



2021 TOWN MEETING HANDBOOK

Finance Committee Report

and

Recommendations Concerning the Fiscal Year 2022 Budget

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

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FINANCE COMMITTEE:	Paul L. Challenger, Chairman	
	Christopher Lucchesi, Vice Chairman	Donald Graves
	Marilynn L. Foley, Clerk	John R. Lambert
	Stephanie J. Adams	Jane E. Titcomb
	Joseph J. Dolak	David J. White, Sr.

INTRODUCTION

The Finance Committee (FinCom) is a volunteer committee mandated by the Holden By-Laws and appointed by the Moderator to conduct thorough reviews of the Town's financial activities on behalf of the community. The FinCom is responsible for considering matters related to the appropriation, borrowing and expenditure of money and other matters and may make recommendations to the Town Meeting or to any Town board, official or committee relative to such matters.

Each year, starting in November, the Town Manager, in consultation with the department heads, prepares a budget for the following fiscal year. In February, the Town Manager's budget, including estimates of revenue and education expenses, is submitted to the FinCom. We review each department's budget line by line over the next two months, including the budgets submitted by the Wachusett and Montachusett School Districts. Combined, these comprise the complete budget for the Town. Our recommendations concerning the budget are contained in this document to guide you in your voting this evening.

In preparing the municipal budget (which is the entire Town budget, excluding education expenses, over which we have no control), both the Town Manager and the Finance Committee took into consideration a wide range of factors including the tax rate, maintenance of core municipal services, the ability to sustain the budget in future years, and "quality of life" issues such as good streets and snow removal, nice parks and playing fields and cultural enrichment, like the library and Senior Center. We are very aware of the impact of the pandemic on the financial lives of Holden residents, and tried to craft as lean a municipal budget as possible. Wages increased only 1% for most employees. There is only one new position included in the municipal budget, and that position will provide a net savings over remaining in the current regional health consortium, while providing better service. Capital acquisitions are significantly lower in this budget than in previous years, as are contributions to Town savings funds. These difficult decisions were made to keep the tax rate as low as possible in this difficult year.

The only department to propose a significant increase this year is the Wachusett Regional School District (WRSD). The WRSD receives about 30% of its funding from the State, and the rest comes from the member towns. This year, the WRSD experienced a drop in anticipated state aid of over \$2.4M, and has turned to the District towns to make up for this loss of state funding in addition to funding for normal budget growth.

The drop in state funding has driven the amount required from Holden up to the limit of what the FinCom considers appropriate and manageable. This increase is manageable this year. If State aid remains low next year, that would put enormous strain on future budgets, perhaps requiring a Proposition 2 ½ override to fund in the next few years. But this year, we can afford this budget request. Therefore, you will see that we recommend a YES vote on the Wachusett budget request.

For each of the budget-related articles (articles 4 – 21) on the warrant tonight, we have provided a paragraph which describes the article, what the money will be used for, how it is or isn't different from last year's budget, and how we recommend you vote on that particular article. Starting on Page 17 are additional details about the budget, both operational and capital.

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BUDGET OVERVIEW

FY2021		FY2022		
Voted Budget		Proposed Budget	\$ Change	% Change
2,577,956,850	Total Assessed Value (Est.)	2,577,956,850		
355,533	Average Assessed Home	355,533		
\$17.40	Tax Rate	\$18.00	\$0.60	3.4%
6,186	Average Tax Bill	6,398	\$211.78	3.4%
144,436	Excess Levy Capacity (Footnote 1)	359,035		
GENERAL FUND REVENUES				
41,268,197	Tax Levy - Non-excluded	42,427,164	1,158,967	2.8%
2,221,946	State Receipts	2,225,342	3,396	0.2%
5,791,875	General, Excise & Other Estimated Receipts	6,167,123	375,248	6.5%
2,251,408	Free Cash	2,369,834	118,426	5.3%
3,659,593	Debt Excluded Revenue	4,026,232	366,639	10.0%
55,193,019	TOTAL GENERAL FUND REVENUE	57,215,695	2,022,676	3.7%
GENERAL FUND EXPENDITURES				
30,522,483	Wachusett Regional School District	31,893,960	1,371,477	4.5%
984,226	Vocational Education	1,022,372	38,146	3.9%
19,987,580	Municipal and Other	20,134,608	147,028	0.7%
3,698,730	Debt Excluded Expenditures	4,164,755	466,025	12.6%
55,193,019	TOTAL GENERAL FUND EXPENDITURES	57,215,695	2,022,676	3.7%

Footnote 1 –Levy Limit is the total amount of annual taxation allowable without an approved override or debt exclusion vote. Excess Levy Capacity is the difference between the levy limit and the amount of property taxes actually levied in a given year.

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2021 TOWN MEETING WARRANT

ARTICLE 1. To choose a Moderator for said Meeting.

ARTICLE 2. To hear a report of the results of the Town Election held on May 10, 2021.

ARTICLE 3. To hear the report of the Town Officers and any outstanding committees and act thereon.

FINANCE COMMITTEE RECOMMENDATIONS

ARTICLE 4. To see if the Town will vote to fix the salary and compensation of all elective officers of the Town as provided by General Laws Chapter 41, Section 108, and appropriate a sum of money therefor, or act or do anything relative thereto.

ARTICLE 4		
FY 2021		FY 2022
N/A	FIX COMPENSATION	N/A

Article 4 sets the compensation rate for the annual services of the Town Moderator and the members of the Select Board. The compensation rates have not changed for many years and are minimal considering the number of hours and the effort expended by these individuals every year. The actual appropriations for these payments are included in Article 6, General Government.

The Finance Committee recommends a YES vote on Article 4.

