	04/26/21	13	3,000,000		3,000,000				—		—
Parker Roof	04/26/21	14	2,700,000		2,700,000				—		—
Police Station Improvements	10/18/21	5	—	1,500,000	1,500,000				—		—
Energy Improvements Phase II	10/18/21	6	—	5,000,000	5,000,000				—		—
Auburn Water Tank Additional Funding	10/18/21	7	—	2,000,000					2,000,000	2,000,000	—
			<u>\$ 10,142,000</u>	<u>\$ 8,500,000</u>	<u>\$ 12,200,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,442,000</u>	<u>\$ 2,000,000</u>	<u>\$ 4,442,000</u>



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

Page 77

<b>Vocational Education</b>	<b>\$840,000</b>	<b>+6.6%</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)

	FY22	FY23	Changes
Admin Services	3.41	3.64	+6.9%
Public Services	1.60	1.64	+2.2%
Finance	0.95	0.99	+3.9%
Public Safety*	13.10	13.44	+2.6%
Public Works	6.49	6.66	+2.7%
Public Library	1.93	2.00	+3.3%
Facilities	3.53	3.65	+3.3%
<b>TOTAL</b>	<b>31.01</b>	<b>32.02</b>	<b>+3.2%</b>



## **Administrative Services +6.9%** **Wages (G91) and Expenses (G92)**

**Wages \$1,629,475 (+5.0%)**

**Expenses \$2,013,600 (+8.5%)**

### Wages

- \$55k increase in elections wages, three elections in FY23 compared with one election in FY22; ~+3.75% increase otherwise
- Staffing levels remain unchanged
- \$6k OT increase in Technology for special projects and night meeting support

### Expenses

- \$85k funding for results of the pay and class study for non-union staff
- Elections cost are up due to a tripling of elections in FY23
- \$15k line item added for the Select Board to allocate funds to their appointed boards and committees.
- Partial implementation of Office 365



Pages 87-95

## **Public Services +2.3%** **Wages (H91) and Expenses (H92)**

**Wages \$1,377,150 (+0.1%)**      **Expenses \$260,500 (+16.0%)**

### Wages

- Additional hours for some part-time position in Elder and Human Services
- Additional hours for part-time Recreation staff

### Expenses

- Affordable Housing is changed to an outsourced regional agreement, and the salary costs are moved to expenses.



# Finance +3.9%

## Wages (I91) and Expenses (I92)

**Wages \$835,050 (+4.2%)**

**Expenses \$155,650 (+2.2%)**

### Wages

- Additional hours for Finance part-time support staff

### Expenses

- Maintain Regional Assessing arrangement with Wakefield
- Professional development expenses increased slightly
- Increased professional services to update bridge between CAMA and our MUNIS software and for more personal property inspections services



## Public Safety +3.2%

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

**Wages \$12,739,675 (+3.3%)    Expenses \$703,250 (+1.4%)**

- **Public Health**                      \$ 421,325                      + 8.5%    *Pages 101-102*
- **Fire/EMS**                              \$5,849,875                      + 3.1%    *Pages 103-104*
- **Police**                                      \$6,199,500                      + 3.2%    *Pages 105-107*
- **Coalition**                                \$ 275,800                      + 1.7%    *Page 108*
- **Dispatch**                                 \$ 696,425                      + 2.9%    *Page 109*

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



# Public Health

**Wages \$ 339,825 (+10.7%)**

**Expenses \$81,500 (+0.0%)**

## Wages

- New Department Head – Public Health Director
- Interim Health Director is removed from this budget
- Addition of clerical support staff, as relying on shared Town staff at Town Hall will not be an option once the move to the new office is complete

## Expenses

- No significant changes



# Fire and EMS

**Wages \$5,640,375 (+3.2%)**

**Expenses \$209,500 (+1.2%)**

## Wages

- No staffing changes

## Expenses

- Modest increase in professional development, caused by recent promotions



# Police

*Pages 105-107*

**Wages \$5,867,500 (+3.2%)**

**Expenses \$332,000 (+2.1%)**

## Wages

- No change staffing levels
- Additional hours for Parking Enforcement Officer (from 22 hours per week to 32 hours per week)

## Expenses

- Animal Control Officer is now regionalized



# Coalition

**Wages \$234,050 (+2.0%)**

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

## Wages

- No change in staffing;
- Coalition recently hired the new Mental Health Clinician position.

