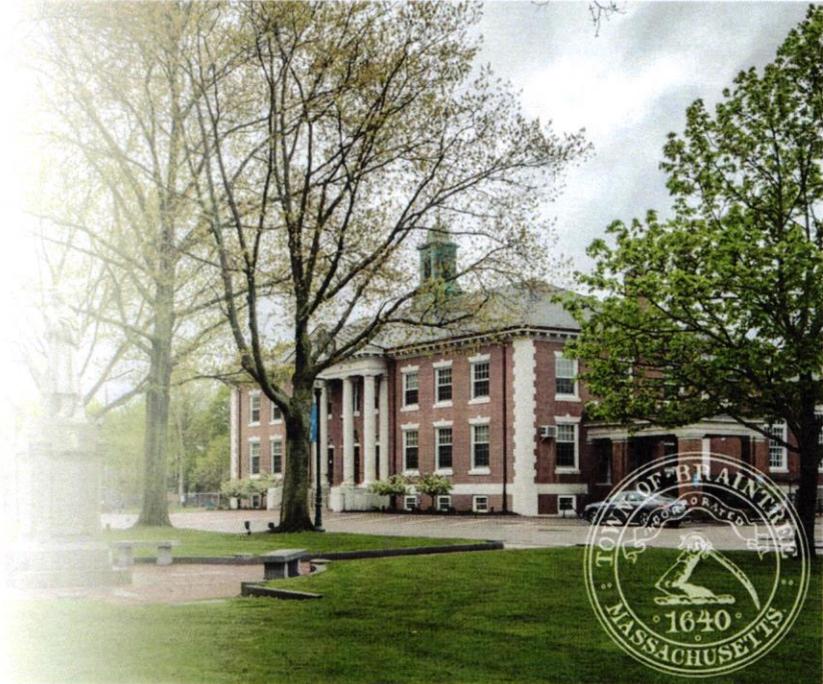


**Town of Braintree**  
**Fiscal Year 2025 Mayoral Budget**  
**April 30, 2024**  
**Erin V. Joyce, Mayor**



Good Evening Council President Ryan and Councilors – I want to start by just thanking you all for your service to Braintree and for being engaged in our conversation here this evening as we present the Town of Braintree’s Fiscal Year 2025 Budget which will be the budget for our next Fiscal Year beginning on July 1, 2024.

Before I begin diving into numbers - I want to take a moment to pause – to take a moment and appreciate being at this podium this evening with the immense opportunity to present my first Town budget – which comes with a few other firsts – the first budget submitted by a female mayor and the first budget presenting voters with the option for an override request - an opportunity for voters to have say in potential

additional town resources to fund the services and programs that make Braintree – well Braintree.

I will certainly spend more time with the details of a potential override in my comments ahead. I also want to take a moment to thank my family for their extra support in these last few months – I think they are at Watson Park tonight – given our current schedule I have about a 75% chance of finding them there – either on the fields, playground or snack shack. I could actually really go for a slush puppy right now!

In going into preparing my remarks for this evening I had envisioned a conversation celebrating accomplishments of the last year and hopeful spending goals and I want to be clear, that even though this presentation feels a bit of a different note than maybe years past – we are, by creation of this budget, identifying a strategic and hopeful path forward. Even though we are facing major challenges, as you'll see, I will still be showing up everyday at Town Hall working hard for our residents and bringing more resources to Braintree and I am incredibly hopeful for the years ahead – Braintree sits in a strong geographic region, with huge economic opportunities which we are fully capable of realizing in the years to come we just need to make some strategic decisions today to put us on that path.

The ability to have a voice - to a budgetary solution – to address an embedded and complex puzzle of revenue and spending – to place Braintree on a sustainable and upward

path towards fiscal resiliency – is something I am very appreciative of the voters to have given me by electing me as mayor and I am privileged to be standing here tonight presenting this budget on behalf of the Town of Braintree.

