

OFFICE OF THE SELECT BOARD

MEMORANDUM

TO: Charles Carey, Town Administrator

FROM: Melissa Goff, Deputy Town Administrator for Policy and Fiscal Affairs

RE: FY2023 Budget Amendments

DATE: 10/14/22

Article 1 of the Warrant for the Second 2022 Fall Town Meeting proposes amendments to the FY2023 budget. The article is required to address several outstanding items:

- The final State budget contained higher state aid allocations for Brookline than assumed in the budget approved by Town Meeting. This will be used to address the unbalanced budget from the Annual Town Meeting;
- Increased projections of Local Receipts based on final FY2022 and YTD experience;
- Resolving the \$147,000 FY2023 imbalance left outstanding at the 2022 Annual Town Meeting;
- Appropriating \$60,216.11 of Opioid Settlement funds to support the development of a community substance use prevention coalition;
- Appropriating fees voted by the Board to address the newspaper cost escalation associated with shifting to the Boston Globe for statutory required Planning Department legal notices;
- Appropriating annual revenue from the assessment on transportation network companies (TNCs) to fund transportation projects;
- Appropriating Community Preservation funds as voted by the Community Preservation Act Committee;
- Increasing the bond authorization for two existing park projects;
- Accelerating the bond authorization for Engine #4.

MORE NET STATE AID

The final cherry sheet resulted in \$161,992 more of Net State Aid (without Offsets¹), adjusting the total FY2023 Net State Aid (without Offsets) figure to \$15,712,142, an increase of \$361,453 (2.4%) over FY2022. The table below shows how the final State budget results in \$161,992 more in Net State Aid (without Offsets):

| | FY22 FINAL CHERRY SHEET | FORECAST ESTIMATE | Governor's Budget | Ways and Means | Senate W&M | FINAL | VARIANCE FROM House W&M | % CHANGE FROM House W&M | VARIANCE FROM FY22 | % CHANGE FROM FY22 |
|----------------------------------|----------------------------------|----------------------|----------------------|-------------------|-------------------|-------------------|-------------------------------|----------------------------------|-----------------------|-----------------------------|
| RECEIPTS | | | | | | | | | | |
| Ch. 70 | 15,212,527 | 15,383,977 | 15,416,497 | 15,620,467 | 15,620,467 | 15,620,467 | 0 | 0.0% | 407,940 | 2.7% |
| Unrestricted General Gov't Aid | 6,977,722 | 7,187,053 | 7,166,121 | 7,166,121 | 7,354,519 | 7,354,519 | 188,398 | 2.6% | 376,797 | 5.4% |
| Vets Benefits | 72,642 | 72,642 | 62,341 | 62,341 | 62,341 | 62,341 | 0 | 0.0% | (10,301) | -14.2% |
| Exemptions | 23,633 | 23,633 | 21,699 | 21,699 | 21,699 | 21,699 | 0 | 0.0% | (1,934) | -8.2% |
| Charter School Reimbursements | 2,814 | 2,814 | 4,357 | 40,887 | 40,887 | 40,374 | (513) | -11.8% | 37,560 | 1334.8% |
| TOTAL RECEIPTS | 22,289,338 | 22,670,119 | 22,671,015 | 22,911,515 | 23,099,913 | 23,099,400 | 187,885 | 0.8% | 810,062 | 3.6% |
| CHARGES | | | | | | | | | | |
| County | 1,116,294 | 1,144,201 | 1,144,201 | 1,144,201 | 1,144,201 | 1,144,201 | 0 | 0.0% | 27,907 | 2.5% |
| Air Pollution Dist. | 35,140 | 36,019 | 36,540 | 36,540 | 36,540 | 36,540 | 0 | 0.0% | 1,400 | 4.0% |
| MAPC | 32,571 | 33,385 | 35,293 | 35,293 | 35,293 | 35,293 | 0 | 0.0% | 2,722 | 8.4% |
| RMV Surcharge | 189,020 | 189,020 | 104,440 | 104,440 | 104,440 | 104,440 | 0 | 0.0% | (84,580) | -44.7% |
| MBTA | 5,357,582 | 5,491,481 | 5,838,522 | 5,838,522 | 5,838,522 | 5,838,522 | 0 | 0.0% | 480,940 | 9.0% |
| SPED | 64,770 | 66,389 | 76,658 | 78,840 | 78,840 | 78,840 | 0 | 0.0% | 14,070 | 21.7% |
| School Choice Sending Tuition | 76,456 | 76,456 | 85,317 | 85,317 | 85,317 | 101,247 | 15,930 | 18.7% | 24,791 | 32.4% |
| Charter School Sending Tuition | 66,816 | 66,816 | 24,464 | 48,175 | 48,175 | 48,175 | 0 | 0.0% | (18,641) | -27.9% |
| TOTAL CHARGES | 6,938,649 | 7,103,767 | 7,345,435 | 7,371,328 | 7,371,328 | 7,387,258 | 25,893 | 0.4% | 448,609 | 6.5% |
| OFFSETS | | | | | | | | | | |
| Libraries | 101,559 | 101,559 | 111,832 | 118,419 | 131,592 | 131,592 | 13,173 | 11.8% | 30,033 | 29.6% |
| TOTAL OFFSETS | 101,559 | 101,559 | 111,832 | 118,419 | 131,592 | 131,592 | 13,173 | 11.1% | 30,033 | 29.6% |
| NET LOCAL AID | 15,452,248 | 15,667,911 | 15,437,412 | 15,658,606 | 15,860,177 | 15,843,734 | 175,165 | 11.6% | 391,486 | 2.5% |
| NET LOCAL AID W/O OFFSETS | 15,350,689 | 15,566,352 | 15,325,580 | 15,540,187 | 15,728,585 | 15,712,142 | 161,992 | 1.0% | 361,453 | 2.4% |
| GROSS LOCAL AID | 22,390,897 | 22,771,678 | 22,782,847 | 23,029,934 | 23,231,505 | 23,230,992 | 201,058 | 0.9% | 840,095 | 3.8% |