## Expenses

- Expenses are level funded to FY22



# Dispatch

**Wages \$657,925 (+3.0%)**

**Expenses \$38,500 (+1.3%)**

## Wages

- Grant shown as offset to wages only per Town Accountant

## Expenses

- Technology expenses increased slightly



## **Public Works +2.7% total** **Division Wages (K91) and Expenses (K92)**

**Wages \$3,010,925 (+4.5%)**      **Expenses \$867,200 (-2.9%)**

### Wages

- Full-time staffing remains unchanged
- Trust fund continues to pay a portion of Cemetery wages
- OT increased by \$2k in Engineering due to ongoing emergency water/sewer projects

### Expenses

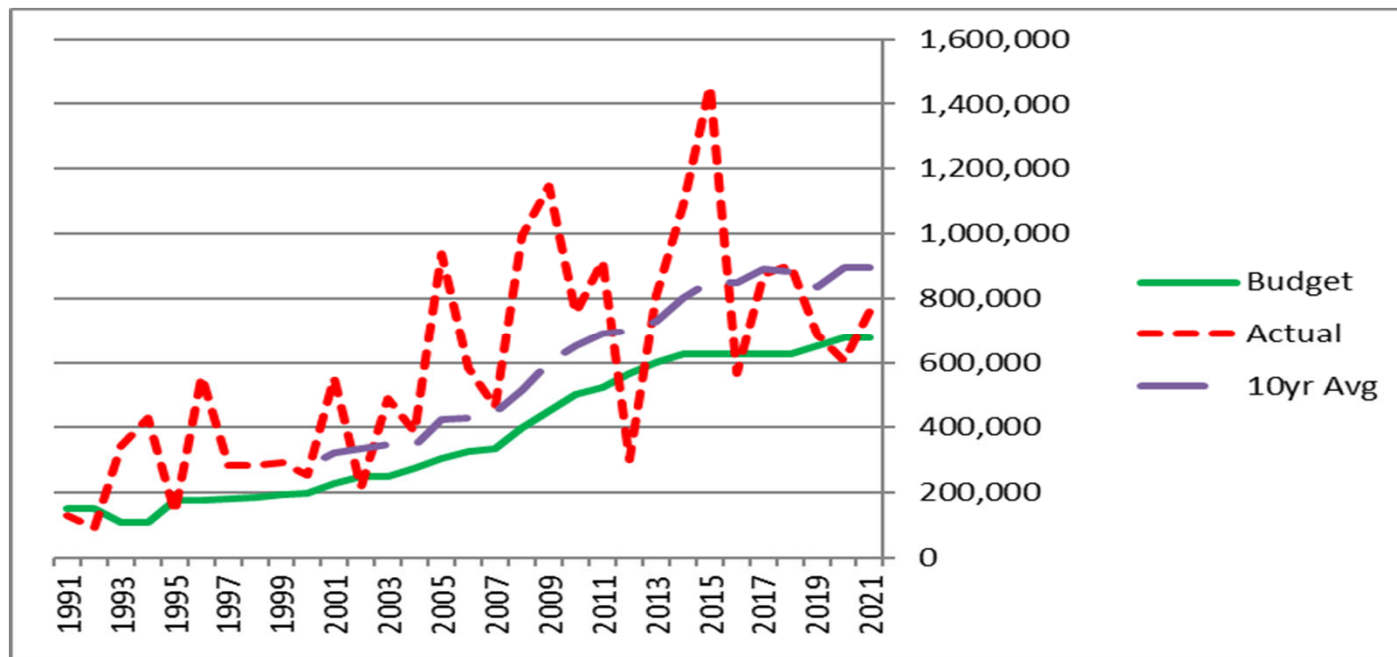
- \$50k one-time expense for Town Forest Committee in FY22 is removed in FY23
- Funding both Trails and Town Forest has been moved to the Select Board budget line
- Police Details increased due to ongoing emergency water/sewer projects
- Gravel crushing budget increased by \$5k to attract vendors to do this work that staff is not equipped to do
- Increase funding for shade trees by 23% to expand the variety of trees in Town