My first budget is one I knew would be challenging. But I've enjoyed working through the complexities. This budget process has offered me an opportunity to dig into all the interworking's of our Town and to get to know our Department Heads and their teams. As many of you know, during the process of kicking off planning for FY25 we lost our long-time Town Finance Director Mr. Ed Spellman to, what we hope, is a glorious retirement in mid-February.

While we were relatively quick to bring on our new Finance Director, Mr. Michael Esmond – who started in March - we did have some challenges in getting internally caught up to speed on existing Town processes and record keeping. We also knew that going into FY25 we wanted to have a three-year look ahead for our budget, and that any planning we did for FY25, both in revenue projections and spending, would be tied to that lookahead – we wanted to keep our eyes on long term stability and how decisions we made this year could impact our financial situations moving forward – for the better or for the worse and I hope that we are able to describe that in a way that is approachable this evening.

I also would like to recognize my department heads who have been invaluable at identifying some challenging

decisions that would be made in the preparation of this budget and always keeping their sights on managing through – no matter what our outcome will be pending the override vote to residents this spring.

Sharmila Biswas with the Council on Aging/Elder Affairs

Michael Esmond our Finance Director

Fire Chief Jim Obrien

Chris Shipps our Human Resources Director

MaryBeth McGrath and Russ Forsberg in our Inspections and  
and Licensing Department

Terry Stano our Library Director at Thayer Public Library

Kara Nyman my Chief of Staff and Director of operations

Melissa Santucci-Rossi Director of Planning and Community  
Development

Police Chief Tim Cahoon

Public Works director James Arsenault and his team – Ben  
Hulke, Jeff Kuntz, John Thompson, Hillary Waite, Ben Hulke  
and Chris Griffin

I would not have been able to pull all of this together without  
their help and for that I am very grateful.

I'm especially thankful to our Big 4 departments – School,  
Fire, Police and Public Works – collectively these  
departments make up the majority of our spending and have

spent exhaustive amount of times and budget iterations directed at understanding the true, all-in yearly cost of department operations so we could best plan for FY25 and beyond.

While the School Department budget was given many months of public debate, we were having similar discussions internally for the other departments and I hope to highlight some of those considerations this evening.

## Initial FY25 Projection: \$18 million (M) deficit

- Baseline Revenue (w/o Free Cash) flat with FY24 budget
- Schools projected \$10M increase in costs (Feb 2024) from original budget.
- Pension and Health care increases ~\$1.5M
- \$3M+ in Schools, OT and utilities not budgeted in adopted FY24 budget
- Projected increases in debt service, general government CBAs and other items (e.g., insurance) total \$4.2M above FY24 budget

FY 2025 Budget Deficit Contributors to \$18M Gap \$s in Millions		
Changes from FY24 Adopted Budget		Category
Prior Year (FY24) Free Cash Transfer	(\$4.3)	One-Time
FY 2024 Supplemental	(\$3.0)	Spending
Pensions / Health Care	(\$1.5)	Spending
Debt Service	(\$0.3)	Spending
Schools Funding	(\$9.0)	Spending
Collective Bargaining and Other Increases	(\$3.9)	Spending
Annual Increase in Town Revenues	\$4.3	Revenue
<b>Projected Deficit</b>	<b>(\$17.8)</b>	

Cumulative budget gap (FY25-FY28) of **\$91M**.



Going into FY25 we were faced with an embedded \$18M structural operating deficit. This goes back to decisions made in prior years to fund growing operational expenses that would be reoccurring – with one-time funds. Looking just back at the FY24 budget presentation to the Town

Council last May, you will see that the prior administration balanced the budget deficit by using \$4.3 million in Free Cash. Free Cash is the town's "rainy day" fund to be used for emergency expenditures. This account is not meant to plug gaps in an operating budget because it is a one-time fix for a permanent annual budget deficit. This deficit will repeat every year into the future unless a permanent, recurring revenue source is identified or expense cuts are implemented to balance the budget. In the FY24 budget, neither permanent spending cuts nor sufficient reoccurring revenue sources were identified to balance the budget in FY24 and beyond. Furthermore, once I took office in January, I discovered that the FY24 Budget was understated by \$3.0 million. In other words, the FY24 year-end deficit is projected to be \$7.3 million. This deficit is permanent unless expenses are cut or revenue is raised or a combination of both.