ARTICLE 5. To see if the Town will vote to raise by tax or otherwise to pay Town debts and charges for the past years and appropriate same, or act or do anything relative thereto.

ARTICLE 5		
FY 2021		FY 2022
\$6,354.01	PAST TOWN DEBTS AND CHARGES	\$1,402.69

Article 5 is a legal formality. It allows the Town Manager to pay bills that come in after the normal close of a budget year. The bills are typically small and the money for payments comes from free cash as the budgets that would have been used in those prior year(s) were closed to free cash. There are 6 bills/items to consider this year. Bills were for goods or services received in prior fiscal year(s), but invoices for payment were not submitted for processing before the close of the applicable fiscal year.

Finance Committee recommends a YES vote on Article 5.

ARTICLE 6. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, from the Overlay Reserve Fund, the Water/Sewer Enterprise Fund, the Solid Waste Enterprise Fund, or from any other available funds, a sum of money to pay Town debts and charges, for the ensuing year for **General Government** purposes, or act or do anything relative thereto.

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ARTICLE 6		
FY 2021		FY 2022
\$6,789,732	GENERAL GOVERNMENT	\$7,174,458

General Government comprises many required Town functions, including Town Manager, Accountant, Treasurer/Collector, Assessor, Clerk, Planning and Development, Information Technology and Personnel. It includes health and liability insurance, legal services and pension assessments for all Town departments. It also funds local government functions including the Board of Selectmen, Town Moderator and Finance Committee, including the Finance Committee's Reserve Fund.

Overall, the FY 2022 budget for General Government has increased \$384,726 (5.7%), primarily due to increases in the cost projections for the Town's pension plan and health insurance premium increases.

The Finance Committee recommends a YES vote on Article 6

ARTICLE 7. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, or from any other available funds, a sum of money Town debts and charges, for the ensuing year for Human Services and Culture purposes, or act or do anything relative thereto.

ARTICLE 7		
FY 2021		FY 2022
\$1,318,032	HUMAN SERVICES AND CULTURE	\$1,318,810

This article includes the budgets for the Senior Center, the Veterans Assistance Office, the Gale Free Library, and the Historic District Commission. Each of these budgets is essentially the same as FY 2021.

The Senior Services budget addresses the needs of our Senior Citizens, providing nutrition and outreach programs for the homebound, information and programs at the Senior Center and transportation. The Senior Services budget of \$298,590 has increased \$3,289 due to increased salary and wages and in the department.

The Veterans Assistance Office is a state and federally mandated function that is 75% reimbursed by the State of Massachusetts for all direct assistance provided to veterans. The Veterans budget declines slightly in FY 2022 due primarily to anticipated decreased aid to veterans. The Veterans budget is \$86,160.

The Gale Free Library budget for FY 2022 exceeds the state minimum appropriation requirement for public libraries. Meeting the requirement allows Holden residents to borrow materials from any certified library in the Commonwealth and it makes the library eligible for state aid. Since the Massachusetts State Aid to Public Libraries was established in 1987, Holden has always met the Minimum Appropriation Requirement. The Gale Free Library budget for FY 2022 is \$930,560, representing an increase of \$2,290, or 0.2%.

The Historic District Commission budget funds the care and maintenance of the Hendricks House as a museum and local historical education center. The Historical Commission budget for FY 2022 remains unchanged, at \$3,500.

The Finance Committee recommends a YES vote on Article 7.

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ARTICLE 8. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, or from any other available funds, a sum of money to pay Town debts and charges, for the ensuing year for General Government Debt purposes, or act or do anything relative thereto.

ARTICLE 8		
FY 2021		FY 2022
\$3,010,877	GENERAL GOVERNMENT DEBT SERVICE	\$3,280,000

The Debt Service budget covers the principal and interest payments due during FY 2022. As of June 30, 2020, the total long-term debt outstanding for the Town of Holden was \$32,609,132 of which \$9,547,623 is considered to be inside the debt limit, and \$23,061,510 to be outside the debt limit, also called exempt debt. Exempt debt has been excluded from the limits of Proposition 2 ½ by ballot votes in previous years, primarily for building Mountview Middle School, the Public Safety building and the new DPW building.

Taking advantage of historically low interest rates, the debt for the Public Safety Building was refinanced during FY 2021, resulting in savings of over \$1M over the remaining life of the debt.

The Debt Service budget increased due to the first \$9M of long-term debt being issued for the new DPW facility at 18 Industrial Drive. As that project progresses, the Town may issue additional debt. The Town of Holden bond rating remains AA+ by Standard and Poors and AA2 by Moodys. These favorable ratings help to minimize interest expense on our debt issuances.

The debt associated with the renovation and expansion of Wachusett Regional High School is included in the education budget in Article 20 of this warrant.

The Finance Committee recommends a YES vote on Article 8.

ARTICLE 9. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, a sum of money to deposit into the **Town's Other Post-Employment Benefits (OPEB) Liability Trust Fund**, or act or do anything relative thereto.

ARTICLE 9		
FY 2021		FY 2022
\$449,011	TRANSFER INTO OPEB FUND – GENERAL FUND	\$478,967
\$12,528	TRANSFER INTO OPEB FUND – EMPLOYEE CONTRIBUTIONS	\$15,039
\$45,000	TRANSFER INTO OPEB FUND - WATER/SEWER ENTERPRISE FUND	\$45,000

This article represents this year's payment into a fund to provide for future Other Post-Employment Benefits (OPEB) for retired personnel of the Town. The Town maintains a continuing obligation for payment of certain retirement and health insurance benefits for former employees, and it is building a fund from which to make these payments in the future, similar to the way we fund future pension obligations for former employees. Certain employees have a portion of their compensation withheld to be put into the OPEB Fund as well, and this article authorizes the deposit of those contributions to the fund. This article also transfers the Water-Sewer Enterprise Fund's annual OPEB contribution into the fund for the benefit of those employees.