# 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 \$130,000 (+0.0%)

- Costs continue to be modest

#### Rubbish \$1,975,500 (+3.6%)

- Rubbish Disposal– long term 5 year contracts expires June 30,2025, +3% increase for FY23
- Rubbish and Recycling collection continues to enjoy a 10-year contract at a +3% increase for FY23



## **Public Library +3.3%** **Wages (L91) and Expenses (L92)**

**Wages \$1,596,850 (+3.4%)      Expenses \$399,450 (+3.1%)**

### Wages

- Non-union wages increase by 2% step and 1.75% COLA

### Expenses

- Materials budget of 13.5% of the Library budget complies with 13% Municipal Appropriation required to be eligible for State Aid
- Rebuilding expenses that have been reduced or level-funded for three years



## **Facilities +3.3%**

### **CORE Facilities (M91) and Town Buildings (M92)**

**CORE \$3,283,600 (+3.1%)**

**Town Bldgs \$363,550 (+4.4%)**

- No change in staffing levels.
- HVAC expenses have increased significantly in response to COVID-19, an upgrade to MERV-13 filters was made and changed more frequently.
- Custodian salaries increase per a collective bargaining agreements
- Increase in expenses is driven by outsourced cleaning services

*- Ends presentation on Town Departments -*



*Pages*

# School Department

**See School Superintendent Recording**



*Pages 191-204*

# **Enterprise Funds Overview**

- The Select Board will hold a Public Hearing to set rates, probably in May 2022
- Unexpected water main break on Walker's Brook revealed issues that need to be repaired along the rest of the road
- Significant ongoing capital expenses in Water and Sewer
- A modest 4% increase in water usage is assumed which will offset rate increases needed.



# Water Enterprise Fund (W99)

## Rates estimated at +0.0 to + 8.9 % (Select Board Hearing upcoming)

- Wages +4.9% (OT is increased to prepare for unexpected leaks at Walker's Brook)
- Overhead expenses -2.3%
- Operating expenses +29.7% (+\$100k Outsourced professional service in case a water main break happens that the local crew cannot handle.)
- Support to general fund costs +3.9%
- Capital & Debt planned at -21.9%
- = Total Local costs - 11.7%
- MWRA assessment -1.2%
- = Gross budget -8.6%
- Use \$750k Reserves to minimize rates (estimated pending Hearing)
- = **Net budget 9.9%**

Request to use \$1 million in ARPA funds to stabilize the rate



# Sewer Enterprise Fund (X99)

## Rates estimated at +1.8% (Select Board Hearing upcoming)

- Wages +3.6%
- Overhead expenses +16.1% (+25K Retirement Assessment )
- Operating expenses +1.1%
- Support to general fund costs +3.9%
- Capital & Debt planned at -3.7%
- = Total Local costs +.8%
- MWRA assessment +.4%
- = Gross budget +.5%
- Use \$350k Reserves to minimize rates (estimated pending Hearing)
- = **Net budget +7.2%**

-> Increased usage means needed rates are lower



# Storm Water Enterprise Fund (Y99)

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

- Wages 28.5% no changes in staffing- wages reflect moving up in experience and qualifications
- Overhead expenses +0.0%
- Operating expenses +0.0%
- Support to general fund costs +3.9%
- Capital & Debt planned at +72.4% (+\$300k drainage project Memorial Park)
- = Total Local costs +39.2%
- Use \$300k Reserves to offset some capital costs (estimated pending Hearing)
- = **Net budget +7.4%**