Looking towards FY25 we also saw immediate Pension and Health Care increases of \$1.5M, an initial school department request of \$10M and projected increases to dept service, commitments we made to fund town unions through collective bargaining agreement.

# FY2025 Initial Budget and Outyear Gaps

	Projected Structural Deficits, FY 2025 through FY2028				
	FY2024	FY2025	FY2026	FY2027	FY2028
<b>Revenue</b>					
Town Levy / Property Taxes	\$ 110,776,684	\$ 113,814,189	\$ 117,202,807	\$ 120,692,893	\$ 124,288,148
Local Aid	\$ 22,990,253	\$ 23,344,524	\$ 23,730,000	\$ 24,118,000	\$ 24,506,000
Local Receipts	\$ 20,882,990	\$ 21,715,054	\$ 22,176,000	\$ 22,644,000	\$ 23,027,000
Other Financing	\$ 5,755,074	\$ 1,551,845	\$ 1,576,882	\$ 1,602,419	\$ 1,628,468
<b>Total Revenues</b>	<b>\$ 160,405,001</b>	<b>\$ 160,425,612</b>	<b>\$ 164,685,688</b>	<b>\$ 169,057,312</b>	<b>\$ 173,449,616</b>
<b>Spending</b>					
Schools	\$ 74,732,868	\$ 84,674,503	\$ 88,908,228	\$ 93,353,639	\$ 98,021,321
General Government	\$ 52,108,474	\$ 58,110,720	\$ 59,563,488	\$ 61,052,575	\$ 62,578,890
Debt	\$ 10,269,942	\$ 10,569,942	\$ 10,819,850	\$ 11,107,065	\$ 11,395,640
Benefits (Pension / Health Care)	\$ 23,293,717	\$ 24,845,263	\$ 26,345,263	\$ 27,845,263	\$ 29,345,263
<b>Total Spending</b>	<b>\$ 160,405,001</b>	<b>\$ 178,200,428</b>	<b>\$ 185,636,828</b>	<b>\$ 193,358,543</b>	<b>\$ 201,341,113</b>
<b>Balance</b>	<b>\$ 0</b>	<b>\$ (17,774,816)</b>	<b>\$ (20,951,140)</b>	<b>\$ (24,301,231)</b>	<b>\$ (27,891,498)</b>
<b>Cumulative Gap, FY25-FY28=&gt;</b>					<b>\$ (90,918,685)</b>



Lets take a look at projections of the revenue and spending outlook going into our FY25 planning. For the lookahead projections we assume 2-3% on revenue growth and for spending we assumed growth of spending at 5% for schools and 2.5% for general government. As you can see the operational deficit grows year over year and the cumulative gap projects to over \$90M by FY28.

## FY2025 Revenue Growth – 2.74%

Revenue	Change in Operating Revenue, Initial FY2025 vs Adopted FY 2024		
	Adopted FY2024	Initial FY2025	% Change FY25 v FY24
Town Levy / Property Taxes	\$ 110,776,684	\$ 113,814,189	2.7%
Local Aid	\$ 22,990,253	\$ 23,344,524	1.5%
Local Receipts	\$ 20,882,990	\$ 21,715,054	4.0%
Other Financing	\$ 5,755,074	\$ 1,551,845	-73.0%
<b>Total Revenues</b>	<b>\$ 160,405,001</b>	<b>\$ 160,425,612</b>	<b>0.0%</b>
Annual Change in Revenues			0.0%
Annual Change without FY24 Free Cash Reserves			2.74%

- Growth in Levy results in net \$3.1M in new annual revenues.
- Local Aid/State Aid – FY 25 budget reflects modes increase of 1.5%.
- Local Receipts growth of 4% YoY
- New Revenue Options Limited
  - FY25 assumes Town adopts all available measures proposed by Governor Healey.
  - Revenue impact \$1.8M in FY25, \$921K conditional on successful adoption by the Legislature of Municipal Empowerment Act.