We also examined Local Receipts at the close of FY22. Based on this experience further adjustments can be made to provide additional support for Town and School Services. The following adjustments were made to local receipts:

¹ Offset Aid consists of Library aid which goes directly to the Library, without appropriation. The Library will have \$13,173 less available in FY22.

| REVENUE SOURCE | FY2020 ACTUAL | FY21 ACTUAL | FY22 ACTUAL | FY23 BUDGET | ADJ FY23 BUDGET | NOTE |
|-------------------------|------------------|----------------|----------------|----------------|--------------------|--|
| Motor Vehicle Excise | 6,277,980 | 6,040,964 | 6,275,101 | 5,988,692 | 5,988,692 | - |
| Local Option Taxes | 5,274,692 | 2,539,514 | 4,432,490 | 3,075,000 | 3,775,000 | 700,000 500k lodging, 200k meals |
| Licenses and Permits | 1,015,703 | 966,958 | 1,110,456 | 1,114,250 | 1,114,250 | - |
| Parking and Court Fines | 2,441,943 | 1,991,875 | 2,176,188 | 2,200,000 | 2,200,000 | - |
| General Government | 9,123,443 | 7,496,635 | 9,889,972 | 3,864,758 | 4,110,876 | 246,118 Opioid pymt, DAS payments, ZBA fee |
| Interest Income | 1,732,705 | 674,690 | 244,138 | 876,076 | 876,076 | - |
| In Lieu of Tax Payments | 1,590,248 | 2,023,502 | 1,971,639 | 1,831,104 | 1,981,104 | - |
| Refuse Fees | 3,026,916 | 3,392,884 | 3,767,067 | 3,574,327 | 3,609,327 | 35,000 Overflow bag fee |
| Departmental and Other | 6,743,670 | 5,352,913 | 6,666,125 | 5,720,776 | 5,720,776 | - |
| Total | 37,227,300 | 30,479,935 | 36,533,176 | 28,244,982 | 29,376,100 | 981,118 |