The Finance Committee recommends a YES vote on Article 9.

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ARTICLE 10. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer: (i) a sum of money to be added to the **General Stabilization Fund**; (ii) a sum of money to be added to the **Open Space Preservation Stabilization Fund**, (iii) a sum of money to be added to the **Fire Department Vehicle, Apparatus and Capital Equipment Stabilization Fund**, all funds established pursuant to General Laws Chapter 40, Section 5B, or act or do anything relative thereto.

ARTICLE 10		
FY 2021		FY 2022
\$200,000	TRANSFER INTO GENERAL STABILIZATION FUND	\$150,000
\$50,000	TRANSFER INTO OPEN SPACE STABILIZATION FUND	\$50,000
\$100,000	TRANSFER INTO FIRE VEHICLE STABILIZATION FUND	\$100,000

The General Stabilization Fund is essentially a ‘rainy day’ savings account, which collects funds that can be used to pay for a wide variety of future operations and purchases. It is therefore different than other stabilization funds, which can only be used for very specific purposes. This year the Finance Committee is recommending a \$150,000 contribution to the General Stabilization Fund, which will yield a total fund balance of approximately \$4.9M. This year’s contribution is lower than in previous years in order to provide a balanced budget.

The Open Space Stabilization Fund collects monies that can be appropriated by voters to acquire real property within the town to be held and maintained as open space. In FY 2021, the Open Space Fund contributed \$250,000 towards the purchase of approximately 100 acres of undeveloped land off of Salisbury Street in partnership with the White Oak Land Conservation Society. The Finance Committee recommendation will result in a total fund balance of approximately \$220,000.

The Fire Vehicle Stabilization Fund is a means of saving for future significant capital expenditures by the Fire Department. The long-term capital plan includes the purchase of a \$325,000 ambulance in FY 2024, and a \$1M truck in FY 2025, so building up this fund is important. With this contribution, the fund will have a balance of approximately \$410,000.

All expenditures from these funds require a 2/3 majority approval at a Town Meeting. There are no planned expenditures from these funds in FY 2022.

It is important to note that healthy savings accounts not only smooth out future tax increases, but they also help the Town’s credit rating, which, in turn, drives down the Town’s cost of borrowing funds. With additional borrowing related to the new DPW Building on the horizon, the Finance Committee believes it is fiscally prudent to make these contributions.

The Finance Committee recommends a YES vote on Article 10.

ARTICLE 11. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, or from any other available funds, a sum of money to pay Town debts and charges, for the ensuing year for **Public Safety** purposes, or act or do anything relative thereto.

ARTICLE 11		
FY 2021		FY 2022
\$5,871,773	PUBLIC SAFETY	\$6,202,997

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The Public Safety budget funds the activities of the Police and Fire Departments, Emergency Medical Services (Ambulance), Emergency Management, the Animal Control Officer, and the Wachusett Regional Emergency Communications (Dispatch) Center.

The Police Department budget of \$2.6M increased by \$56,685, or 2.2%. This increase is primarily attributable to a Lieutenant being charged wholly to the Police Department this year, after being shared with the Dispatch Center in prior years, as well as contractual increases in salaries and wages for all personnel.

The Dispatch Center budget of \$782,555 has increased by \$83,824 from last year, due primarily to adding Paxton to the consortium of towns that we provide services to. A Director, funded by a grant, was added, as was an additional dispatcher, paid for by the member towns. Anticipated revenue from member communities is \$277,489, and state grant revenue is anticipated to be \$434,660, both of which will offset the costs budgeted here.

The Animal Control budget is essentially the same as last year at \$75,155, increasing by \$606.

The Fire Department and Emergency Medical Service Department (Ambulance or EMS) budget of \$2.5M increased by \$183,524 for FY 2022, due primarily to contractual increases in salaries and wages. A significant portion of this increase is the result of the Town shouldering a higher percentage of the salaries of the 6 new firefighters hired in FY 2021 under a SAFER grant. This budget will be offset by estimated revenue of \$852,000 paid by users of the ambulance services.

The Emergency Management Office funds and equips the Community Emergency Response Team (CERT), which is the group of volunteers who staffed the Senior Center shelter site during the 2008 Ice Storm and its aftermath, and who continue to maintain preparedness for future emergencies. The budget for this Office is \$95,680, and it has been increased \$5,485 for FY 2022, reflecting wage increases,

The Public Safety building has its own budget of \$207,500, so that the costs associated with this facility may be monitored closely. This budget increased by \$5,000 in FY 2022 due to increased costs related to maintenance and maintenance contracts.

The Finance Committee recommends a YES vote on Article 11.

ARTICLE 12. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, the Water/Sewer Enterprise Fund or from any other available funds, a sum of money to pay Town debts and charges, for the ensuing year for **Public Works** purposes, or act or do anything relative thereto.

ARTICLE 12		
FY 2021		FY 2022
\$3,210,404	PUBLIC WORKS	\$3,339,810

The Department of Public Works budget includes:

Administration Division (DPW Director and staff)

Engineering Division (project planning & supervision)

Highway Division (road repair, maintenance and snow removal)

Building and Grounds Division (maintenance of buildings, fields, and cemeteries)

Mechanics Division (repair/maintenance of vehicles, and equipment)

Garage Division (DPW garage facility)

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The Public Works budget increased \$129,406 (4.0%) for FY 2022. The increase is due to budgeting \$132,000 for studies and analyses of storm water management as required by new federal stormwater regulations. All other operations of the DPW will be continued under essentially the same budgets as FY 2021.

The Finance Committee recommends a YES vote on Article 12.