To put this crisis in perspective, our Town's revenue growth for FY25 is projected at \$4.4 million - essentially the same amount of Free Cash we used to cover the operational gap first identified in the FY24 budget. Which means – even with all the Town's growing expenses we are essentially planning a flat line revenue projection for FY24 compared to FY25. \$4M in organic new reoccurring revenue growth – when we have significant needs in our schools and town side departments.

So what is our plan and how do we reconcile and close the \$18M gap initially identified at the onset of FY25 planning.

## Closing the Gap

- 92% of Town spending made up of largest 4 Departments, debt, pension and health care.
- Closing remaining deficit with spending cuts alone brings most departments below FY24 projected levels, notably:
  - Schools, level funded at \$75.5M FY24 Revised.
  - Police, ↓1.6% below Revised FY24
  - Fire, ↓6.2% below Revised FY24
  - DPW, ↓5.4% below Revised FY24
- Assumes Town freezes General Fund contribution to pensions at FY24 amount => savings of \$817K.
- All General Fund spending up 1.1%



We looked at cutting expenses, which are widely related to personnel costs and that alone, does not address the

underlying problem. The cuts required also bring departments significantly below FY24 projected levels.

In January I took immediate action to begin controlling townside spending – implementing hiring freezes across all town departments and adding a level of spending review for expenses over \$1,000. With our anticipated year over year organic growth, without a level of reliable increases in base revenue, cutting alone does not solve our structural deficit and the cuts alone would significantly impact Town services.

As I've stated publicly in the past few weeks, this expense growth needs to be comparable to overall Town revenue growth which has been generally stagnant at around 2-3% for the past several years.

## Closing the Gap

- 90% of gap closing measures result from reductions and cost controls
- Impacts of cuts are substantial:
  - Teacher / Staff reductions at Schools - ~90 positions
  - Cuts to Police staffing and programming
  - Elimination of DPW head count - >20 positions
  - Reduced Fire manning plan
- Hiring freeze and prior year cuts sustained
- No investments in government services innovation (e.g., software, assessments)
- Even with cut-focused approach, high likelihood of future budget gaps returning.



To bring the spending under control and more in line with town revenue growth we have been able to make a level of cuts to reduce our FY25 planning budget BUT to bring spending **into complete alignment** with current tax base and projected growth we would see deep cuts to schools, public safety, and public works.

For schools, as we've been able to watch at school committee meetings these past few weeks, they've publicly discussed what level funding would look like for Braintree Public Schools and we've heard versions of potential cuts upwards of 90 teaching positions and programming loss across all education levels.

For our Town-side services (Police, Fire, DPW) this means eliminating public safety programming and potentially reducing personnel, reducing schools and town building maintenance staff, significantly reducing sidewalk and roadway repair projects and reducing summer programming hosted by our Parks and Recreation department.