Budget Adjustments prior to Town/School Partnership (TSP) formula

Before applying the TSP formula to the additional revenue some adjustments are needed to acknowledge restricted revenue (Opioid settlement, newspaper fees) and addressing the unbalance budget from the Annual Town Meeting. The table below shows the deductions and then what is available for Town and School appropriations.

| | |
|---------------------------------------|----------------|
| Additional Revenue | 981,118 |
| Pre-TSP Adjustments | |
| Unbalanced Annual Town Meeting | 147,000 |
| Opioid Settlement Expenses | 60,216 |
| Planning Newspaper Ads | 85,902 |
| | <hr/> |
| | 293,118 |
| Available for TSP Distribution | 688,000 |
| CY SPLIT TOWN | 40.1% |
| CY SPLIT SCHOOL | 59.9% |
| Available for Town | 275,982 |
| Available for Schools | 412,018 |

PRE-TSP ADJUSTMENTS

1. During the Annual Town Meeting, a motion to increase funding for the Sidewalk CIP special appropriation was approved without a funding source. Despite attempts to address the deficit a resolution was not reached and we concluded the session with the budget out of balance. \$147,000 is needed to address this deficiency.

2. On July 21, 2021, AG Healey announced a \$26 billion resolution with opioid distributors and Johnson & Johnson, which will provide more than \$500 million to the Commonwealth and its cities and towns for prevention, harm reduction, treatment, and recovery across Massachusetts. The settlement requires all funds to be used to supplement and strengthen resources for prevention, harm reduction, treatment, and recovery. The Town can classify settlement funds received in FY23 as general fund Local Receipts and make an appropriation for the settlement purposes by amending the existing FY23 budget to reflect that new source of revenue. An appropriation of \$60,216 is recommended to support the Health Department's Substance Abuse program. The Attached memo from Health Director Reiss provides more information on the intended use of this funding.
3. The Select Board recently authorized an increase of ZBA fees to cover the actual cost of required public hearing advertising of the public hearings now that local newspaper options are unavailable. This budget adjustment will provide an appropriation so that the Department is able to cover these expenses with these new fees. A memo from Planning Director Brewton is attached.

Recommendation for the Town TSP appropriation is as follows:

Metro Mayor Membership- The Metropolitan Mayors Coalition is a group of cities and towns in Metro Boston whose leaders gather to exchange information and create solutions for common problems. Funding for this membership was reduced during COVID, but we were able to utilize salary savings in the Select Board office to continue participation. With that option no longer available and the collaboration highly beneficial to the Town we seek restoration of this **\$15,000** item.

Town Meeting – If we resume an in-person Town Meeting this Spring our voting technology is obsolete and in need of replacement. The Town Clerk estimates a replacement system will cost approximately **\$66,000**.

Collective Bargaining: **\$194,982** Given the uncertainty of the Joint Labor Management Commission (JLMC) process I am recommending that the balance of remaining state aid be allocated to the Collective Bargaining reserve. While our negotiation team is actively engaged in bargaining with both the Police and Fire unions with the desire to come to agreement on equitable contracts, there is a possibility that an arbitration award will require additional funding.

APPROPRIATION OF RIDE SHARE REVENUE

The Town has received \$84,060.60 in funds from the State assessment on transportation network companies (TNCs), such as Uber and Lyft. One half of the \$0.20 per ride assessment was distributed to the Town and can be appropriated “to address the impact of transportation network services on municipal roads, bridges and other transportation infrastructure or any other public purpose substantially related to the operation of transportation network services in the city or town including, but not limited to, the

complete streets program established in [G.L. c. 90I, § 1] and other programs that support alternative modes of transportation.” St. 2016, c. 187, § 8(c)(i).