ARTICLE 13. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer a sum of money to be added to the **Public Works Depreciation Fund**, created by Chapter 328 of the Acts of 2000, or act or do anything relative thereto.

ARTICLE 13		
FY 2021		FY 2022
\$100,000	TRANSFER INTO PUBLIC WORKS DEPRECIATION FUND	\$75,000
\$0	TRANSFER FROM PUBLIC WORKS DEPRECIATION FUND	\$0

The Public Works Depreciation Fund was established to save money to fund large equipment purchases for the DPW. It was intended to minimize fluctuations in the DPW budget from year-to-year and currently has a balance of approximately \$750,000. We have been deferring the purchase of many vehicles in recent years, resulting in an aging fleet that will need replacing in coming years. This vote is to transfer \$75,000 into the fund. Expenditures from this fund require a 4/5 approval vote from a Town Meeting. There are no planned expenditures this year. This year's contribution is lower than in previous years in order to provide a balanced budget.

The Finance Committee recommends a YES vote on Article 13.

ARTICLE 14. To see if the Town will vote to accept and authorize the expenditure of all monies to be received from the Commonwealth of Massachusetts under Chapter 90 of the General Laws for highway purposes, or any other legislation adopted by the General Court relating to public works, or act or do anything relative thereto.

ARTICLE 14		
FY 2021		FY 2022
N/A	CHAPTER 90 STATE HIGHWAY AID	N/A

This article is a legal formality that allows the Town to accept and spend State assistance received under the provisions of MGL Chapter 90. Chapter 90 is a State reimbursement program. Once the Town expends money on road maintenance, it can file for reimbursement under this program. The funds are explicitly reserved for highway (including roads and sidewalks) related projects and expenses. In FY 2022, the Town is eligible for an estimated \$615,739 in Chapter 90 reimbursements. Planned expenses include various major road reconstruction and paving projects, as well as sidewalk work.

The Finance Committee recommends a YES vote on Article 14.

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ARTICLE 15. To see if the Town will vote to raise and appropriate, transfer from available funds in the hands of the Treasurer, or authorize the borrowing of a sum of money to defray the expense of purchasing and/or leasing **Capital** equipment, vehicles, buildings, infrastructure, or other projects of the Town and/or to fund future Town debt related to these projects, or act or do anything relative thereto.

ARTICLE 15		
FY 2021		FY 2022
\$1,127,208	CAPITAL BUDGET APPROPRIATION	\$708,000

This article funds capital purchases for all Town departments, except those of the Water/Sewer Enterprise Fund (see Article 17 for those purchases). Of this year's appropriation, \$480,000 is for road maintenance, improvement and equipment, while \$208,000 is for Public Safety equipment, including two new police cruisers and Fire Department rescue equipment, plus \$20,000 for IT infrastructure equipment. This budget was reduced in order to provide a balanced FY 2022 budget.

The Finance Committee recommends a YES vote on Article 15.

ARTICLE 16. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, or from any other available funds, a sum of money to pay debts and charges for the ensuing year for **Water/Sewer Enterprise Fund** purposes, or act or do anything relative thereto.

ARTICLE 16		
FY 2021		FY 2022
\$8,343,419	WATER/SEWER ENTERPRISE FUND – OPERATING EXPENSES	\$8,292,577

Water and sewer services are provided through the Water/Sewer Enterprise Fund. The income from water and sewer bills goes into the fund, and all expenses, such as water purchased from Worcester and sewage transport and processing charges, are paid from this fund. No tax monies are part of this fund. This budget is decreasing by \$80,842 (2.3%) from FY 2021, reflecting decreases in debt and consulting services offset by increases in personnel costs for existing staff.

The Finance Committee recommends a YES vote on Article 16.

ARTICLE 17. To see if the Town will vote to raise and appropriate, or transfer from available funds in the hands of the Treasurer, or authorize the borrowing of a sum of money to defray the expense of purchasing and/or leasing capital equipment, vehicles, buildings, infrastructure, or other projects of the **Water/Sewer Enterprise Fund Capital** and/or to fund future debt related to these projects, or act or do anything relative thereto.

ARTICLE 17		
FY 2021		FY 2022
\$2,400,000	WATER/SEWER ENTERPRISE FUND - CAPITAL	\$1,900,000

This article authorizes borrowing funds for capital purchases for the Water/Sewer Enterprise Fund. \$1M is budgeted for water main replacement and/or lining, \$500,000 for sewer pump station upgrades, \$300,000 for water meter replacements and \$100,000 for technology planning, design and implementation. Last year the

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Town completed an expensive phase of inflow/infiltration removal, resulting in this year's budget being lower.

The Finance Committee recommends a YES vote on Article 17.

ARTICLE 18. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, or from any other available funds, a sum of money to pay debts and charges for the ensuing year for **Solid Waste Enterprise fund** purposes, or act or do anything relative thereto.

ARTICLE 18		
FY 2021		FY 2022
\$1,363,154	SOLID WASTE ENTERPRISE FUND	\$1,410,273

The Solid Waste Enterprise Fund provides trash collection and recycling services. The income from trash removal bills goes into the fund and all solid waste expenses are paid from this fund. No tax monies are part of this fund. The budget is up \$47,119, or about 3.5%, due primarily to an increase in trash and recycling collection costs and disposal fees.

The Finance Committee recommends a YES vote on Article 18.

ARTICLE 19. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer, or from any other available funds, a sum of money to pay Town debts and charges, for the ensuing year for **Vocational Education/Out of District Placement** purposes, or act or do anything relative thereto.