## FY2025 Proposed Budget and Outyears

Proposed FY 2025 Budget with Projected Structural Deficits, FY 2025 through FY2028						
	FY2024	FY2025	FY2026	FY2027	FY2028	
<b>Revenue</b>						
Town Levy / Property Taxes	\$ 110,776,684	\$ 113,814,189	\$ 117,202,807	\$ 120,692,893	\$ 124,288,148	
Local Aid	\$ 22,990,253	\$ 23,344,524	\$ 23,730,000	\$ 24,118,000	\$ 24,506,000	
Local Receipts	\$ 20,882,990	\$ 23,540,279	\$ 24,644,122	\$ 25,599,259	\$ 26,255,206	
Other Financing	\$ 5,755,074	\$ 1,551,845	\$ 1,576,882	\$ 1,602,419	\$ 1,628,468	
<b>Total Revenues</b>	<b>\$ 160,405,001</b>	<b>\$ 162,250,837</b>	<b>\$ 167,153,810</b>	<b>\$ 172,012,671</b>	<b>\$ 176,677,822</b>	
<b>Spending</b>						
Schools	\$ 74,732,868	\$ 75,532,996	\$ 79,309,646	\$ 83,275,128	\$ 87,438,884	
General Government	\$ 52,108,474	\$ 52,488,046	\$ 53,800,247	\$ 55,145,253	\$ 56,523,885	
Debt	\$ 10,269,942	\$ 10,536,233	\$ 10,819,580	\$ 11,107,065	\$ 11,395,640	
Benefits (Pension / Health Care)	\$ 23,293,717	\$ 23,625,417	\$ 25,821,417	\$ 27,321,417	\$ 28,821,417	
<b>Total Spending</b>	<b>\$ 160,405,001</b>	<b>\$ 162,182,692</b>	<b>\$ 169,751,160</b>	<b>\$ 176,848,864</b>	<b>\$ 184,179,826</b>	
<b>Balance</b>	<b>\$ 0</b>	<b>\$ 68,145</b>	<b>\$ (2,597,349)</b>	<b>\$ (4,836,193)</b>	<b>\$ (7,502,004)</b>	
					<b>Cumulative Gap, FY25-FY28=&gt;</b>	<b>\$ (14,867,402)</b>



The importance of our lookahead is most apparent when we start to look at these cuts, which could bring us into alignment on revenue in FY25 – playing into long term planning.

What happens if we cut this year, to next year – well as you can see here – assuming the revenue and spending metrics mentioned earlier - 2-3% on revenue growth and 5% spending growth for schools and 2.5% growth for general government spending – remain generally the same, FY26 brings more spending cuts – while we’ve shrunk our cumulative gap by FY28 to ~\$15M, significantly less than \$91M which we started out with – we have not solved the problem. We will be back next year with similar conversations to this year – What can we live without.

But instead we are turning to – what can we do to offer a chance for voters to weigh in on the path ahead. After four months of immersive conversation with all of our town departments and personnel – and understanding the service impact this level of cutting brings WITHOUT effectively solving our structural deficit – I believe voters need to be offered the decision to allow the town an option to increase our tax levy this year by \$8M to supply \$8M of additional reliable reoccurring revenue to close this structural deficit.

Through the override vote, our residents will have the ability to use their voice to support either a budget without an override, as shown here OR

Balanced Approach is Needed: 2 ½ Override

Gap Closing Measures, with Override		
	\$s in Ms.	% of Gap Closing
<b>Projected Deficit</b>	\$ (17.8)	
<b>Revenue</b>	\$ 8.3	47%
Municipal Empowerment Act	\$ 0.9	5%
Increase Trash / Solid Waste Fees	\$ 0.5	3%
Increase Other Fees / Sources	\$ 0.4	2%
Proposition 2 ½ Override (Net of Stabilization)	\$ 6.5	37%
<b>Spending</b>	\$ 9.5	54%
Fund Schools at \$79.5M	\$ 5.2	
Fund General Gov't to \$55.0M	\$ 3.1	
Freeze GF Pension Contribution at FY24 Level	\$ .82	
Reduce Health Care / Benefits Spending	\$ 0.40	
<b>Revised Budget Surplus (Deficit)</b>	\$ 0.07	

- Proposition 2 ½ Override of \$8M essential to limit spending cuts in Schools, Public Safety and DPW.
- Multi-year, balanced and sustainable approach closing FY25 and out-year gaps with revenue and expense controls.
  - Schools growth capped at 3.5% annually.
  - General Government capped at 2% annually.
  - Debt Service remains in line with current % of revenue and Health Care assumed at 5% annual growth.
  - Pensions subject to revaluation in 2024 and further changes to funding schedule.