The recommendations voted by the Transportation Board are as follows:

- Electric Vehicle Infrastructure: In 2022 the Transportation Division secured an \$86,000 grant from the Commonwealth of Massachusetts Electric Vehicle Incentive Program (MassEVIP) Direct Current Fast Charging Program to fund the purchase and installation of 2 DC Fast Chargers in the Webster Street Lot. As the Board is aware, the Transportation section is the single largest contributor to greenhouse gas emissions in Massachusetts. In recognition of this fact, Town Meeting overwhelmingly passed the Fall 2019 Healthy & Sustainable warrant article calling for the Town to achieve our 2050 climate action goal of being carbon neutral through the support of more healthy and sustainable transportation modes of walking, biking, micro-mobility, and the electrification of all motor vehicle trips. In order to support this effort the Department of Public Works has been working with Eversource and the Shared Mobility Advisory Committee to identify opportunities to expand our publicly accessible charging infrastructure needed to support the electrification of motor vehicles in Brookline. In May of 2022 the Board approved a letter of intent with Eversource to install the infrastructure needed to power EV Chargers in the Webster Street Lot with the utility company covering 100% of the cost through the Department of Public Utility’s Make Ready Program on the condition that Brookline would purchase and install the necessary charging equipment. This grant, provided through the Massachusetts Department of Environmental Protection, will cover 65% of the cost to purchase and install 2 DC Fast Chargers including 5 years extended onsite parts and labor warranty. The remaining 45% is recommended to be funded from the TNC funds.

TOTAL FUNDING \$47,000

- Brookline Friendly Community Public Bench Project (BCAN/PedAC): Purchase and install up to 10 benches at designated locations identified by Brookline Community Aging Network and the Pedestrian Advisory Committee to continue to promote walkability for all ages by providing locations of rest along main sidewalk walking routes.

TOTAL FUNIDNG \$25,000

- Materials for Safety Related Projects: As the Board is aware, Transportation Division staff are increasingly being asked to establish pilot or quick build safety and accessibility projects. We are proposing the use of the remaining TNC money to purchase these materials which may include temporary rubber speed cushions, rubber curbs, In-street Pedestrian crossing stanchions, bollards, etc. that we use for these quick build projects.

TOTAL FUNDING \$12,060.60

COMMUNITY PRESERVATION ACT (CPA) FUNDS

The Community Preservation Act Committee had not been formed to vote on recommended appropriations for Open Space, Historic Resources and Community Housing as required by the statute in time for the Annual Town Meeting. The Committee has since

met and have voted the required 10% minimum reserved for these categories as called for in the statute. We will need to amend the budget motion in order to address this item.

ADDITIONAL AUTHORIZATION FOR PARK PROJECTS

The bids for both Murphy Playground and Robinson Playground projects have come in over budget. The projects have been reviewed and additional value engineering completed, but there is still a shortfall if the Town is to construct and complete these projects in accordance with the project design goals to support multi-generational, accessible and inclusive play and public park space for the community. The attached update from Commissioner Gallentine provides more detail on the cause of the shortfall and the request for additional bond authorization to complete the project. The purposed budget for Robinson Playground was \$1,150,000 million which was funded in FY21 and the design estimate which is based upon current bidding prices is at \$1,425,625. That leaves the project approximately \$275,625 over the current budget. The purposed budget for Murphy Playground was \$915,000 which was funded in FY 22. The project was put out to bid in the summer of 2022 and we received one bid from UEL Contractors for a total of \$1,269,251. That leaves this project approximately \$354,251 over the current budget. The additional bond authorization would require an average of \$77,000 in addition debt service payments annually.

ACCELERATED AUTHORIZATION FOR ENGINE #4 REPLACEMENT

Similar circumstances have prompted the Fire Chief to request that the bond authorization for Engine #4 be accelerated in order to deal with what is now a two-year schedule for building the new Engine. This item was previously scheduled for the FY2024 CIP. The Debt service for the first year of payment would commence in FY2024 instead of FY2025. The first debt service payment is estimated at \$112,000.

I will have a formal vote prepared on all these items next week, and am available to answer any questions you may have on these items.