ARTICLE 19		
FY 2021		FY 2022
\$984,226	EDUCATION – VOCATIONAL & OUT OF DISTRICT	\$1,022,372

This budget is primarily the \$962,972 assessment from the Montachusett Regional Vocational School District to the Town, which provides a very valuable alternative for Holden students. This budget's increase of \$32,746, or 3.5%, is driven by the number of Holden students attending the school, which has been increasing in recent years, not excessive expenditures. This budget also provides \$59,400 for tuition and transportation for a student to attend a different vocational high school, as provided for by state law.

The Finance Committee recommends a YES vote on Article 19.

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ARTICLE 20. To see if the Town will vote to raise and appropriate or transfer from available funds in the hands of the Treasurer a sum of money not to exceed \$33,328,437 for the Town's share of the costs and expenses of the **Wachusett Regional School District**, such sum to include the Town's so-called required Local Minimum Contribution, debt service, transportation and an additional sum to supplement the required Local Minimum Contribution, for the ensuing fiscal year.

ARTICLE 20		
FY 2021		FY 2022
\$31,646,146	EDUCATION – WACHUSETT REGIONAL SCHOOL DISTRICT	\$32,969,402

This article funds Holden's share of the Wachusett Regional School District, (WRSD) including the State-mandated Minimum Local Contribution, the voluntary operational assessment, transportation and debt service on the High School renovation and expansion. The WRSD assessment for FY 2022 has increased \$1.3M from last year and it funds the WRSD budget recommended by the School Committee. The Town Manager and the Finance Committee have no say in the development of this budget. We are required to present the School Committee's assessment at this meeting. The amount being voted on is different than the amount in the Article itself to reflect reductions made by the WRSD after the Article was posted.

The WRSD budget underlying Holden's assessment increased by a reasonable 2.4%. However, due to an approximately \$2.4M drop in expected State funding, the District towns are being asked to not only pay their proportional shares of the annual increase in the operating budget, but to also make up for the funding shortfall from the State, resulting in a 4.2% increase in Holden's assessment. This is slightly higher than the 3.5% we have requested in previous years, but it is manageable this year due to cuts made to the municipal budget.

While we are recommending approving this budget this year, Holden is getting into a tight fiscal corner as the education budget increases faster than our revenue. In FY 2017, Holden had \$2.3M in excess levy capacity (levy capacity is the difference between the levy limit and the amount of property taxes actually levied in a given year. This is the amount that taxes can be raised without an approved override or debt exclusion vote.) With this budget, our excess levy capacity is down to \$359,035. Over that five-year time period, the WRSD assessments increased by an average of 6.4%, which is not sustainable when tax revenue can only increase 2.5% under Proposition 2 1/2. The WRSD has grown from being 55.4% of the Town's total budget in FY 2017 to being 60.4% with this budget, an extraordinary increase in a short period of time.

As discussed in other sections of this document, this year's municipal budget was kept very lean. Most employees received only 1% raises, capital expenditures were reduced substantially or postponed, investments into savings funds were reduced and other austerity measures were implemented that cannot be repeated in future years. Similar austerity measures have not been widely adopted by the WRSD.

While this education budget is challenging to fund this year, the FinCom decided that we can afford this budget this year, and that we recommend the Annual Town Meeting vote to approve this Article.

The Finance Committee recommends a YES vote on Article 20.

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ARTICLE 21. To see if the Town will vote to set the Fiscal Year 2022 spending limits for **the Recreation Revolving Fund** and the **Inspection Revolving Fund**, both as established in Article II, Section 5 of the General By-laws, and set the annual appropriation for the **PEG Access and Cable Related Fund**, established in accordance with the General Laws Chapter 44, Section 53F ¾, or act or do anything relative thereto.

ARTICLE 21		
FY 2021		FY 2022
\$999,779	RECREATION REVOLVING FUND ANNUAL LIMIT	\$476,258
\$244,795	INSPECTION REVOLVING FUND ANNUAL LIMIT	\$276,783
\$349,804	PEG ACCESS AND CABLE RELATED FUND	\$357,948

The Recreation Department operates the town pool and recreation programs year-round for residents. Revenue is generated from user fees, which are then used to pay expenses. The budget decrease of \$523,521 is due mainly to \$530,000 in capital improvements at the pool and various parks included in last year's budget that are not recurring this year. There are no planned capital expenditures in FY 2022.

The Inspection Revolving Fund is funded by building, electrical, plumbing and other permit fees. All inspection and support activities are paid from this fund. The \$31,988, 13.1%, increase in this year's budget provides a vehicle for the Building Inspector, which will reduce long-term transportation reimbursement costs for the Town.

Holden Community Television provides the programming seen on Charter Cable Channels 191, 192 and 194. These operations are budgeted in the PEG Access and Cable Related Fund. The revenue in this fund comes from an annual grant from Charter Communications, as required by our contract with them. The minimal increase in this budget is driven by personnel costs.

The Finance Committee recommends a YES vote on Article 21.

ARTICLE 22. To see if the Town will vote to appropriate a total of \$354,413.60 from premiums paid to the Town upon the sales of bonds and bond anticipation notes that were paid to the Town as follows: \$300,648.02 bond premiums received upon the sale of its \$5,860,000 General Obligation Municipal Purpose Loan of 2017 Bonds, issued in June 2017 for the Mt View Middle School Building Project, and \$53,765.58 of premiums received upon the sale of its bond anticipation note issued November 2019 for the DPW Building and Salt Shed Facility, both of which are the subject of a Proposition 2 ½ debt exclusion, to pay costs of the DPW Building and Salt Shed Facility and to reduce the amount authorized to be borrowed for such project, but not yet issued by the Town, by the same amount, as permitted by General Laws Chapter 44, Section 20, or act or do anything relative thereto.

ARTICLE 22		
FY 2021		FY 2022
N/A	BOND AND BOND ANTICIPATION NOTES PREMIUMS	\$354,413.60

Holden received premium payments upon the sale of certain bonds. This article authorizes using those premiums to reduce the amount of bonds to be issued for the DPW Building project.