To support the balanced approach we are proposing by presenting the option of a tax override for FY25.

A tax override is a tool communities can use to boost the amount of Town revenue that comes in annually through property taxes. **Without** asking the voters, cities and towns

can increase their tax levy, the amount of money they collect in property taxes by up to 2.5% every year - Braintree adds this amount every year. Even with adding this every year – we are falling behind, as evidenced here tonight and in many conversations year over year around Town. Where we are today, has not happened overnight. What the town brings in for revenue is not keeping up with even our operational spending, let alone allowing us to get ahead to a point where we can invest in new buildings, new schools, new parks.

We are also not seeing large amounts of new growth or economic development that could potentially offset our 2.5% restriction.

We, as administrators, cannot add more than 2.5% to the tax levy because of a law passed in the 80s that restricts the amount that Cities and Towns can raise property taxes – if you have heard of Proposition 2.5 that is what that refers to, that law. So a Proposition 2.5 override or Prop 2.5 override or simply ‘override’ is a **ballot question** that can allow cities and towns to, in a single year, add more than 2.5% to their tax levy. The ballot question for an override asks residents to raise taxes. The ballot question is put to voters in a special election that is held only for the purpose of the question.

Tonight we are proposing an override to raise \$8M more annually and later in the meeting the Town Council will be voting on potential same-night action to call for a special

election on June 15<sup>th</sup> for the purposes of asking voters if they will support this motion.

The \$8M override supports a multi-year balanced approach that closes our \$18M deficit in FY25 with a level of cuts and a level of additional funding provided by the override.

We cannot cut our way out or spend our way out – it needs to be a balanced approach.

What I will highlight tonight with regards to the \$8M override is that the override will be split as follows:

Braintree Public Schools will receive -- \$4.0M to fund an operational budget of \$79.5M (Preserves Programs and Teachers) and in addition to the operational budget allocation we will be setting aside \$500K in a town-side reserve to cover potential one-time school spending needs – putting the FY25 anticipated (with override) school side spending at \$80M.

Public Safety will receive \$1.5M to preserves core Police Services and positing them to be more forward looking in planning, it also allows departments to bring back programming elements that have been recently reduced and lost such as our traffic unit, and school resource officers on the police side.

Public Works will receive \$1.0M, a bulk of which will preserves Town and School Maintenance efforts, maintain roadway and sidewalk maintenance projects, summer

programming, sports field maintenance, and importantly building maintenance for so much of our aging school and town buildings infrastructure.

We are also including the establishment of an Override Stabilization Account which will be funded at \$1.5M. The reserves will be deposited into the stabilization account to extend the benefit of the override thru FY28.

