

ARTICLE 7

SELECT BOARD'S SUPPLEMENTAL RECOMMENDATION

The collective bargaining agreements recommended by the Select Board under Article 2 require additional adjustments to the budget.

The Select Board has come into alignment with the Advisory Committee recommendation on the funding for the Police Joint Labor-Management Commission (“JLMC”) arbitration award, while reserving its right to appeal that aspect of the award that provides a stipend for Peace Officer Standards & Training (“POST”) Commission certification, which the Board believes was beyond the scope of the authority of JLMC panel to award and contrary to the evidence presented at the hearing.

The Board was able to reach agreement with the Fire union, which avoided a similar outcome of a third party making decisions on this agreement as well. This is far and away a more desirable outcome—JLMC limits the number of topics that can be addressed, any prior side agreements do not become part of the final award, and, in practice, the awards tend to heavily favor labor. In this case, as discussed in the Select Board recommendation for Article 2, the Fire agreement provides the Department with additional tools to address crucial long-term operational aspirations, such as closing a “modified duty” loophole and providing the ability to consider more than just the civil service exam when promoting Deputy Chiefs and Captains. The agreement, while expensive, contains changes crucial to the long-term health of the Department.

Between the JLMC award and the Fire agreement, the Town must now address significant one-time expenses for retroactive pay, as well as ongoing operational expenses for the permanent wage increases. The Select Board will address the one-time expenses through liquidating the entirety of the Collective Bargaining Reserve Fund and transferring unused portions from certain American Rescue Plan Act (“ARPA”) accounts. This still leaves a shortfall of \$1,007,428 in recurring expenses to address in FY2024 and going forward in future years.

The Select Board discussed funding options, ranging from scaling back on override commitments to additional service cuts, that could provide funding to support the labor agreements. Ultimately, it directed staff to provide options that (1) avoided permanent position cuts and (2) retained both promised override restorations and new override-funded programs.

Revenue Adjustment:

In keeping with the Select Board’s directive, the Town Administrator is recommending adjusting State Aid projections in the budget to align with the Senate Ways & Means version of the State budget, and providing that all the proceeds realized from the adjustment

be directed towards the Town without passing through the traditional Town-School revenue split.

The Board acknowledged that, during years when there were enrollment challenges, similar adjustments were made that provided additional revenue towards the schools. The Board deems these circumstances, where a mandatory arbitration decision has exhausted the Town's collective bargaining reserve, worthy of the same consideration that has been made for the schools in the past.

At a discussion of the Town-School Partnership ("TSP") on May 15, 2023, the School Committee's representatives stated a desire to create clear policies for when and why such adjustments are made as part of the TSP's broader reevaluation of the revenue split, in order to avoid *ad hoc* redistributions in the future. The Select Board generally agreed that such a policy would be helpful to develop.

Group Health:

Major changes at the Group Insurance Commission ("GIC") have provided a projected surplus in the Group Health budget. The Town is projecting \$402,285 in the Town's share of that savings after the Town-School revenue split is applied, with a final adjustment to be made once open enrollment changes have been fully reconciled.

Departmental Reductions:

The recommended reductions are realized through either (1) holding open existing vacant positions where hiring will be delayed or not filled during the fiscal year or (2) booking the estimated gains from projects that will roll out over the course of FY24 rather than immediately at the outset of the year.

The Board acknowledged that this strategy is inherently a temporary one, and outside of the regular way Brookline tends to budget. The likely consequence will be that Department Heads will have less flexibility to adjust their budgets in response to the conditions they may encounter, and there will likely be less Free Cash at the end of the year, which in turn means the Capital Improvement Plan ("CIP") will have less funding.

Ultimately, during and after the Special Town Meeting typically held in the fall, the community will need to consider what permanent changes need to be made to accommodate the significant increased costs of Brookline's public safety union contracts.

Accordingly, on May 24, 2023, a unanimous Select Board voted FAVORABLE ACTION on the following motion:

VOTED:            That the Town:

- 1) Amend the Advisory Committee motion as shown below and in the attached Amended Tables I and II:

<b>ITEM #</b>	<b>AC MOTION</b>	<b>PROPOSED CHANGE</b>	<b>AMENDED BUDGET</b>
4. Diversity, Inclusion, & Community Relations	\$393,864	-\$30,000	\$363,864
5. Finance Department	\$3,558,210	-\$30,000	\$3,528,210
10. Police	\$17,648,217	-\$100,000	\$17,548,217
12. Building	\$11,142,213	-\$50,000	\$11,092,213
13. Public Works	\$18,153,751	-\$50,000	\$18,103,751
19. Personnel Services Reserve	\$1,214,973	-\$50,397	\$1,164,576
20. Collective Bargaining - Town	\$4,554,699	\$1,007,428	\$5,562,127
23. Employee Benefits	\$80,446,412	-\$402,285	\$80,044,127