The Finance Committee recommends a YES vote on Article 22.

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

**ADDITIONAL WARRANT ARTICLES,
WITHOUT FINANCE COMMITTEE RECOMMENDATIONS**

- ARTICLE 23. To see if the Town will vote to permit the use of the Town Hall for the next year at less than the fair rental value by: John E. Harkins Post #42 American Legion, Boy and Girl Scout Troops of Holden, the Veterans of Foreign Wars, Women's Auxiliary of the John E. Harkins Post #42, Women's Auxiliary of the Veterans of Foreign Wars, the Holden Baseball Program, Inc., League of Women Voters, 4-H Club, Rainbow Girls, the Grange, the White Oak Land Conservation Society, Inc., Holden Citizens for Responsible Energy, Holden Republican Town Committee, Holden Democratic Town Committee, Holden Associated Taxpayers, Holden for Children, and Friends of Eagle Lake, or act or do anything relative thereto.
- ARTICLE 24. To see if the Town will vote to authorize the sum of \$154,272 of the excess of the income of the **Municipal Light Department** for the calendar years 2021 and 2022 over and above the total expense of the plant as defined in the General Laws, as an item of income to be used by the Assessors in establishing the tax rate for the fiscal year commencing July 1, 2021, or act or do anything relative thereto.
- ARTICLE 25. To see if the Town will vote to raise and appropriate a sum of money for the operation and maintenance of the **Municipal Light Department** and its Depreciation, Construction and Rate Stabilization Funds, or act or do anything relative thereto.
- ARTICLE 26. To see what action the Town will take relative to **accepting streets** and authorizing the acquisition of related interests in real estate, according to plans filed with the Town Clerk after approval by the Selectmen and referrals to the Planning Board for a report, or act or do anything relative thereto.
- ARTICLE 27. To see if the Town will vote to amend Article XXIII of the General Bylaws, entitled **“Wetland Bylaw”**, by revising the first sentence in subsection VI therein, entitled “Coordination with Other Boards and Agencies”, as follows (deletion shown with strikethrough and new text underlined):
- Any person filing a permit application or RFD with the Commission shall submit all required information to the Office of the Conservation Commission by certified mail (return Receipt Request) or hand delivery.
- or act or do anything relative thereto.
- ARTICLE 28. To see if the Town will vote to amend the General Bylaws by revising Article XXIV, entitled **“Stormwater Management Bylaw”**, as shown on a document entitled “Revisions to Article XXIV”, available online on the Town’s website and on file and available for public inspection at the office of the Town Clerk, or act or do anything relative thereto.

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

- ARTICLE 29. To see if the Town will vote amend Article XIX of the General Bylaws, regarding the **Non-criminal Disposition** of Violations of Town Bylaws and Rules and Regulations, by inserting a new category after the category therein entitled “Signs and Billboards Bylaw, Certificate of Occupancy Required, Removal of Junk Cars,” to read as follows:

STORMWATER MANAGEMENT BY-LAW

Enforcement Agent	Director of Public Works
Fine Schedule	
First offense	\$100.00
Second and subsequent offenses	\$200.00
Third and subsequent offenses	\$300.00

or act or do anything relative thereto.

- ARTICLE 30. To see if the Town will vote to amend Section 4 in Article IV, entitled Finance Committee, of the General Bylaws by revising the second paragraph therein as follows (deletion shown with strikethrough and new text underlined):

:

The Committee shall furnish to the Selectmen, at least three weeks prior to the date of the Annual Town Meeting, a report of the matters so considered by it, with recommendations or suggestions relative thereto, and the same shall be printed and ready for distribution at the annual town meeting.

or act or do anything relative thereto.

- ARTICLE 31. To see if the Town will vote to accept the provision in MGL 140, Section 139 (c), to provide that no fee shall be charged for a license for a dog owned by a person aged 70 years or over in the Town of Holden and to amend Chapter 10 of the General Bylaws regarding License/Permit Fees of the Town Clerk for dog licensing and for kennels, or act or do anything relative thereto.

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

DETAIL OF THE PROPOSED FY 2022 BUDGET

FY 2021 Voted budget	FY 2022 Proposed Budget
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ARTICLE 6 - GENERAL GOVERNMENT		
1,808,954	Salary & Wages	1,900,246
4,980,778	Expense	5,274,212
6,789,732	Total General Government	7,174,458

Moderator		
100	Salary & Wages	100
65	Expense	65
165		165

Finance Committee		
1,786	Expense	1,786
150,000	Reserve Fund	150,000
151,786		151,786

Selectmen		
7,250	Salary & Wages	7,250
28,000	Expense	33,000
35,250		40,250

Town Manager & Personnel		
472,331	Salary & Wages	488,937
125,475	Expense	21,250
597,806		510,187

Information Technology		
265,018	Salary & Wages	267,669
155,527	Expense	150,647
420,545		418,316

Accounting		
209,867	Salary & Wages	208,936
33,400	Expense	33,200
243,267		242,136

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget		FY 2022 Proposed Budget
	Treasury	
239,878	Salary & Wages	232,561
71,400	Expense	63,650
<u>311,278</u>		<u>296,211</u>
	Assessors	
185,727	Salary & Wages	189,137
42,300	Expense	97,050
<u>228,027</u>		<u>286,187</u>
	Legal	
180,000	Expense	190,000
<u>180,000</u>		<u>190,000</u>
	Town Clerk	
216,414	Salary & Wages	216,672
44,018	Expense	40,852
<u>260,432</u>		<u>257,524</u>
	Planning and Development	
208,369	Salary & Wages	282,984
171,050	Expense	76,000
<u>379,419</u>		<u>358,984</u>
	Sealer	
4,000	Salary & Wages	6,000
1,700	Expense	0
<u>5,700</u>		<u>6,000</u>
	Insurance	
2,191,057	Expense	2,374,507
<u>2,191,057</u>		<u>2,374,507</u>
	Retirement	
1,785,000	Expense	2,042,205
<u>1,785,000</u>		<u>2,042,205</u>