## FY2025 and Outyears with 2 ½ Override

Proposed FY 2025 Budget with Override Solution, FY 2025 through FY2028						
	FY2024	FY2025	FY2026	FY2027	FY2028	
<b>Revenue</b>						
Town Levy / Property Taxes	\$ 110,776,684	\$ 121,814,189	\$ 125,402,807	\$ 129,097,893	\$ 132,903,273	
Local Aid	\$ 22,990,253	\$ 23,344,524	\$ 23,730,000	\$ 24,118,000	\$ 24,506,000	
Local Receipts	\$ 20,882,990	\$ 23,540,279	\$ 24,644,122	\$ 25,599,259	\$ 26,255,206	
Other Financing	\$ 5,755,074	\$ 1,551,845	\$ 1,576,882	\$ 1,602,419	\$ 1,628,468	
<b>Total Revenues</b>	<b>\$ 160,405,001</b>	<b>\$ 170,250,837</b>	<b>\$ 175,353,810</b>	<b>\$ 180,417,671</b>	<b>\$ 185,292,947</b>	
<b>Spending</b>						
Schools	\$ 74,732,868	\$ 79,532,996	\$ 82,316,651	\$ 85,197,734	\$ 88,179,654	
General Government	\$ 52,108,474	\$ 54,988,046	\$ 56,087,807	\$ 57,209,563	\$ 58,353,754	
Debt	\$ 10,269,942	\$ 10,536,233	\$ 10,819,580	\$ 11,107,065	\$ 11,395,640	
Benefits (Pension / Health Care)	\$ 23,293,717	\$ 23,625,417	\$ 25,821,417	\$ 27,321,417	\$ 28,821,417	
<b>Total Spending</b>	<b>\$ 160,405,001</b>	<b>\$ 168,682,692</b>	<b>\$ 175,045,725</b>	<b>\$ 180,835,779</b>	<b>\$ 186,750,465</b>	
<b>Balance</b>	<b>\$ 0</b>	<b>\$ 1,568,145</b>	<b>\$ 308,086</b>	<b>\$ (418,108)</b>	<b>\$ (1,457,519)</b>	
					<b>Cumulative Gap, FY25-FY28=&gt;</b>	<b>\$ 603</b>



Lets look at the outlook with override. What is notable here is that – no more one-time funds are being used! But also there is new reoccurring revenue to support initially reduced and then managed spending – the only way our override can be truly impactful and long lasting is if we couple this outlook with strong management and we will do just that –

targeting to manage expected spending across all departments to be in line with normal organic town growth of 2-3% as we work to bring in more new growth through economic development.

I appreciate your attention and time you have allowed me this evening to review the hard work of my team in the past few months as we strategically chart a path forward – for Braintree.

When I bump into people around Town – so many people ask how I'm doing or suggest that maybe they wouldn't want to be standing up here tonight – I can assure you that I feel incredibly humble but able to stand here tonight and present what feels like a very hopeful path forward – a well thought out and strategic path forward.

I absolutely do not take lightly any ask for a resident to have to contribute more - I understand the many financial challenges facing our young families, seniors on fixed incomes, and young adults just getting started in Braintree. In the days ahead we will be providing tools to residents to estimate the impact of the override on them individually. Based on an average home value in Braintree of \$668,178 the approximate impact of an \$8M override will be an increase of \$454 annually.

For seniors, the Town also offers discounted trash fees and property tax relief for income-qualified households as well

as a 'work-off' program that offers seniors the ability to exchange Town employment for tax discount.

We also will be exploring opportunities to expand our income qualified relief for seniors with our State representative in the weeks ahead.

Accompanying our presentation tonight is the detailed Budget Book.

This book shares a great amount of detail for the Budget, and also provides an executive summary diving into a bit more detail than I shared here this evening.

As we move through the budget season with Ways and Means in the Month of May we will have designated meetings with each Town Department to delve into specifics related to funding with and without the override – these meetings are open to the public and I invite you to attend if interested.

In closing I would offer this – for my administration fiscal stability will be a functional obsession – with an override success or failure, we will intimately understand, discuss and challenge each other with what living within the Town resources means – and then as residents, leaders, anyone with a hope for Braintree – we have to get out there and advocate and bring in more resources for our Town.

During the pandemic I took to hiking – I began picking away at the NH48 – which are 48 peaks topping 4,000 feet or higher above sea level in NH – the funny thing about hiking, every mountain starts out the same, looking way easier to climb when standing at the bottom than you start making the trek up – but, you know what I’m going to say, the view is always worth it. I imagine the weeks ahead will foster more challenging conversations but I KNOW that Braintree will be stronger and fiscally resilient at the end of this process – I hope I’ve been able to show you our options for moving forward and I hope - as we work together in the next few weeks – our view and outlook will change from feeling like we will never pull out of this, to embracing a solution that will work.

At the end of the day I DO believe very strongly in allowing voters to have a say in what we do – but I want to make sure they have as much information as possible so that we can move forward together as a community.