## FUTURE

- => FY24 Draining Master Plan for the community
- => FY24 Annual drainage fundi9ng is increased by \$200k to carry out prioritized findings of the Draining Master Plan

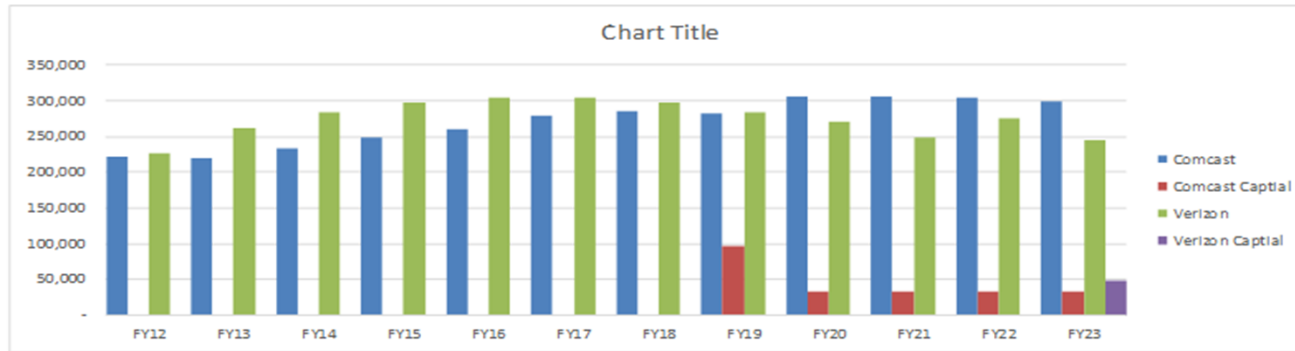


# PEG Access Enterprise Fund (Z99)

**PEG Access \$626,250**

PEG ACCESS REVENUES RECEIVED

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	5 yr Ave	10 Yr Ave
Comcast	222,324	220,564	233,001	248,340	261,345	279,553	286,324	282,892	306,204	305,728	305,000	300,000	292,140	264,627
Comcast Captial	-	-	-	-	-	-	-	97,500	32,500	32,500	32,500	32,500	32,500	16,250
Verizon	226,884	262,959	284,657	298,382	303,624	303,583	297,655	284,055	270,740	248,256	275,000	245,000	280,858	278,079
Verizon Captial	-	-	-	-	-	-	-	-	-	-	-	48,750	-	-
<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>586,484</b>	<b>612,500</b>	<b>626,250</b>	<b>605,498</b>	<b>558,957</b>



	FY19 Actual	FY20 Actual	FY21 Actual	Projected FY22	FY23 BUDGET	FY22-23 Town Manager Change
GENERAL FUND SUPPORT	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	0.0%
PROFESSIONAL SERVICES	\$ 664,447	\$ 599,000	\$ 585,481	\$ 611,500	\$ 625,250	2.2%
<b>PEG EXPENSES</b>	<b>\$ 664,447</b>	<b>\$ 600,000</b>	<b>\$ 586,481</b>	<b>\$ 612,500</b>	<b>\$ 626,250</b>	<b>2.2%</b>



# Landfill Enterprise Fund (ZZ9)

Pages  
203-204

## **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 going forward.



## Budget Motion

Move that the Town appropriate the sum of: \$130,811,410 for the operation of the Town and its Government for Fiscal Year 2023, beginning July 1, 2022, with the amount appropriated to be raised as set forth below.

-FINCOM



## Amended Budget Motion

Move that the Town appropriate the sum of: \$130,506,410\* for the operation of the Town and its Government for Fiscal Year 2023, beginning July 1, 2022, with the amount appropriated to be raised as set forth below.

-FINCOM

*\*Total is corrected for basic Town Manager math errors only in the Enterprise Funds. Incorrect figure was listed as \$130,811,410.*