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget	FY 2022 Proposed Budget
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ARTICLE 7 - HUMAN SERVICES AND CULTURE		
957,356	Salary & Wages	967,470
360,676	Expense	351,340
1,318,032	Total Human Services and Culture	1,318,810

	Library	
672,344	Salary & Wages	678,970
255,926	Expense	251,590
928,270		930,560

	Senior Citizens	
264,651	Salary & Wages	267,940
30,650	Expense	30,650
295,301		298,590

	Veterans	
20,361	Salary & Wages	20,560
600	Expense	600
70,000	Aid & Assistance	65,000
90,961		86,160

	Historical Comm	
3,500	Expense	3,500
3,500		3,500

ARTICLE 8 - DEBT		
2,818,500	Exempt Debt	3,126,023
192,377	Non-exempt Debt	153,977
3,010,877	Total Debt Service	3,280,000

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget	FY 2022 Proposed Budget
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ARTICLE 9 - OPEB FUND CONTRIBUTIONS		
449,011	Contributions from General Fund	478,967
45,000	Contributions from Water/Sewer	45,000
12,528	Contributions from Employees	15,039
<hr/>		<hr/>
506,539	Total OPEB Fund Contributions	539,006

ARTICLE 10 - GENERAL, OPEN SPACE AND FIRE VEHICLE CONTRIBUTIONS		
200,000	General Stabilization Fund	150,000
50,000	Open Space Fund	50,000
100,000	Fire Vehicle Stabilization Fund	100,000
<hr/>		<hr/>
350,000	Total General, Open Space and Fire Vehicle	300,000

ARTICLE 11 - PUBLIC SAFETY		
5,083,873	Salary & Wages	5,392,147
787,900	Expense	810,850
<hr/>		<hr/>
5,871,773	Total Public Safety	6,202,997

2,283,369	Police	
239,000	Salary & Wages	2,341,354
<hr/>	Expense	<hr/>
2,522,369		237,700
		<hr/>
		2,579,054

65,349	Animal Control	
9,200	Salary & Wages	65,955
<hr/>	Expense	<hr/>
74,549		9,200
		<hr/>
		75,155

1,992,679	Fire & Emergency Medical Services (EMS)	
290,750	Salary & Wages	2,160,303
<hr/>	Expense	<hr/>
2,283,429		302,750
		<hr/>
		2,463,053

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget		FY 2022 Proposed Budget
Public Safety Complex		
202,500	Expense	207,500
202,500		207,500
Regional Dispatch		
662,281	Salary & Wages	738,855
36,450	Expense	43,700
698,731		782,555
Emergency Management		
80,195	Salary & Wages	85,680
10,000	Expense	10,000
90,195		95,680
ARTICLE 12 - PUBLIC WORKS		
1,625,493	Salary & Wages	1,640,250
1,064,911	Expense	1,179,560
520,000	Snow Removal	520,000
3,210,404	Total Public Works	3,339,810
Administration		
196,158	Salary & Wages	200,636
12,150	Expense	10,550
208,308		211,186
Engineering		
174,950	Salary & Wages	171,191
177,050	Expense	210,710
352,000		381,901
Highway		
557,869	Salary & Wages	576,286
373,950	Expense	435,950
520,000	Snow Removal	520,000
1,451,819		1,532,236
Mechanics		
205,837	Salary & Wages	205,812
18,411	Expense	18,300
24,248		224,112

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget		FY 2022 Proposed Budget
Building and Grounds		
490,679	Salary & Wages	486,325
416,850	Expense	419,150
<u>907,529</u>		<u>905,475</u>
Garage		
66,500	Expense	84,900
<u>66,500</u>		<u>84,900</u>
ARTICLE 13 - DPW DEPRECIATION FUND		
100,000	DPW Depreciation Fund	75,000
100,000	Total DPW Depreciation Fund	75,000
ARTICLE 14 - CHAPTER 90 STATE HIGHWAY AID		
0	Chapter 90 State Highway Aid	0
0	Total Chapter 90 State Highway Aid	0
ARTICLE 15 - CAPITAL BUDGET		
1,127,208	Capital Budget - General Fund	708,000
1,127,208	Total Capital Budget - General Fund	708,000
A detailed listing of the capital assets to be acquired is found on Page 25 of this handbook		
ARTICLE 16 - WATER / SEWER ENTERPRISE FUND		
701,649	Salary & Wages	719,172
7,254,370	Expense	7,316,005
82,400	Indirect Costs	157,400
225,000	Emergency Reserve	100,000
80,000	Capital Outlay	100,000
<u>8,343,419</u>	TOTAL WATER/SEWER	<u>8,392,577</u>

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget	FY 2022 Proposed Budget
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ARTICLE 17 - WATER / SEWER CAPITAL BUDGET		
2,400,000	Capital Budget - Water / Sewer	1,800,000
2,400,000	Total Capital Budget - Water / Sewer	1,800,000

ARTICLE 18 - SOLID WASTE ENTERPRISE FUND		
52,813	Salary & Wages	53,139
1,297,941	Expense	1,344,734
12,400	Indirect Costs	12,400
0	Capital Outlay	0
1,363,154	Total Solid Waste	1,410,273

ARTICLE 19- VOCATIONAL EDUCATION		
930,226	Montachusett Regional High School	962,972
54,000	Out of District Vocational	59,400
984,226	Total Vocational Education	1,022,372

ARTICLE 20- EDUCATION - WACHUSETT REGIONAL		
20,061,939	WRSD Required	20,535,856
8,142,799	WRSD Voluntary	9,143,678
39,434	Debt-Oil Remediation	36,710
1,110,997	Debt -School Construction	1,038,732
2,290,978	Transportation	2,214,426
31,646,147	Total Education - Wachusett	32,969,402

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

FY 2021 Voted budget	FY 2022 Proposed Budget
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ARTICLE 21 - CONTINUE REVOLVING FUNDS		
719,879	Salary & Wages	771,917
544,528	Expense	551,714
50,165	Indirect Costs	50,165
664,000	Capital Outlay	80,000
1,978,572	Total Revolving Funds	1,453,796

	Recreation	
225,075	Salary & Wages	280,472
158,539	Expense	159,621
36,165	Indirect Costs	36,165
580,000	Capital Outlay	0
999,779		476,258

	Before and After School Program	
236,076	Salary & Wages	230,882
148,118	Expense	111,925
384,194		342,807

	Inspections	
152,905	Salary & Wages	153,748
80,490	Expense	81,635
11,400	Indirect Costs	11,400
0	Capital Outlay	30,000
244,795		276,783

	Cable	
105,823	Salary & Wages	106,815
157,381	Expense	198,533
2,600	Indirect Costs	2,600
84,000	Capital Outlay	50,000
349,804		357,948

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

ARTICLES 15 & 17 - FY 2022 Capital Program Detail

DEPARTMENT	EXPENDITURE	CASH	BOND	OTHER	TOTAL
FIRE - EMS	Hose and Hydrant Appliances	\$28,000			\$28,000
	Jaws of Life Tool Replacement	\$50,000			\$50,000
POLICE	Cruisers (2)	\$110,000			\$110,000
	Network Switch	\$20,000			\$20,000
DPW	Culvert Rehabilitation	\$60,000			\$60,000
	Speed Radar Signs	\$20,000			\$20,000
	F350 Truck w/ plow #10	\$60,000			\$60,000
	Walk Behind Road Saw	\$5,000			\$5,000
	Concrete Core Drill	\$10,000			\$10,000
	Roads / Sidewalks	\$325,000			\$325,000
	Chapter 90			\$615,739	\$615,739
WATER / SEWER	Water Main Replacement and/or Lining		\$1,000,000		\$1,000,000
	Sewer Pump Stations		\$500,000		\$500,000
	SCADA Planning, Design			\$100,000	\$100,000
	Water Meter Replacement		\$300,000		\$300,000
CABLE TV	Studio Camera Upgrade			\$20,000	\$20,000
	Mac Pro			\$30,000	\$30,000
INSPECTIONS	Inspections Vehicle			\$30,000	\$30,000
TOWN MANAGER / IT	Network Switch	\$20,000			\$20,000
Grand Total		\$708,000	\$1,800,000	\$795,739	\$3,303,739

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT

GLOSSARY OF TERMS

AVAILABLE FUNDS – See Free Cash

DPW DEPRECIATION FUND – The DPW Depreciation Fund was created at the Town’s request by a special act of the state Legislature. It is a Stabilization Fund used for DPW vehicles and equipment purchase purposes only.

ENTERPRISE FUND – Funds that account for all revenues and expenditures for services and allow surpluses to be used to reduce user fees for the services or to pay for capital improvements are Enterprise Funds. The Town has two Enterprise Funds: the Water/Sewer Enterprise Fund, and the Solid Waste Enterprise Fund. Each fund has a discrete and independent budget.

EXCESS LEVY CAPACITY - The difference between the levy limit and the amount of property taxes actually levied in a given year. This is the amount that taxes can be raised without an approved override or debt exclusion vote.

FISCAL YEAR – The Town of Holden’s Fiscal Year is from July 1 through June 30.

FREE CASH – The amount of surplus revenue, minus uncollected taxes of prior years is called Free Cash. Also known as Unencumbered or Available Funds, Free Cash funds must be certified each year by the Massachusetts Department of Revenue before they can be appropriated by Town Meeting.

GENERAL ESTIMATED RECEIPTS—Income derived from motor vehicle excise taxes, interest on investments, license and permit fees, etc.

OVERLAY – Funds set aside to cover abatements and exemptions. This amount is determined by the Board of Assessors.

OVERLAY RESERVE – Unused accumulated amounts of Overlay from previous years that are not required to be held in a specific Overlay account for a given year. Once ‘released’ by vote of the Board of Assessors, the funds may be used for any municipal purpose.

OPEB TRUST FUND – The Other Post Employment Benefits (OPEB) Trust Fund was established in 2009 to fund future obligations for the Town’s share of retirees’ health benefits.

RESERVE FUND – A fund established by the Annual Town Meeting. It is under the control of the Finance Committee which may authorize transfers for extraordinary or unforeseen expenditures. The fund may be composed of an appropriation of not more than 5% of the tax levy for the preceding year.

REVOLVING FUND – A fund established that receives the revenues connected with the programs supported by the fund. Expenditures may be expended without further appropriation up to the balance of the fund or to the total authorized maximum established by Town Meeting. An annual reauthorization by Town Meeting is required. Currently, Holden has the following revolving funds: Recreation, Before/After Schools, Cable TV, and Inspections.

STABILIZATION FUND – A special account created to provide a reserve for municipal expenditures. A 2/3rds vote by Town Meeting is required to expend these funds. Currently, Holden has stabilization funds set up for General Purposes, Water/Sewer, Open Space and Fire Vehicles.

2021 TOWN MEETING HANDBOOK AND FINANCE COMMITTEE REPORT